PIXIE GROUP

ANNUAL REPORT FY2015

PREPARED FOR THE SPEED AHEAD


PIXIE GROUP
STRIVES TO CONTINUOUSLY
DELIVER THE HIGH STANDARD OF SERVICE

PREPARED FOR THE SPEED AHEAD

Many upcoming projects are in the pipeline for Pixie Group. We are suited up for the excitement ahead.

The Ark, Pixie Group's new food and beverages outlet will be open for business in the year 2016. In addition to provide premium dinning experience, Pixie Group will be extending our club management expertise for a prestige brand's new clubs expansion in Asia.

We invite you to join us in this new wave of entertainment and luxury.

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CORPORATE PROFILE

Pixie Group Limited ("Pixie"), a company incorporated and headquartered in Singapore, was listed via a Reverse Takeover ("RTO") on the Australian Securities Exchange ("ASX") and commenced trading on 21 December 2015 (ASX: PEG). Pixie group is a lifestyle entertainment and food and beverage (F&B) group focusing on delivering premium lifestyle experience to its customers by striving to deliver exceptional service and a diverse offering.

The Pixie group business is founded by Dato' Hoo Voon Him, Mr Tin Yu Jiann and in the memory of late Mr Kwek Kon Chun, each with experience in managing nightlife and clubbing outlets in Singapore and Malaysia, premise on the opportunity to create a personal, unique and eternal experience in the area of entertainment and lifestyle.

Pixie group operates two lifestyle outlets in Kuala Lumpur, Malaysia under the brand names:

(i) Pixie Mansion @ Chandelier
(ii) Pixie Luxe

Each of the lifestyle outlets has its own unique lifestyle concept to capture two very different target customer groups. Both outlets are operated at night to cater for social gatherings, after-work activities and private functions.

Having a strong vision to provide its customers with a personalized and unique experience through its exceptional service offerings, Pixie group strives to be a market leader in both the entertainment and F&B sectors in Malaysia, with a planned expansion into other parts of the region.

The Mammoth Collaborative, a new business venture of the Pixie group, is responsible for all show/ event technical productions and promotions. The Mammoth Collaborative's strengths lie in the ability to conceptualize and deliver an event. With staff from the world-tour industry, The Mammoth Collaborative has plans to go regional. Partnering with many of the top-level artist agencies, The Mammoth Collaborative strives to provide world-class performances to its target audience.

EXECUTIVE CHAIRMAN'S STATEMENT

Pixie Group Limited is committed to consistently be vigilant and on the lookout for successful business opportunity and profitable operating landscape on the overall business environment.

On behalf of the Board of Directors, I am pleased to present the Annual Report of Pixie Group Limited ("PGL" or the "Group") for the financial year ended 31 December 2015.

2015 was a year of new achievements for PGL. On 21 December 2015, PGL recommence trading on Australian Securities Exchange following the completion of the reverse takeover exercise and capital raising of AUD4,223,089 before costs ("RTO"). The capital raising marked a historical moment in time for PGL. The successful RTO had brought our corporate transformation to a new milestone.

For the financial year ended 31 December 2015 ("FY 2015"), PGL announced S$9.53 million loss after tax. This is mainly attributable to the effects from the RTO where the Group recognised a loss of S$6.04 million as a result from the sale of Zingmobile business and an excess consideration over net assets of Zingmobile under reverse acquisition accounting amounting S$1.69 million. Consequently, the Group incurred indirect transaction costs of S$0.80 million from the RTO exercise.

Given the challenging operating environment in FY 2015, Pixie Mansion was relocated to a new location in Seputeh, Kuala Lumpur, Malaysia which, in the Board's view, will benefit the Group in the longer term due to savings on rental, improved location, enhancement of the interior and ambience of the outlet. We have and will continuously adopt various new concepts to cater to a wide range of lifestyles and preference of a more sophisticated customer base including VIPs.

The outlook of the entertainment and lifestyle sector continues to be challenging. Keeping this in mind and as is the current practice, we will continue to be extra cautious in managing our operating costs. Our outlets will also continue to adopt strong internal control policies and a hands-on approach in ensuring a high standard of service. We will constantly review and improve our policies, processes, controls and reporting systems to ensure compliance with regulatory requirements, as well as to prevent unwanted and unnecessary operational losses.

Going forward, the Group will continue its expansion plans. We foresee tapping into the premium food and beverage ("F&B") business to strengthen the Group's operating performance. To ensure the success of our future plans, we will put in place certain due diligence and risk management steps to ensure that our new outlets fit to our overall business strategy.

> We strive to continuously deliver the high standard of service for which we are known and to focus on keeping abreast with the latest trends and developments in the entertainment and F&B business.

The management of PGL will also invest great efforts in retaining high-performing staff and providing on-the-job training to better ensure that high quality performance and customer service is delivered across all of our outlets.

In conclusion, I would like to take this opportunity to thank the Board, management team and staff for their indispensable contribution and commitment. I would also like to express my gratitude to all our customers for their loyalty and support, and our invaluable shareholders for their understanding and patience.
We look forward to a rewarding 2016.

Hoo Voon Him
Executive Chairman

BOARD OF DIRECTORS

Mr Hoo Voon Him
Executive Chairman and Executive Director

Mr Hoo Voon Him co-founded Pixie Group together with Mr Tin Yu Jiann and the late Mr Kwek Kon Chun. Mr Hoo has more than six years of experience in managing nightlife and clubbing outlets throughout Asia. He is currently the Executive Chairman of V Capital Sdn Bhd, a corporate advisory services firm based in Malaysia. Mr Hoo holds a Postgraduate Certificate in law in the specialisation of Banking and Finance Law from the University of London.

Mr Tin Yu Jiann
Executive Director and Chief Executive Officer

Mr Tin Yu Jiann co-founded Pixie Group together with Mr Hoo Voon Him and the late Mr Kwek Kon Chun. He is also the Founder and Managing Director of Neverland Group. Mr Tin has more than six years of experience in managing nightlife and clubbing outlets in Singapore and Malaysia where he was responsible for overseeing the entire operations, providing strategic direction and business development advice to Neverland Group. He is currently the strategic partner to St. James Power Station, a nightclub and entertainment group in Singapore. He is also the member of Singapore Nightlife Business Association. Mr Tin holds a Bachelor of Business (Business Administration) from Royal Melbourne Institute of Technology, Australia.

Mr Tan Zhi Xiong, Ian
Non-Executive Director

Mr Tan Zhi Xiong, Ian has close to 10 years of experience in banking industry as a Forex Trader in New York, United States of America and Singapore. Mr Tan holds a Bachelor of Science majoring in Biochemistry and Microbiology and a Masters of Commerce majoring in accounting and finance both from the University of Sydney.

Ms Lay Chin Moey
Non-Executive Director

Ms Lay Chin Moey was previously with Kelly Services (M) Sdn Bhd ("Kelly") in Malaysia for seven years. Kelly is a Fortune 500 company headquartered in Troy, Michigan, USA offering human resource solutions including talent management, recruitment and outsourcing and consulting services. She obtained a Certificate in Business Administration from Stamford College, Malaysia and attended training by Society for Human Resources Management.

MANAGEMENT TEAM

Mr Choy Wai Hong
Regional Group Manager

Mr Choy Wai Hong Wai Hong is responsible for the regional business expansion of Pixie Group. He has more than 20 years of experience in F&B and academic sectors. He has six years in senior management roles in Singapore clubs including Neverland Group, Lo & Behold Group and Zouk Clubs Group. He brings with him vast experience in the area of operations and corporate communication of nightlife and clubbing outlets. Mr Choy Wai Hong's in depth understanding of clubbing outlets' operation flows has helped to facilitate in evaluation, planning, execution, management of the Lifestyle Outlets. He is one of first few who facilitated Workforce Skills Qualification (WSQ) program and setting up Approved Training Organization (ATO), develop curriculum, and conduct training and assessment in the industry.

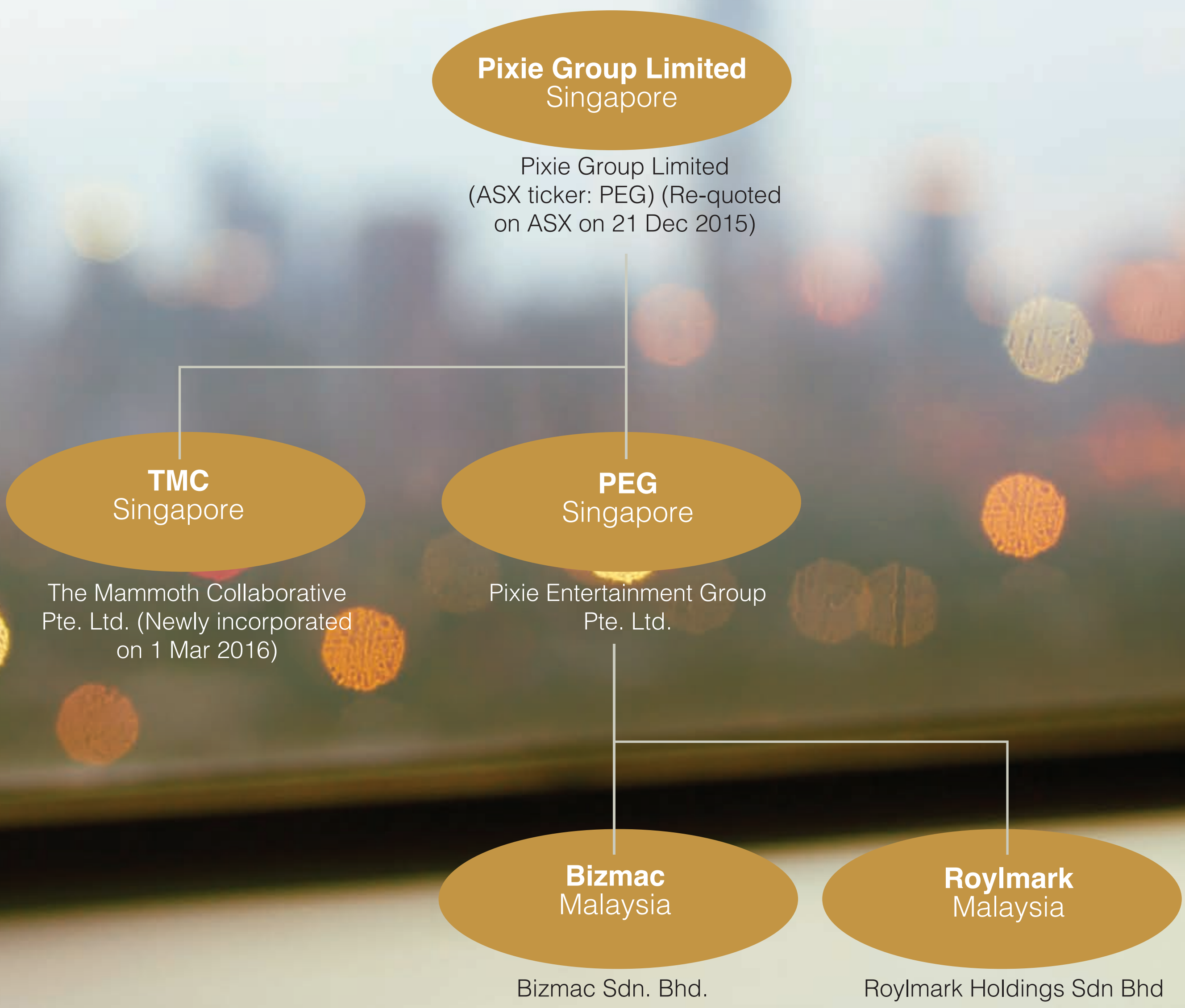
Mr Zhang Weiquan Jonathan
Head of Business Development and Communications

Mr Zhang Weiquan Jonathan started his career as an Associate where he rose to become Relationship Manager (Commodities) in Corporate Banking with Standard Chartered Bank. After a stint in Wealth Management with Citibank, he joined Pacific Radiance Ltd as Regional Business Development Manager for Americas overseeing the Brazil and Mexico offices as Administrator and Country Head. As Head of Business Development and Communications with Pixie Group, he brings onboard his international experience in relationship management and business development. He also oversees Communications for the group. As Director of The Mammoth Collaborative Pte Ltd, a wholly owned subsidiary of Pixie Group, he oversees the concert promotions and technical production teams in its efforts to become a regional player. Mr Zhang graduated from Monash University (Clayton) in Melbourne where he gained both a Bachelor of Commerce (Finance) and Bachelor of Arts (Communications).

Ms Yong Sze Wan Cheryl
Chief Financial Officer

Ms Yong Sze Wan Cheryl is responsible for the accounting and finance function of Pixie Group. Ms Yong has over 10 years of experience in audit and financial reporting. Prior to joining Pixie, she worked in companies listed on the Singapore Exchange and held various audit positions in one of the Big Four public accounting firms in Singapore. Ms Yong holds a Bachelor of Commerce from the University of Queensland, Australia and is a member of CPA Australia.

GROUP **STRUCTURE**



CORPORATE **INFORMATION**

Status as of 22 March 2016

Board of Directors

Hoo Voon Him	*Executive Director and Executive Chairman*
Tin Yu Jiann	*Executive Director and Chief Executive Officer*
Tan Zhi Xiong, Ian	*Non-Executive Director*
Lay Chin Moey	*Non-Executive Director*

Remuneration and Nomination Committee
Tan Zhi Xiong, Ian (Chairman)
Hoo Voon Him
Tin Yu Jiann

Audit and Risk Management Committee
Tan Zhi Xiong, Ian (Chairman)
Hoo Voon Him
Tin Yu Jiann

Company Secretary
Ms Foo Soon Soo

Registered Office in Australia
Link Market Services
Level 12, 680 George Street
Sydney NSW 2000
Australia

Registered Office in Singapore
545 Orchard Road #15-07
Far East Shopping Centre
Singapore 238882

Share Registry
Boardroom Pty Ltd
Level 12, 225 George Street
Sydney NSW 2000
Australia

Auditors
One Assurance LLP
Public Accountants and Chartered
Accountants of Singapore
20 Maxwell Road #07-08
Maxwell House
Singapore 069113

Partner-in-charge: Ngan See Juan
(First appointed for the financial year
ended 31 December 2014)

CORPORATE GOVERNANCE

Corporate Governance

The Board of Directors (**Board**) of Pixie Group Limited (**Company**) are responsible for the overall corporate governance of the Company. The Board endorses the Third Edition of the Australian Securities Exchange (ASX) Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and has adopted corporate governance charters and policies reflecting these ASX Principles to the extent appropriate, having regard to the size, circumstances and stage of development of the Company. The Company is committed to ensuring that its corporate governance systems are consistent with statutory requirements and to maintaining the Company's focus on transparency, responsibility and accountability. This Corporate Governance Statement and all governance materials referred hereto are available on the website of the Company *www.pixie-group.co* under Investor – Corporate Governance.

The Corporate Governance Statement is current as at 13 June 2016 and was approved by the Board.

1. The Board of Directors

1.1 Role of the Board

The Board has adopted a Charter which sets out the principles for the operation of the Board of the Company and describes the functions and responsibilities of the Board.

The Board considers that independent decision-making is critical to effective governance. Independent directors are those who have the ability to exercise their duties unfettered by any business or other relationships and are willing to express an objective opinion. The independence of Non-Executive Directors is assessed annually by the Board against the definition outlined in the Board Charter. It is the approach and attitude of each Non-Executive Director which is critical to determining independence and this must be considered in relation to each director while taking into account the following relevant factors which the Board has adopted as the criteria for "independence" which broadly correspond with the recommendations of the ASX Principles and Recommendations:

An **"independent" director** is a non-executive director who:

(a) Is not a substantial shareholder (that is, holds 5% or more of the issued shares of the Company) of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;

(b) Within the last three years has not been employed in an executive capacity by the Company or a group company, or been a director after ceasing to hold any such employment;

(c) Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or a group company, or an employee materially associated with the service provided;

(d) Is not a material supplier or customer of the Company or a group company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

(e) Has no material contractual relationship with the Company or a group company other than as a director of the Company;

(f) Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;

(g) Is free from any interest and any business or other relationship which could, or could reasonably perceived to, materially interfere with the director's ability to act in the best interest of the Company.

Family ties and cross-directorships may also be relevant on considering interest and relationships which may compromise independence.

In addition, the Company recognises that it is important that the Chairman has a defined role in the organisation and operates in accordance with clear functional lines.

Specific duties of the Chairman

The Chairman will:

(a) Chair board meetings;

(b) Establish the agenda for Board meetings, in consultation with the executive directors and the company secretary;

(c) Chair meetings of shareholders, including the Annual General Meeting of the Company;

(d) Be the primary spokesperson for the Company at the Annual General Meeting;

(e) Represent the views of the Board to shareholders, the general public, governmental authorities, regulators and other stakeholders; and

(f) Develop and maintain key strategic relationships.

The Board is accountable to shareholders for the performance of the Company. The Board must at all times, act honestly, fairly and diligently in all respects in accordance with the law applicable to the Company and must act in the best interests of the shareholders of the Company and other stakeholders.

The Board Charter, together with the charters adopted by the Board for the Committees established by the Board, have been prepared and adopted on the basis that corporate governance and good governance procedures can add to the performance of the Company and the creation of shareholder value and endeavour to engender the confidence of the investment market.

1.2 Responsibilities of the Board

The Board is responsible for the management of the affairs of the Company, including:

- Evaluating, approving and monitoring the strategic and financial plans and objectives of the Company.

- Evaluating, approving and monitoring the annual budgets and business plans.

- Determining the Company's dividend policy, the operation of the Company's dividend re-investment plan and the amount and timing of all dividends.

- Approving all accounting policies, financial reports and material reporting and external communications by the Company.

- Ensuring that effective audit, risk management and regulatory compliance programmes are in place to protect the Company's assets and shareholder value.

- Evaluating, approving and monitoring major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company.

- Appointing, monitoring and managing the performance of executive directors and senior executives.

- Monitoring the Company's operations in relation to, and compliance with, relevant regulatory and legal requirements.

- Supervising the disclosure of all matters that the law and the ASX Listing Rules require to be publicly disclosed, consistent with the Continuous Disclosure Policy approved by the Board and

- Reviewing the Board's own and each additional committee's performance.

Under the Board Charter, directors of the Company are, subject to informing the Chairman, entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

The Board has also established additional Committees to assist in carrying out their responsibilities. These committees act by examining various issues and making recommendations to the Board. The committees established are:

- The Audit and Risk Management Committee, which is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures; and

- The Remuneration and Nomination Committee which is responsible for overseeing the remuneration and human resources policies and practices of the Company, advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual directors and senior executives.

To assist the Board in carrying out the above duties, the Committees may:

(a) Retain outside counsel, accountants or others to advise the Board or assist in the conduct of an investigation;

(b) Seek any information it requires from employees (all of whom are directed to cooperate with the Board's requests) or external parties; and

(c) Meet with the Company's officers, external auditors or outside counsel, as necessary.

Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.

The Board has adopted a set of internal controls, which sets out the authority and approval limits for capital and operating expenditure limits.

The Board will meet not less than 4 times formally per annum and as frequently as may otherwise be required to deal with urgent matters.

Management will usually be responsible for implementing the strategic objectives set by the Board and for all aspects for the day to day running of the business of the Company.

Four Board meetings, three Audit and Risk Management Committee Meetings and one Remuneration and Nomination Committee meeting were held for the year ended 31 December 2015. A record of the Board members' attendance at the aforesaid Board, Audit & Risk Management Committee and Remuneration and Nomination Committee meetings held during the financial year ended 31 December 2015 is set out below:

Name		Board		Audit and Risk Management Committee		Remuneration and Nomination Committee	
		No. of Meetings		No. of Meetings		No. of Meetings	
		Held		Held	Attendee	Held	Attendee
Teo Siew Kiet	#	3	3	n/a	n/a	n/a	n/a
Khoo Phaik Ean Patricia	#	3	3	2	2	-	-
Hoo Voon Him		1	1	1	1	1	1
Tin Yu Jiann		1	1	1	1	1	1
Tan Zhi Xiong Ian		1	1	1	1	1	1
Lay Chin Moey		1	1	n/a	n/a	n/a	n/a
Chen Shensean	*	-	-	-	-	-	-

* *Date of resignation - 29 January 2016, # Date of resignation - 16 December 2015*

Given the size and scale of operations of the Company at this stage, the Company only has informal performance review processes in place for the Board, Committees, individual directors and senior executives. During the year under review, following the acquisition of the business of Pixie Group Limited, given that the new Board and senior executives not been in place for a period of time long enough to substantiate a performance review, the Board did not to conduct a performance review process of the current Directors and senior executives. It is the intention of the Company to implement a formal performance review processes for the Directors and senior executives in future years as the scale of operations grows.

1.3 Structure of the Board

The Board, with the recommendation of the Remuneration and Nomination Committee, determines the size and composition of the Board subject to the terms of the Memorandum and Articles of Association of the Company. The continued tenure of each individual director is subject to re-election from time to time, in accordance with the Memorandum and Articles of Association.

During the reporting period, there were a number of changes to the Board. The following table outlines the Directors of the Company during the reporting period and as at the date of this statement, including their period of office, non-executive and independence status.

Name	Appointment date	Cessation date	Non-executive status	Independence status
Teo Siew Kiet	04 January 2007	16 December 2015	✘ [1]	✘
Khoo Phaik Ean Patricia	25 June 2013	16 December 2015	✔	✔
Ng Hock Aik	25 June 2013	31 October 2014	✔	✔
Hoo Voon Him	16 December 2015	-	✘ [2]	✘
Tin Yu Jiann	16 December 2015	-	✘ [3]	✘
Tan Zhi Xiong Ian	16 December 2015	-	✔	✔
Lay Chin Moey	16 December 2015	-	✔	✔
Shensean Chen	16 December 2015	29 January 2016	✔	✔

[1] Teo Siew Kiet was the Executive Chairman [2] Hoo Voon Him is the Executive Chairman [3] Tin Yu Jiann is the Chief Executive Officer

While Mr Tan currently holds slightly over 5% of the issued shares in the Company (5.5%), nevertheless, the Board considers him to be an independent director, given that he is a non-executive director and is not involved in the day-to-day operations of the Company. Further, the Board believes that it is the ability of all incumbent directors to bring an independent judgement in Board deliberations that is more important to determine independence.

As such, the Board currently has four directors, i.e. two executive directors and two independent non-executive directors. Consequently, half, not majority, of the Board is not independent, as suggested by the Recommendations. The directors consider the size of the Board to be appropriate, given the scale of operations and stage of development of the Company. The Board's Chairman Mr Hoo is an executive director of the Company. The Board considers it appropriate for Mr Hoo to be the Chairman of the Company given his extensive experience in the area in which the Company now operates.

The qualifications, experience and tenure of the Directors are set out in the 2015 Directors' Report on page 7.

The Board's current skills matrix includes expertise and experience in the entertainment and hospitality industry, mergers and acquisition, corporate development, senior executive leadership and experience and corporate affairs and community relations

The minimum number of Directors under Singapore law is one Singapore resident director, and under the Articles of Association, the maximum is to be determined by the Directors from time to time, but until otherwise determined, is ten.

Directors must retire from office or seek re-election by no later than the third Annual General Meeting following their appointment or election, or three years, whichever is longer.

The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next Annual General Meeting, at which time they will also be eligible for re-election.

Under the Articles of Association and subject to the Companies Act, Directors may be removed and appointed by an ordinary resolution of Shareholders in general meeting.

The Company has entered into written agreements with the Directors and senior executives in order to explain their role and expectations.

To achieve continuing improvement in Board performance and to enhance the skills of Board members, all Directors have access to ongoing education and professional development

In relation to the appointment of future directors, at the commencement of the Director selection process, the Company will undertake appropriate checks on potential candidates to consider their suitability to fill a casual vacancy on the Board or for election as a Director.

Prior to their appointment, directors are expected to provide the Chairman with details of other commitments and an indication of time involved, and to acknowledge that they will have adequate time to fulfil their responsibilities as a Non-executive Director of the Company.

Directors available for re-election at a general meeting will be reviewed by the Remuneration & Nomination Committee and recommended to the Board. Shareholders will be provided with all material information for a Director's election in the Notice of Meeting that would be relevant for shareholders to make a decision on whether or not to elect or re-elect a Director, such as the Director's qualifications, experience and contribution to the Board and a statement by the Board as to whether it supports the election.

2. Audit and Risk Management Committee

As disclosed above, the Board has established an Audit and Risk Management Committee which currently comprises of three directors – Mr Tan (Chairman of the Committee), Mr Hoo and Mr Tin. As such, the Company does not wholly comply with ASX Principles 4.1 and 7.1 which recommend that the Committee comprise of at least three members, all of whom are non—executive, a majority of whom are independent and is chaired by an independent director. However given the size of the Company and the stage of its development, the Board considers the Committee to be of sufficient size and independence to perform its functions effectively. All Audit & Risk Management Committee members consider themselves to be financially literate and have industry knowledge. Further, Mr Tan has a Masters degree in Commerce majoring in Accounting and Finance from the University of Sydney,

The Committee Charter sets out the responsibilities and functions of the Committee in detail.

(a) oversight for the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance, the audit process, and the Company's process for monitoring compliance with laws and regulations and the code of conduct; and

(b) implementing and supervising the Company's risk management framework.

(c) Review the financial statements for the half year and full year, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting policies and principles and provide a true and fair view of the Company's financial position and performance.

(d) Receive and consider in connection with the quarterly reports and the half year and full year financial statements, the CEO and CFO letters of representation to the Board in respect of financial reporting and the adequacy and effectiveness of its risk management, internal compliance and control systems and the process and evidence the CEO and CFO adopted to satisfy themselves.

(e) Review the financial sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.

(f) Review with management and the external auditors the results of the audit.

(g) Review the effectiveness of the Company's internal controls regarding all matters affecting the Company's financial performance and financial reporting, including information technology security and control.

(h) Review the scope of the external auditors' review of internal control, review reports on significant findings and recommendations, together with management's responses, and recommend changes from time to time as appropriate.

(i) Review the need for an internal audit department - due to the size of the Company currently, the Board has decided an internal audit department will not be an immediate requirement for the present but will ensure that the Company's internal control systems adequately safeguards the Company's assets, that the Company maintains proper accounting records, and that financial information is reliable and accurate.

(j) Review the external auditors' proposed audit scope and approach.

(k) Meet with the external auditors to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or auditors believe should be discussed.

(l) Establish policies as appropriate with regards to the independence of the external auditor.

(m) Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Company, including non-audit services, and discussing the relationships with the auditors.

(n) Review the performance of the external auditors, and consider the re-appointment and proposed fees of the external auditor and, if appropriate, conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external auditor will be put to the Board and then if a change is approved it will be put forward to shareholders for their approval.

(o) Consider the work plan for Company compliance activities.

(p) Obtain regular updates from management and legal counsel regarding compliance matters.

(q) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of relevant management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

(r) Review the findings of any examinations by regulatory agencies.

(s) Review the process for communicating the Code of Conduct to Company personnel, and for monitoring compliance with it.

The Board recognises that material risks facing the Company are the more significant areas of uncertainty or exposure to the Company that could adversely affect the achievement of the Company's objectives and successful implementation of its business strategies.

The material risks facing the Company are as follows:

- Brand value susceptible to changes in customer preferences;
- Relationship with landlords and suppliers;
- Competition;
- Reliance on key personnel;
- M&A, growth prospects and company expansion plans and funding
- Economic conditions, including increased costs;
- Risks associated with regulatory environments

The Board will consider these material risks as part of its periodic risk management review, on an as required basis upon advices from Audit & Risk Management Committee and/or Senior Management

The Board, through the Audit & Compliance Committee, proposes to conduct an annual review of the Company's risk management framework to satisfy itself that the risk management framework continues to be sound. Any insights that the Company gains from such reviews and any changes that the Company makes to its risk management framework following such reviews will also be detailed in subsequent Corporate Governance Statements. The Board will also obtain necessary assurances from the Chief Executive Officer and Chief Financial Officer regarding the effectiveness of the Company's management of its material business risks.

The Company does not have material exposures to economic, environment and social sustainability risks. However, the Company will strive to conduct its business in ways that appropriately balance financial, social and environmental benefits.

3. Remuneration and Nomination Committee

As explained earlier, the Board has established a Remuneration and Nomination Committee which currently comprises of three directors – Mr Tan (Chairman of the Committee), Mr Hoo and Mr Tin. As such, the Company does not wholly comply with ASX Principles 2.1 and 8.1 which recommend that the Committee comprise of at least three members with majority of them being independent and is chaired by an independent director. However given the size of the Company and the stage of its development, the Board considers the Committee to be of sufficient size and independence to perform its functions effectively.

The Committee Charter sets out the responsibilities and functions of the Committee in detail.

Remuneration Responsibilities

(a) The directors and senior management of the Company are remunerated fairly and appropriately;

(b) The remuneration policies and outcomes of the Company strike an appropriate balance between the interests of the Company's shareholders, and rewarding and motivating the executives and employees in order to secure the long term benefits of their energy and loyalty;

(c) The human resources policies and practices are consistent with and complementary to the strategic direction and objectives of the Company as determined by the Board;

(d) There is a periodic review of the composition of the Board's and its committees;

(e) There is a periodic review of the performance of the Board, the Chairman and the individual executive and non-executive directors; and

(f) Adequate succession plans are recommended for the Board's consideration

(g) The general remuneration strategy of the Company, so that it motivates the executives and employees to pursue the long term growth and success of the Company and establishes a fair and transparent relationship between individual performance and remuneration;.

(h) The terms of remuneration of the executive directors and other senior management of the Company including the criteria for assessing performance;

(i) The outcomes of remuneration reviews for executives collectively, and the individual reviews for the executive directors, and other senior management of the Company;

(j) Remuneration reviews for non-executive directors of the Company;

(k) Changes in remuneration policy and practices, including superannuation and other benefits;

(l) Employee equity plans and allocations under those plans; and

(m) The disclosure of remuneration policies of the Company.

(n) Review and determine executive remuneration including, but not limited to, pension rights and remuneration payments.

(o) Consider whether to seek shareholder approval of the executive remuneration and oversee the implementation of executive remuneration within the Company.

(p) Consider and determine specific remuneration for the executive directors (including base pay, incentive payments, equity awards and service contracts), determine whether any shareholder approvals are required and ensure that any equity-based executive remuneration is made in accordance with shareholder approvals.

(q) Review and determine the remuneration (including incentive awards, equity awards and service contracts) for senior management of the Company.

(r) Review and determine the design of all equity based plans.

(s) Keep all plans under review with regard to legislative, regulatory and market developments.

(t) For each such plan, determine annually whether awards will be made under that plan.

(u) The human resources policies and practices are consistent with and complementary to the strategic direction and objectives of the Company as determined by the Board;

(v) There is a periodic review of the composition of the Board and its committees;

(w) Review and determine aggregate and individual awards under each plan.

(x) Review and regulate the administration and allocation of individual interests in awards which are held in a trust or similar structure.

(y) Review, determine and administer performance hurdles for each based plan.

(z) Review and establish the level of remuneration, including pension or retirement plans, for non-executive directors. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type.

(aa) Determine if an increase in the amount of remuneration for non- executive directors' remuneration is required and seek shareholders' approval accordingly.

(ab) Request Management or external consultants to provide necessary information upon which the Board may make its determination.

(ac) Any change to the remuneration or contract terms of the executive directors and any senior management of the Company;

(ad) The design of any new equity or share plan or executive incentive or option plan, or the amendment of any existing equity or share plan or executive incentive or option plan;

(ae) The total level of award proposed from equity or share plans or executive incentive or option plans; and

(af) Any termination payment to the executive directors and any other senior management of the Company. A termination payment to any other departing executive must be noted by the Board at its next meeting.

Nomination Responsibilities

In relation to its nomination function, the Committee is responsible for:

(a) Critically reviewing the performance and effectiveness of the Board and its individual members;

(b) Establishing criteria for Board membership;

(c) Reviewing the size and composition of the Board;

(d) Periodically assessing the skills required to discharge the Board's duties, having regard to the strategic direction of the Company;

(e) Propose candidates for directorships having regard to the desired composition as stated in the Board Charter;

(f) Inform the Board of the names of directors who are retiring in accordance with the provisions of the Company's Memorandum and Articles of Association and considering whether the Board should support the renomination of that retiring director. In order to determine as such, the Committee will review the retiring director's performance during the period in which the director has been a member of the Board;

(g) Establish and facilitate an induction program for new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board;

(h) Identify any specific responsibilities of individual Board members, including the Chairman;

(i) review succession planning for the executive directors and other senior management (if any) of the Company; and

(j) review the membership and performance of other Board committees.

The Company's policy is to remunerate Non-Executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by shareholders. There are no termination or retirement benefits for Non-Executive Directors other than for superannuation entitlements.

Executive Directors and Senior Executives are given the opportunity to receive their base remuneration in a variety of forms, including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient whilst controlling costs for the Company. To assist in achieving these objectives, the Remuneration and Nomination Committee links the nature and amount of the Executives' remuneration to the Company's financial and operational performance.

In addition, the Company may consider the following remuneration incentive plans:

- incentive plans – established by the Directors enable executives and key employees to earn bonus payments as rewards for the achievement of business performance and growth targets. The incentive plans assist in motivating, retaining and recruiting skilled and talented people; and

- short term plans (annual) –, Senior Executives and key employees participate in a performance-based annual incentive plan approved by the Board whereby they can earn annual bonuses based on the achievement of operational targets during a financial year. Operational targets include achievement of specified results by individual employees within their areas of responsibility, coupled with overall business results.

The Company currently does not have a share plan in place for the benefit of employees. The Board may consider the introduction of an employee plan at some time in the future.

Senior Executive remuneration is reviewed annually by the Board.

Directors and Senior Executives are not permitted to enter into transactions with securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration scheme which may be offered by the Company at any time in the future.

4. Continuous Disclosure Obligations

The Company has adopted a Continuous Disclosure Policy (Policy) to ensure that it complies with its disclosure obligations under the Listing Rules of the ASX. This Policy is available on the website of the Company.

Although the Policy relates to disclosure to ASX, the information which is material to the Company could arise in any country where the Company conducts business.

The main ASX disclosure requirement is set out in ASX Listing Rule 3.1, which requires the Company to immediately notify ASX of information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Materially price sensitive information must be immediately notified to ASX unless it falls within the scope and meets all of the exceptions contained in ASX Listing Rule 3.1A.

The Company Secretary plays an important role in the Company's disclosure compliance programme. The Company Secretary will be the person principally responsible for overseeing and maintaining the Continuous Disclosure Policy. The Company Secretary is the liaison between the Company's Reporting Officers, its Board of Directors and the ASX. The Company Secretary is also responsible for co-ordinating education within the Company about its disclosure obligations.

The Policy also sets out other principles that the Company will apply in relation to disclosure of material information, including that the company:

- Will not provide analysts or other select groups of market participants any material price sensitive information at any time before it is disclosed to ASX.

- Will not generally respond to market rumours and speculation, except where the rumours or speculation indicate that the subject matter is no longer confidential and therefore the exception to disclosure set out in the ASX Listing Rules no longer applies

- Will only allow the Chairman or another person expressly authorised in writing by the Board to speak publicly on behalf of the Company.

The Company will also ensure that all announcements are made in a timely manner, are factual, do not omit any material information and are expressed in a clear and objective manner.

5. Share Trading Policy

The Company has adopted a Share Trading Policy (Policy) for the purposes of:

(a) Ensuring the Company meets the principles and recommendations established by the Australian Securities Exchange (ASX) Corporate Governance Council;

(b) Maintaining investor confidence in the integrity of the Company's internal controls and procedures; and

(c) Providing guidance on avoiding any breach of the insider trading laws.

The Policy applies to:

(a) All executive and non-executive directors, officers, employees, consultants, advisors and contractors (collectively, Employees) of the Company and its subsidiaries.

(b) All shares, options, debentures, bonds, notes and other traded securities in the Company (Securities) in which an Employee has either a direct or indirect interest (for example, under a trust or which are held by a company that the Employee controls)

Under the Policy, Employees of the Company and its subsidiaries are prohibited from trading in the Company's securities for a period of four weeks immediately prior to, and on the day of, the public release by the Company to ASX of each of the following:

(a) Preliminary full year results;

(b) Its Annual Report;

(c) Half year results; or

(d) A disclosure document (e.g. prospectus).

An employee who is in possession of price-sensitive information, which is not generally available to the market, must not deal in the Company's securities at any time.

6. Code of Conduct

The Company has adopted a Code of Conduct (Code) which applies to all executive and non-executive directors, officers, employees, consultants and contractors (collectively, Employees) of Pixie Group Limited and its subsidiaries (together Group).

The objectives of this Code are to ensure that:

(a) High standards of corporate and individual behaviour are observed by all Employees in the context of their employment with the Group;

(b) Employees are aware of their responsibilities to the Group under their contract of employment and always act in an ethical and professional manner; and

(c) All persons dealing with the Group, whether it be Employees, shareholders, suppliers, customers or competitors, can be guided by the stated values and practices of the Group.

7. Shareholder Communications

The Board is committed to communicating with shareholders regularly and clearly. The Company welcomes questions from shareholders and these will be answered within the confines of information that is already in the public domain and is not market sensitive.

The Company's corporate website contains an overview of the Company's profile and business. The following Company and governance information is available on the website:

- **Company profile;**
- **Board and Management profiles;**
- **ASX announcements;**
- **Annual Reports;**
- **Board and Committee Charters and Policies;**
- **Key dates; and**
- **Share price information.**

The Company will hold its AGM in on 28 June 2016 and the Chairman, Chief Executive Officer and Company Secretary will engage with shareholders in advance of the AGM, as appropriate.

The Company's auditor will attend its AGM and will be available to answer any questions regarding the conduct of and any issues arising from the audit or the preparation and content of the auditor's report.

Should shareholders wish to contact the Company, the contact details of the Company and its Share Registry are available on the Company's website.

The Company recognises the importance of its relationships with investors and analysts. The Chief Executive Officer is the primary contact for communicating with the investment community. Further details are contained in the Continuous Disclosure and Shareholder Communications Policy.

To encourage shareholder engagement and participation at the AGM, shareholders have the opportunity to attend the AGM, ask questions on the floor, participate in voting and meet the Board and Management in person.

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the Notice of Meeting. Shareholders have the opportunity to submit written questions to the Company and external auditor, or make comments on the management of the Company and access AGM presentations and speeches (if any) made by the Chairman and Chief Executive Officer prior to the commencement of the meeting. The Company will publish results of the meeting to the ASX and on its website following the conclusion of the AGM.

Shareholders have the option of receiving all shareholder communications (including notification that the Annual Report is available to view Notices of Meeting) by email.

8. Diversity Policy

Given the size and scale of operations of the Company, the Board has decided not to adopt a Diversity Policy at this stage. Accordingly, no measureable objectives have been set for achieving gender diversity.

As at the end of the reporting period, the percentage of women employees in the whole organisation, senior management and the Board are as follows:

Whole organisation:	Senior Management *:	Pixie Group Limited Board:
40%	50%	50%

* *Senior management includes all executives reporting directly to the CEO & Executive Director.*

9. Company Secretary

Each Director has access to the Company Secretary who is responsible to the Board through the Chairman on all matters relating to governance and the conduct and functions of the Board and Committees.

FINANCIAL STATEMENT

Directors' Statement

For the financial year ended 31 December 2015

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the balance sheet of the Company as at 31 December 2015.

In the opinion of the directors,

(a) The balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 34 to 72 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 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statement; 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 report are as follows:

Hoo Voon Him (appointed on 16 December 2015)
Lay Chin Moey (appointed on 16 December 2015)
Tan Zhi Xiong Ian (appointed on 16 December 2015)
Tin Yu Jiann (appointed on 16 December 2015)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose 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.

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		Holdings in which a director is deemed to have an interest	
Company (No. of ordinary shares)	At 31.12.2015	At 1.1.2015	At 31.12.2015	At 1.1.2015
Hoo Voon Him	41,200,000	-	59,900,000	-
Lay Chin Moey	24,000,000	-	-	-
Tan Zhi Xiong, Ian	37,500,000	-	-	-
Tin Yu Jiann	34,100,000	-	-	-

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements in this report, and except for the executive director who has employment relationship with the related corporations, and has received remuneration in that capacity.

Share options

No options granted during the financial year to subscribe for unissued shares of the Company.

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

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

Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") of the Company is chaired by Mr Tan Zhi Xiong, Ian a non - executive director. The ARMC Committee has met several times in the financial year ended 31 December 2015 and has reviewed the following, where relevant, with the Executive Director and external auditors of the Company:-

- The Group's financial and operating results and accounting policies;
- The balance sheet of the Company, the consolidated financial statements of the Group for the financial year ended 31 December 2015 and external auditor's report before their submission to the Board of Directors of the Company;
- The half-yearly and annual announcements as well as the related Chairman's statement released to Australia Securities Exchange (ASX) on the results and financial position of the Group;
- The co-operation and assistance given by the management to the Group's external auditors;
- The external auditors' report on findings and recommendations in respect of internal financial control arising from its audit;
- The re-appointment of the external auditors of the Group; and
- The ARMC had full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite the Executive Director and any Executive Officers to attend its meetings. The external auditors have unrestricted access to the ARMC.

The ARMC has recommended to the Board that the independent auditor, One Assurance LLP, Public Accountantsand Chartered Accountants of Singapore,be nominated for re-appointment asexternal auditors of the Company at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, One Assurance LLP, has expressed its willingness to accept reappointment.On behalf of the directors

Hoo Voon Him
Director

Tin Yu Jiann
Director

29 March 2016

Independent Auditor's Report To The Members Of Pixie Group Limited

Report On The Financial Statements

We have audited the accompanying financial statements of PIXIE GROUP LIMITED (the "Company") and its subsidiaries (the "Group") set out on pages 31 to 72, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

One Assurance LLP
Public Accountants and
Chartered Accountants of Singapore

Singapore, 29 March 2016

Consolidated Statement Of Comprehensive Income

For the financial year ended 31 December 2015

	Note	2015 $	2014 $
Revenue	4	**19,822,507**	15,134,291
Cost of sales	7	**(12,136,813)**	(6,954,284)
Gross profit		**7,685,694**	8,180,007
Other income	5	**159,696**	142,775
Other gains - net	6	**153,338**	186,598
Expenses			
- Distribution and marketing	7	**(1,071,521)**	(445,292)
- Administrative	7	**(15,917,785)**	(7,262,987)
- Finance	9	**(380,478)**	(363,099)
(Loss)/ profit before income tax		**(9,371,056)**	438,002
Income tax expense	10	**(157,702)**	(276,576)
(Loss)/ profit after tax		**(9,528,758)**	161,426
Other comprehensive (loss)/ income:			
Currency translation differences arising from consolidation losses		**(300,529)**	(28,020)
Total comprehensive (loss)/ income		**(9,829,287)**	133,406
(Loss)/ profit attributable to:			
Equity holders of the Company		**(9,518,645)**	43,775
Non-controlling interests		**(10,113)**	117,651
		(9,528,758)	161,426
Total comprehensive (loss)/ income attributable to:			
Equity holders of the Company		**(9,819,174)**	15,755
Non-controlling interests		**(10,113)**	117,651
		(9,829,287)	133,406
Basic earnings per share ($ cents)			
- Basic and diluted	11	**(1.395)**	0.067

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

Consolidated Balance Sheet

As at 31 December 2015

	Note	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
ASSETS					
Current assets					
Cash and cash equivalents	12	**2,210,044**	1,689,149	**1,429,108**	735,457
Trade and other receivables	13	**850,388**	7,942,334	**520,473**	8,305
Amount due from subsidiaries	14	**-**	-	**1,188,915**	4,676,382
		3,060,432	9,631,483	**3,138,496**	5,420,144
Non-current assets					
Investment in subsidiaries	15	**-**	-	**30,210,000**	3,501,224
Plant and equipment	16	**299,787**	353,721	**-**	42,363
Intangible assets	17	**-**	2,100,942	**-**	-
Deferred income tax asset	18	**-**	67,291	**-**	-
		299,787	2,521,954	**30,210,000**	3,543,587
Total Assets		**3,360,219**	12,153,437	**33,348,496**	8,963,731
LIABILITIES					
Current liabilities					
Trade and other payables	19	**1,866,237**	4,585,066	**1,348,599**	2,125,928
Amount due to subsidiaries	20	**-**	-	**13,810**	44,741
Current income tax liabilities	10	**198,472**	825,129	**-**	-
Borrowings	21	**293,404**	65,953	**293,404**	-
		2,358,113	5,476,148	**1,655,813**	2,170,669
Non-current liabilities					
Borrowings	21	**-**	2,937,068	**-**	2,906,486
Deferred income tax liabilities	18	**1,315**	-	**-**	-
		1,315	2,937,068	**-**	2,906,486
Total liabilities		**2,359,428**	8,413,216	**1,655,813**	5,077,155
NET ASSETS		**1,000,791**	3,740,221	**31,692,683**	3,886,576
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	**39,634,301**	10,849,990	**46,734,798**	10,849,990
Other reserves		**(29,923,367)**	(1,391,324)	**-**	-
Accumulated losses	24	**(8,710,143)**	(6,216,230)	**(15,042,115)**	(6,963,414)
		1,000,791	3,242,436	**31,692,683**	3,886,576
Non-controlling interests		**-**	497,785	**-**	-
Total equity		**1,000,791**	3,740,221	**31,692,683**	3,886,576

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

Consolidated Statement Of Changes In Equity

For the financial year ended 31 December 2015

⟵ **Attributable to equity holders of the Company** ⟶

	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated losses $	Total $	Non-controlling interests $	Total Equity $
2015							
Beginning of financial year	**10,849,990**	**(545,831)**	**(845,493)**	**(6,216,230)**	**3,242,436**	**497,785**	**3,740,221**
Realignment of shares due to reverse takeover ("RTO")	**3,959,493**	**-**	**-**	**-**	**3,959,493**	**-**	**3,959,493**
Issue of shares through capital raising	**(10,849,990)** **4,252,650**	**-**	**-**	**-**	**4,252,650**	**-**	**4,252,650**
Issue of shares from conversion of borrowings	**2,816,596**	**-**	**-**	**-**	**2,816,596**	**-**	**2,816,596**
Realignment to effect the RTO	**(1,394,438)**	**-**	**-**	**-**	**(10,849,990)**	**-**	**(10,849,990)**
Issue of shares for acquisition of subsidiary	**30,000,000**	**-**	**-**	**-**	**30,000,000**	**-**	**30,000,000**
Effect of RTO	**-**	**885,423**	**(29,116,937)**	**7,024,732**	**(21,206,782)**	**(487,672)**	**(21,694,454)**
Share issue expenses		**-**	**-**	**-**	**(1,394,438)**	**-**	**1,394,438**
Total comprehensive losses for the year	**-**	**(300,529)**	**-**	**(9,518,645)**	**(9,819,174)**	**(10,113)**	**(9,829,287)**
End of financial year	**39,634,301**	**39,063**	**(29,962,430)**	**(8,710,143)**	**1,000,791**	**-**	**1,00,791**

⟵ **Attributable to equity holders of the Company** ⟶

	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated losses $	Total $	Non-controlling interests $	Total Equity $
2014							
Beginning of financial year	10,849,990	(517,811)	(845,493)	(6,260,005)	**3,226,681**	371,134	**3,597,815**
Acquisition of subsidiaries	-	-	-	-	**-**	9,000	**9,000**
Total comprehensive income for the year	-	(28,020)	-	43,775	**15,755**	117,651	**133,406**
End of financial year	**10,849,990**	**(545,831)**	**(845,493)**	**(6,216,230)**	**3,242,436**	**497,785**	**3,740,221**

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

Consolidated Statement Of Cash Flows

For the financial year ended 31 December 2015

	2015 $	2014 $
Cash flows from operating activities		
(Loss)/ profit after tax	**(9,528,758)**	161,426
Adjustments for:		
- Income tax expense	**157,702**	276,576
- Amortisation	**656,410**	296,607
- Depreciation	**116,250**	182,008
- Interest income	**(2,875)**	-
- Interest expense	**31,022**	363,099
- Reverse takeover expenses	**291,374**	-
- Loss on write off subsidiary	**56,115**	-
- Loss on disposal of Zingmobile business	**6,043,506**	-
- Impairment of goodwill arising from reverse takeover	**1,687,336**	-
- Loss on disposal of intangible assets	**-**	129,985
- Goodwill written off	**-**	73,563
	(491,918)	1,483,264
Change in working capital, net of effects from acquisition and disposal of subsidiary		
- Trade and other receivables	**(662,177)**	(4,324,520)
- Trade and other payables	**2,576,722**	1,671,904
Cash provided by/ (used in) operations	**1,422,627**	(1,169,352)
Interest received	**1,074**	-
Income tax paid	**(296,164)**	(58,409)
Net cash provided by/ (used in) operating activities	**1,127,537**	(1,227,761)
Cash flows from investing activities		
Additions to plant and equipment	**(283,432)**	(160,261)
(Purchase)/ disposal of intangible assets	**(1,704,633)**	1,677,358
(Acquisition)/ disposal of an associated company	**(92,531)**	15,419
Acquisition of subsidiaries	**56,366**	9,000
Net cash (used in)/ provided by investing activities	**(2,024,230)**	1,541,516
Cash flows from financing activities		
Proceeds from issuance of shares	**4,252,650**	-
Proceed from disposal of Zingmobile business	**10,000**	-
Reverse takeover expenses	**(461,770)**	-
Increase/ (decrease) in finance lease liabilities	**29,708**	(68,794)
Disposal of Zingmobile business	**(2,204,934)**	-
Proceeds from borrowings	**1,451,480**	1,461,486
Repayment of borrowings	**(1,285,625)**	(305,400)
Interest paid	**(77,597)**	(363,099)
Net cash provided by financing activities	**1,713,912**	724,193
Net increase in cash and cash equivalents	**817,219**	1,037,948
Cash and cash equivalents		
Beginning of financial year	**1,676,848**	666,920
Effects of currency translation on cash and cash equivalents	**(284,023)**	(28,020)
End of financial year	**2,210,044**	1,676,848

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

Notes To The Financial Statements

For the financial year ended 31 December 2015

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

1. General information

Pixie Group Limited (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 545 Orchard Road #15-07, Far East Shopping Centre, Singapore 238882.

The principal activities of the Company are the investment holding and provision of management service.

The principal activities of the subsidiaries are as disclosed in Note 33.

1.1 Reverse takeover exercise

On 1 December 2015, the Company, previously known as Zingmobile Group Limited acquired the entire issued capital of Pixie Entertainment Group Pte. Ltd. ("Pixie"), a private company incorporated in Singapore from Pixie's shareholders ("Pixie Vendor") via a reverse takeover exercise ("RTO"). The purchase consideration was satisfied by issuance of 500,000,000 new shares of Zingmobile Group Limited to Pixie Vendor. Upon the completion of the acquisition, Pixie Vendor obtained a majority share interest in the Group which comprised 88.4% of the Group share capital.

The Group now comprises of:-

(1) Pixie Entertainment Group Pte. Ltd.
(2) Bizmac Sdn. Bhd.
(3) Roylmark Holdings Sdn. Bhd.

The acquisition has been accounted as a RTO in accordance with FRS 103 Business Combinations. Accordingly, the consolidated statement of profit or loss and other comprehensive income, consolidated balance sheet, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2015 have been presented as a continuation of Pixie, the legal subsidiary (accounting acquirer).

Since such consolidated financial statements represent a continuation of Pixie:

(a) the assets and liabilities of Pixie are recognised and measured in the consolidated balance sheet at their pre-combination carrying amounts;

(b) the assets and liabilities of the Company, the legal parent (accounting acquire), are recognised and measured in accordance with FRS 103 using the acquisition accounting method;

(c) the retained earnings/ accumulated loss and other equity balances recognised in the consolidated financial statements are the retained earnings/ accumulated loss and other equity balances of Pixie immediately before the business combination; and

(d) the amount recognised as issued equity interest in the consolidated financial statements is determined by adding the issued equity of Pixie immediately before the business combination to the fair value of the Company. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the combination.

1. General information (continued)

1.1 Reverse takeover exercise (continued)

Consolidated financial statements prepared following a reverse takeover shall reflect the fair values of the assets, liabilities and contingent liabilities of the legal parent (i.e. the accounting acquiree for accounting purposes). Therefore, the cost of the business combination for the acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the legal parent that satisfy the recognition criteria at their fair values at 1 December 2015. Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. Therefore, in the Company's separate financial statements, the investment in the legal subsidiary Pixie is accounted for at cost less accumulated impairment losses, if any.

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations to 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 and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

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

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

(a) Sales of mobile content services

Revenue is recognised on delivery of mobile content to the end user consumers, relying on the measurement by each company's systems and when it is probable that economic benefits associated with the transaction will flow to the entity. An allowance is made for any future adjustments that could arise due to differences with carrier records. Adjustments are made when revenue amounts are agreed with carriers subsequently.

(b) Sales of food and beverages

Revenue from sales of goods is measured at the fair value of the consideration receivables and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(c) Rendering of service – Advertising income

Revenue from advertising income is recognised as and when the advertisements are placed in the media and when it is probable that economic benefits associated with the transaction will flow to the entity.

(d) Rendering of service – Management services income

Revenue is recognised when the service is rendered and it is probable that the economic benefits associated with the transaction will flow to the entity.

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

2.3 Government grants

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

Government grants receivables 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.

2.4 Group accounting

(a) *Subsidiaries*

(i) Consolidation

Subsidiaries 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. Subsidiaries 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 subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which 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, even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiaries (continued)*

(ii) Acquisitions

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

The consideration transferred for the acquisition of a subsidiary 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 the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

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 the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Reverse takeover

The acquisition of certain subsidiaries of the Group ("Acquiring Group") on 1 December 2015 has been accounted for as a reverse takeover and the Acquiring Group is considered the accounting acquirer for accounting purposes. Accordingly, the consolidated financial statements for the financial period then ended are those of the Acquiring Group's consolidated financial statements. Since such consolidated financial statements represent a continuation of the financial statements of the Acquiring Group:

(a) The assets and liabilities of the Acquiring Group are recognised and measured in the consolidated balance sheet of the Group at their pre-acquisition carrying amounts;

(b) The retained earnings/ accumulated loss and other equity balances recognised in the consolidated financial statements are the retained earnings/ accumulated loss and other equity balances of the Acquiring Group immediately before the business combination; and

(c) The amount recognised as issued equity instruments in the consolidated financial statements is determined by adding the issued equity of the Acquiring Group immediately before the business combination, less the costs of the reverse takeover. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflect the equity structure of the Company, the legal parent, including the equity instruments issued by the Company to reflect the reverse takeover.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the legal parent. Therefore, the cost of the reverse takeover for the acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the legal parent that satisfy the recognition criteria at their fair values as at 1 December 2015. The excess of the Acquiring Group's interest in the net fair value of those items over the cost of the reverse takeover is recognised in the profit or loss.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiaries (continued)*

(iv) Acquisitions from entities under Common Control

Business combinations that involve entities under common control are excluded from the scope of FRS 103. Such combinations are accounted at historical cost in a manner similar to the pooling-of-interest method, in the preparation of the consolidated financial statements. Under this method of accounting, the difference between the value of the share capital issued and the value of shares received is taken to the merger reserve.

(v) Disposal

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary 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.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transaction with equity owner 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 associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

(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, including any other unsecured non-current receivables, 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.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(c) *Associated companies (continued)*

(ii) Equity method of accounting (continued)

If the associated Company subsequently recorded report profit, the group will resume 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 have been 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 on partial disposal, is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

2.5 Plant and equipment

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computer and software	5 years
Furniture and fittings	5 years
Club and office equipment	5 years
Renovation	5 years

The residual values, estimated useful lives and depreciation method of plant and equipment 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.

2. Significant accounting policies (continued)

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and acquisition of associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(b) *Acquired computer software licences*

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use.

Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of five years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Borrowing costs

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

2.8 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provision are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase provision due to the passage of time is recognised as a finance cost.

2. Significant accounting policies (continued)

2.9 Investments in subsidiaries and associated company

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

2.10 Impairment of non-financial assets

(a) *Goodwill*

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

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

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

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

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

(b) *Intangible assets*
Plant and equipment
Investments in subsidiaries and associated company

Intangible assets, plant and equipment and investments in subsidiaries and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

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

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

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

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2. Significant accounting policies (continued)

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired.

Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(b) *Recognition and derecognition*

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

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

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(c) *Initial measurement*

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

(d) *Subsequent measurement*

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(e) *Impairment*

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

Loans and receivables

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

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(e) *Impairment (continued)*

Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

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

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.13 Offsetting financial instruments

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

2.14 Trade and other payables

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

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

2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

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

2. Significant accounting policies (continued)

2.16 Leases

When the Group is the lessee:

The Group leases computer equipment under finance leases and office under operating leases from non-related parties.

(i) Lessee- Finance leases

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

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

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

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership 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.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) At the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

2. Significant accounting policies (continued)

2.17 Income taxes (continued)

(ii) At the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

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

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

2.18 Employee compensation

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

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the General Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlement*

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

2.19 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

2. Significant accounting policies (continued)

2.19 Currency translation (continued)

(b) Transactions and balances (continued)

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

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within “finance cost”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other losses – net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rate (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

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

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Dividends to Company’s shareholders

Dividends to the Company’s shareholders are recognised when the dividends are approved for payment.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be 5 years based on common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of plant and equipment at the balance sheet date is disclosed in Note 16 to the financial statements. The directors are of the opinion that there are no changes in the estimates of the useful lives of its plant and equipment as at balance sheet date.

(ii) Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash generating unit to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill is disclosed in Note 17 to the financial statements.

(iii) Intangible asset

Software development costs and establishment costs are estimated to have limited lives estimated to be 5 years based on management knowledge and experience. Management believes there is foreseeable limit to the period over which the costs are expected to generate net cash flows for the Group.

Such intangible assets are tested for impairment annually. These costs are amortised on a straight-line basis over 5 years. The amortisation period and method are reviewed at least at each financial year end. The carrying amounts of these intangible assets are substantially impaired as disclosed in respective Note.

(iv) Income taxes

The Group is subject to income taxes in Singapore, Indonesia, Bangladesh and Malaysia. Significant judgment is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(v) Investment in PT Media Kreasindo Utama and PT Neo Dimensi

Management has assessed the level of influence that the Group has on PT Media Kreasindo Utama and PT Neo Dimensi (Note 33), determined that it has significant influence even though the shareholding is below 50%, because of its representation at shareholders' meetings and contractual terms. Consequently, this investment has been classified as an one of the subsidiaries of the group.

4. Revenue

	Group	
	2015	2014
	$	$
Rendering of mobile contents services	**19,717,620**	15,134,291
Sale of food and beverage	**104,887**	-
	19,822,507	15,134,291

5. Other income

	Group	
	2015	2014
	$	$
Government grants	**86,809**	106,789
License fee	**61,384**	-
Interest income	**9,850**	7,435
Miscellaneous	**1,653**	28,551
	159,696	142,775

6. Other gains - net

	Group	
	2015	2014
	$	$
Net currency translation gains	**153,338**	186,598

7. Expenses by nature

	Group	
	2015	2014
	$	$
Cost of services	**12,136,813**	6,954,284
Amortisation	**656,410**	296,607
Bad debts written off	**-**	919,110
Depreciation	**116,250**	182,008
Travelling and transport	**546,811**	500,698
Employee compensation (Note 8)	**4,141,751**	3,409,847
Entertainment	**198,063**	227,519
Insurance	**28,552**	22,708
Rental on operating leases	**706,717**	397,750
Consultancy fee	**713,224**	489,241
Auditor's remuneration	**93,903**	82,257
Professional fee	**509,998**	266,237
Web hosting expense	**64,361**	48,952
Loss on disposal of Zingmobile business (Note 25)	**6,043,506**	-
Impairment of goodwill arising from reverse takeover	**1,687,336**	-
Other expenses	**1,482,424**	865,345
Total cost of services, distribution and marketing, administrative and other operating expenses	**29,126,119**	14,662,563

8. Employee compensation

	Group	
	2015	2014
	$	$
Wages and salaries	**3,653,791**	2,985,256
Employer's contribution to defined contribution plans including Central Provident Fund	**216,945**	138,016
Other benefits	**271,015**	286,575
	4,141,751	3,409,847

9. Finance expenses

	Group 2015 $	Group 2014 $
Interest expense		
- bank borrowings	**6,342**	7,464
- loan interest	**374,136**	355,635
	380,478	363,099

10. Income taxes

(a) Income tax expense

	Group 2015 $	Group 2014 $
Tax expense attributable to profit is made		
- Current income tax	**182,393**	312,471
- Over provision of tax	**(17,252)**	-
- Deferred income tax (Note 18)	**(7,439)**	(35,895)
	157,702	276,576

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

	Group 2015 $	Group 2014 $
(Loss)/ profit before tax	**(9,371,056)**	438,002
Tax calculated at tax rate of 17% (2014: 17%)	**(1,593,080)**	74,460
Effects of:		
- expenses not deductible for tax purposes	**1,775,473**	238,011
- over provision of tax	**(17,252)**	-
- deferred tax benefit recognised	**(7,439)**	(35,895)
Tax charge	**157,702**	276,576

(b) Movements in current income tax liabilities

	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Beginning of financial year	**825,129**	571,067	**-**	-
Tax expense	**157,702**	312,471	**-**	-
Income tax paid	**(296,164)**	(58,409)	**-**	-
Disposal of Zingmobile business (Note 25)	**(736,560)**	-	**-**	-
Acquisition of subsidiaries	**248,365**	-	**-**	-
End of financial year	**198,472**	825,129	**-**	-

11. 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 years.

11. Earnings per share (continued)

	Group	
	2015	2014
Net (loss)/ profit attributable to equity holders of the Company ($)	**(9,518,645)**	43,775
Weighted average number of ordinary shares outstanding for basic earnings per share	**682,534,573**	65,532,823
Basic earnings per share ($ cent per share)	**(1.395)**	0.067

(b) Diluted earnings per share

There are no dilutive potential ordinary shares that were outstanding during the financial year.

12. Cash and cash equivalents

	Group		Company	
	2015	2014	**2015**	2014
	$	$	**$**	$
Cash and cash equivalents	**2,210,044**	1,689,149	**1,429,108**	735,457

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2015	2014
	$	$
Cash and cash equivalents (as above)	**2,210,044**	1,689,149
Less: Bank overdrafts (Note 21)	**-**	(12,301)
Cash and cash equivalents per consolidated statement of cash flows	**2,210,044**	1,676,848

13. Trade and other receivables

	Group		Company	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade receivables- non-related parties	**80,406**	5,334,736	**80,406**	-
Deposits	**480,412**	106,230	**400,000**	650
Prepayments	**658**	1,329,953	**658**	255
Other receivables				
- Non-related parties	**249,853**	1,171,076	**39,409**	7,400
- Related parties	**39,059**	339	**-**	-
	850,388	7,942,334	**520,473**	8,305

Trade receivables from non-related parties are unsecured, non-interest bearing and are generally on 30 to 90 days' term (2014: 30 to 90 days' term).

Other receivables are unsecured, non-interest bearing and repayable on demand.

14. Amount due from subsidiaries

	Company	
	2015	2014
	$	$
Amount due from subsidiaries	**1,188,915**	9,979,268
Less: Allowance for impairment loss	**-**	(5,302,886)
	1,188,915	4,676,382

The amount due from subsidiaries is non-trade in nature, interest-free and is repayable upon demand.

Movement in allowance for impairment loss on the amount due from subsidiaries is as follows:

	Company	
	2015	2014
	$	$
Beginning of financial year	**5,302,886**	3,273,912
Increase of provision for impairment loss	**-**	2,028,974
Disposal of Zingmobile business	**(5,302,886)**	-
End of financial year	**-**	5,302,886

15. Investments in subsidiaries

	Company	
	2015	2014
	$	$
Equity investments at cost		
Beginning of financial year	**3,501,224**	3,501,224
Add : acquisition of subsidiaries	**30,210,000**	-
Less: disposal of Zingmobile business	**(3,501,224)**	-
End of financial year	**30,210,000**	3,501,224

Details of significant subsidiaries are included in Note 33.

16. Plant and equipment

	Computer	Furniture and Fittings	Club and Office Equipments	Renovation	Total
	$	$	$	$	$
Group					
2015					
Cost					
Beginning of financial year	**1,179,457**	**139,088**	**304,718**	**226,036**	**1,849,299**
Additions	**216,864**	**9,407**	**31,733**	**25,428**	**283,432**
Disposal of Zingmobile business (Note 25)	**(1,396,321)**	**(148,495)**	**(336,451)**	**(251,464)**	**(2,132,731)**
Acquisition of subsidiaries	**26,913**	**16,422**	**88,770**	**342,772**	**474,877**
End of financial year	**26,913**	**16,422**	**88,770**	**342,772**	**474,877**
Accumulated depreciation					
Beginning of financial year	**963,372**	**79,080**	**236,976**	**216,150**	**1,495,578**
Depreciation charge (Note 7)	**87,525**	**4,438**	**14,524**	**9,763**	**116,250**
Disposal of Zingmobile business (Note 25)	**(1,050,418)**	**(83,226)**	**(249,924)**	**(219,827)**	**(1,603,395)**
Acquisition of subsidiaries	**9,475**	**6,277**	**33,693**	**117,212**	**166,657**
End of financial year	**9,954**	**6,569**	**35,269**	**123,298**	**175,090**
Net book value					
End of financial year	**16,959**	**9,853**	**53,501**	**219,474**	**299,787**
2014					
Cost					
Beginning of financial year	1,074,245	133,002	280,099	201,691	1,689,037
Additions	105,212	6,086	24,619	24,345	160,262
End of financial year	1,179,457	139,088	304,718	226,036	1,849,299
Accumulated depreciation					
Beginning of financial year	817,271	71,453	223,155	201,691	1,313,570
Depreciation charge (Note 7)	146,101	7,627	13,821	14,459	182,008
End of financial year	963,372	79,080	236,976	216,150	1,495,578
Net book value					
End of financial year	216,085	60,008	67,742	9,886	353,721

16. Plant and equipment (continued)

	Computer	Furniture and Fittings	Club and Office Equipments	Renovation	Total
	$	$	$	$	$
Group					
2015					
Cost					
Beginning of financial year	**55,691**	**60,000**	**68,083**	**133,000**	**316,774**
Additions	**76,599**	**-**	**-**	**-**	**76,599**
Disposal of Zingmobile business	**(132,290)**	**(60,000)**	**(68,083)**	**(133,000)**	**(393,373)**
End of financial year	**-**	**-**	**-**		**-**
Accumulated depreciation					
Beginning of financial year	**13,328**	**60,000**	**68,083**	**(133,000)**	**274,411**
Depreciation charge	**2,594**	**-**	**-**	**-**	**2,594**
Disposal of Zingmobile business	**(15,922)**	**(60,000)**	**(68,083)**	**133,000**	**(277,005)**
End of financial year	**-**	**-**	**-**	**-**	**-**
Net book value					
End of financial year	**-**	**-**	**-**	**-**	**-**
2014					
Cost					
Beginning of financial year	12,642	60,000	68,083	133,000	273,725
Additions	43,049	-	-	-	43,049
End of financial year	55,691	60,000	68,083	133,000	316,774
Accumulated depreciation					
Beginning of financial year	12,642	60,000	68,083	133,000	273,725
Depreciation charge	686	-	-	-	686
End of financial year	13,328	60,000	68,083	133,000	274,411
Net book value					
End of financial year	42,363	-	-	-	42,363

17. Intangible assets

	Group		Company	
	2015	2014	**2015**	2014
Composition:	**$**	$	**$**	$
Goodwill arising on consolidation (Note (a))	**-**	578,158	**-**	-
Software development costs (Note (b))	**-**	1,522,784	**-**	-
	-	2,100,942	**-**	-

(a) Goodwill arising on consolidation

	Group	
	2015	2014
Cost	**$**	$
Beginning of financial year	**578,158**	733,952
Additions	**-**	41,258
Write off	**-**	(197,052)
Effect of translation differences	**(14,432)**	-
Disposal of Zingmobile business (Note 25)	**(563,726)**	-
End of financial year	**-**	578,158

The fair value of the identifiable assets, liabilities and contingent liabilities of subsidiaries acquired have no significant difference from their respective carrying amounts. The net assets acquired in the transaction, and the goodwill recorded, are as follows:

	Megamobile Solutions Sdn Bhd	Zingmobile Pte Ltd	PT Media Kreasindo Utama	Total
	$	$	$	$
Net assets acquired/ (liabilities) assumed	1	6,621	(483,951)	(477,329)
Purchase consideration	250,001	47,879	1	297,881
Goodwill write off	-	-	(197,052)	(197,052)
Effect of translation differences	-	-	(14,432)	(14,432)
Disposal of Zingmobile business (Note 25)	(250,000)	(41,258)	(272,468)	(563,726)
Goodwill at 31 December 2015	-	-	-	-

(b) Software development costs

	Group	
	2015	2014
	$	$
Cost		
Beginning of financial year	**2,479,087**	4,886,222
Additions	**1,704,633**	-
Disposal of Zingmobile business (Note 25)	**(4,183,720)**	-
Disposal	**-**	(2,407,135)
End of financial year	**-**	2,479,087
Accumulated amortisation		
Beginning of financial year	**956,303**	1,341,718
Amortisation charge	**656,410**	296,607
Disposal of Zingmobile business (Note 25)	**(1,612,713)**	-
Disposal	**-**	(682,022)
End of financial year	**-**	956,303
Net book value	**-**	1,522,784

The software development costs represent payments made to subcontractors to develop the software/ platform, any purchase of equipment, consultants and payroll related costs of employees of the Group directly involved in the software/ platform development.

18. Deferred income taxes

	Group 2015 $	Group 2014 $
Beginning of financial year	**(67,291)**	(31,396)
Disposal of Zingmobile business (Note 25)	**74,730**	-
Tax credited to:		
- profit or loss (Note 10(a))	**(7,439)**	(35,895)
End of financial year	**-**	(67,291)

Net deferred income tax assets to be recovered from the balance sheet date as follows:

	Group 2015 $	Group 2014 $
Deferred income tax assets		
- To be recovered after one year	**-**	(67,291)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profit is probable. The Group has unutilised tax losses of approximately Nil (2014: $2,341,890) at balance sheet date which can be carried forward and used to set off against future taxable income, subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation.

As at 31 December 2015, deferred tax assets of the Group amounted to Nil (2014: $487,136) arising from the unutilised tax losses of approximately Nil (2014: $2,341,890). The deferred tax benefit has not been recognised on the unutilised tax losses due to the uncertainty of its recoverability.

The movement in deferred income tax liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation $
2015	
Beginning of financial year	**13,384**
Disposal of Zingmobile business (Note 25)	**(5,945)**
Charged to profit or loss	**(7,439)**
Acquisition of subsidiaries	**1,315**
End of financial year	**1,315**
2014	
Beginning of financial year	13,384
Charged to profit or loss	-
End of financial year	13,384

Deferred income tax assets

	Allowance against assets $
2015	
Beginning of financial year	**(80,675)**
Disposal of Zingmobile business (Note 25)	**80,675**
End of financial year	**-**
2014	
Beginning of financial year	(44,780)
Charged to profit or loss	(35,895)
End of financial year	(80,675)

19. Trade and other payables

	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Trade payables to:				
- Non-related parties	**361,527**	3,577,426	**329,056**	-
- Related parties	**-**	21,050	**-**	-
Provision for employee benefits	**69,156**	-	**42,584**	-
Accruals for operating expenses	**773,064**	-	**745,730**	292,595
Other creditors				
- Non-related parties	**420,049**	986,590	**231,229**	-
- Related parties	**242,441**	-	**-**	-
Deferred revenue	**-**	-	**-**	1,833,333
	1,866,237	4,585,066	**1,348,599**	2,125,928

Trade payables from non-related parties are unsecured, non-interest bearing, and are generally on 30 to 90 days term (2014: 30 to 90 days term).

Other payables and amount due to director are unsecured, non-interest bearing and are repayable on demand.

20. Amount due to subsidiaries

	Company 2015 $	Company 2014 $
Amount due to subsidiaries	**13,810**	44,741

The amount due to subsidiaries is non-trade in nature, interest-free and is repayable upon demand.

21. Borrowings

	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Current				
Bank overdrafts (Note 12)	**-**	12,301	**-**	-
Borrowings	**293,404**	-	**293,404**	-
Finance lease liabilities (Note 22)	**-**	53,652	**-**	-
	293,404	65,953	**293,404**	-
Non-current				
Borrowings	**-**	2,906,486	**-**	2,906,486
Finance lease liabilities (Note 22)	**-**	30,582	**-**	-
	-	2,937,068	**-**	2,906,486
Total borrowings	**293,404**	3,003,021	**293,404**	2,906,486

Bank overdraft has an average effective interest rate at the balance sheet date of Nil (2014: 14.88%), and is secured by a personal guarantee from a director.

Borrowing has an average effective interest rate at the balance sheet date of 12% (2014: 12%), and is unsecured.

22. Finance lease liabilities

	Group	
	2015	2014
Minimum lease payments due	**$**	$
- Not later than one year	**-**	59,449
- Later than one year but within five years	**-**	34,002
		93,451
Less: future finance charges	**-**	(9,217)
Present value of finance lease liabilities	**-**	84,234

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

	Group	
	2015	2014
	$	$
Not later than one year (Note 21)	**-**	53,652
Later than one year but within five years	**-**	30,582
Total	**-**	84,234

Finance lease liabilities bear interest ranging from Nil *(2014: 6.26% p.a to 10.30% p.a).*

23. Share capital

	No. of issued ordinary shares	Amount of share capital
Group		$
2015		
Deemed to be at the beginning of the financial year [(1)]	**65,532,823**	**3,959,493**
Issuance of shares	**70,384,809**	**4,252,650**
Issue of shares for acquisition of subsidiary [(2)]	**500,000,000**	**30,000,000**
Conversion of borrowings [(3)]	**46,616,941**	**2,816,596**
Share issue expenses	**-**	**(1,394,438)**
End of financial year	**682,534,573**	**39,634,301**
2014		
Beginning of financial year	65,532,823	10,849,990
Share issued	-	-
End of financial year	65,532,823	10,849,990

[(1)] *This represents the fair value of the consideration transferred in relation to the reverse takeover. As Pixie Entertainment Group Pte. Ltd. is a private entity, the quoted market price of the Company's shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the share in Pixie Entertainment Group Pte. Ltd. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition, being 65,532,823 consolidated shares at AUD 0.06 (equivalent to $ 0.06) per share which represents the fair value of the Company being the quoted and traded price of the shares at 1 December 2015, i.e. the close of trading, before the reverse takeover.*

[(2)] *This represents the purchase consideration for the Company's acquisition of Pixie Entertainment Group Pte. Ltd. which was satisfied by the allotment and issuance of 500,000,000 ordinary shares at AUD 0.06 (equivalent to $ 0.06) per share which represents the quoted and traded price of the shares prior to the completion of the reverse takeover.*

[(3)] *This representing the Group have converted loans owned by the Group into shares of the Group by way of subscription.*

23. Share capital (continued)

	No. of issued ordinary shares	Amount of share capital $
Company		
2015		
Beginning of financial year	**65,532,823**	**10,849,990**
Share issued	**617,001,750**	**35,884,808**
End of financial year	**682,534,573**	**46,734,798**
2014		
Beginning of financial year	65,532,823	10,849,990
Share issued	-	-
End of financial year	65,532,823	10,849,990

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

24. Accumulated losses

Movement in accumulated losses for the Company is as follows:

	Company	
	2015	2014
	$	$
Beginning of financial year	**(6,963,414)**	(4,735,126)
Net loss	**(8,078,701)**	(2,228,288)
End of financial year	**(15,042,115)**	(6,963,414)

25. Disposal of Zingmobile Business

Upon completion of reverse takeover exercise, Pixie Group Limited agreed to sell existing Zingmobile Group Limited business to a related party company.

The following table is a summary of the carrying value assets and liabilities ofZingmobile Group Limited that was sold on 1 December 2015.

	2015
	$
Plant and equipment	**529,335**
Intangible assets	**3,134,733**
Deferred tax assets	**74,730**
Investment in associates	**92,531**
Trade and other receivables	**8,341,969**
Cash and cash equivalents	**2,204,934**
Trade and other payables	**(7,488,053)**
Income tax payables	**(736,560)**
Other financial liabilities	**(29,707)**
Net liabilities disposed of	**6,123,912**
Less: consideration	**(80,406)**
Loss on disposal of Zingmobile	**6,043,506**

26. Operating lease commitments

The Group and Company leases are mainly office rentals and outlet under non-cancellable operating lease agreements. The leases have varying terms and renewal rights. Lease terms do not contain restrictions on the Group's and the Company's activities concerning dividends, additional debt or further leasing.

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		Company	
	2015	2014	**2015**	2014
	$	$	**$**	$
Not later than one year	**181,935**	216,273	**-**	-
Later than one year but within five year	**241,810**	283,603	**-**	-
	423,745	499,876	**-**	-

27. Financial risk management

Financial risk factors

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

The Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The management reviews and agrees policies for managing each of these risks as follows:

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore, Indonesia, China, Malaysia and Bangladesh. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

The Group and Company presently do not have a specific policy to hedge its foreign currency exposure and has not used any financial instruments to manage its foreign currency risk. These exposures are managed using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies. Exchange differences are recognised in the income statement. For the current financial year, exchange gain amounted to $153,338 (2014: $186,598) due to primarily to weakening of the Indonesian Rupiah ("IDR") against the Singapore Dollar ("SGD").

The Group does not trade in derivatives.

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

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD $	RM $	AUD $	TOTAL $
Group				
At 31 December 2015				
Financial assets				
Cash and cash equivalents	2,178,535	31,509	-	2,210,044
Trade and other receivables	520,123	290,856	39,409	850,388
	2,698,658	322,365	39,409	3,060,432
Financial liabilities				
Trade and other payables	(601,544)	(367,051)	(897,642)	(1,866,237)
Borrowings	(293,404)	-	-	(293,404)
	(894,948)	(367,051)	(897,642)	(2,159,641)
Net financial assets/(liabilities)	**1,803,710**	**(44,686)**	**(858,233)**	**900,791**

27. Financial Risk Management (continued)

(a) Market Risk *(continued)*

(i) Currency Risk *(continued)*

	SGD $	IDR $	RM $	USD $	AUD $	BDT $	OTHER $	TOTAL $
At 31 December 2014								
Financial assets								
Cash and cash equivalents	248,285	1,005,303	282,580	1,945	-	147,644	3,392	1,689.149
Trade and other receivables	785,863	3,697,361	1,246,436	-	-	2,156,355	56,319	7,942,334
	1,034,148	4,702,664	1,529,016	1,945	-	2,303,999	59,711	9,631,482
Financial liabilities								
Trade and other payables	(797,015)	(3,167,428)	(107,042)	-	-	(513,581)	-	(4,585,066)
Borrowings	(921,174)	-	(361)	(1,190,682)	(890,804)	-	-	(3,003,021)
	(1,718,189)	(3,167,428)	(107,403)	(1,190,682)	(890,804)	(513,581)	-	(7,588,087)
Net financial (liabilities)/ assets	**(684,041)**	**1,535,236**	**1,421,613**	**(1,188,737)**	**(890,804)**	**1,790,418**	**59,711**	**2,043,396**

27. Financial Risk Management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Company's business is not exposed to any significant foreign exchange risk as all its financial assets and liabilities are mainly denominated in Singapore Dollar.

The Group treasury division is responsible for managing the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities by using forward currency contracts, where necessary.

If the relevant currencies change against the SGD by 5% p.a (2014: 5% p.a) with all other variables including tax rate being held constant, the effects arising from the net financial liability/ asset position will be as follows:

	Increase/ (Decrease)			
	2015		2014	
	Profit after tax	**Other comprehensive income**	Profit after tax	Other comprehensive income
Group	**$**	**$**	$	$
IDR against **SGD**				
- Strengthened	**-**	**-**	66,782	66,782
- Weakened	**-**	**-**	(66,782)	(66,782)
RM against **SGD**				
- Strengthened	**(1,855)**	**(1,855)**	12,084	12,084
- Weakened	**1,855**	**1,855**	(12,084)	(12,084)
USD against **SGD**				
- Strengthened	**-**	**-**	(49,413)	(49,413)
- Weakened	**-**	**-**	49,413	49,413
AUD against **SGD**				
- Strengthened	**(35,617)**	**(35,617)**	(36,968)	(36,968)
- Weakened	**35,617**	**35,617**	36,968	36,968
BDT against **SGD**				
- Strengthened	**-**	**-**	15,219	15,219
- Weakened	**-**	**-**	(15,219)	(15,219)

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

27. Financial Risk Management (continued)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are cash at banks, bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

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 balance sheet.

The credit risk concentration profile of the Group's trade receivables based on the information provided to key management is as follows:

	Group	
	2015	2014
By geographical areas	**$**	$
Singapore	**80,406**	-
Indonesia	**-**	3,613,937
Malaysia	**-**	449,862
Other countries	**-**	1,270,937
	80,406	5,334,736
By types of customers		
Telcos	**80,406**	5,334,736

(i) Financial assets that are neither past due nor impaired

Cash at banks and bank deposits that are neither past due nor impaired are mainly deposits with banks with have high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group.

(ii) Financial assets that are past due and/ or impaired

There is no other class of financial assets that is past due and/ or impaired.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and short term deposits deemed adequate by management to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

27. Financial Risk Management (continued)

(c) Liquidity risk (continued)

	Less than 1 year $	Between 2 and 5 years $
Group		
At 31 December 2015		
Trade and other payables	(1,835,435)	(30,802)
Borrowings	(293,404)	-
At 31 December 2014		
Trade and other payables	(4,585,066)	-
Borrowings	(65,953)	(2,937,068)
Company		
At 31 December 2015		
Trade and other payables	(1,348,599)	-
Borrowings	(293,404)	-
At 31 December 2014		
Trade and other payables	(2,125,928)	-
Borrowings	-	(2,906,486)

(d) Capital risk

The Board's policy is to strive to manage and adequate capital base in order to maintain investor, creditor and market confidence so as to sustain the future developments of the Group.

The Group funds its operations through a mix of internally generated resources and third party borrowings.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2015 $	2014 $	**2015 $**	2014 $
Net debt	**(50,403)**	2,961,870	**226,705**	1,435,212
Total equity	**1,000,791**	3,740,221	**31,692,683**	3,886,576
Total capital	**950,388**	6,702,091	**31,919,388**	5,321,788
Gearing ratio with non-controlling interest	**-5%**	44%	**1%**	27%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

27. Financial Risk Management (continued)

(e) Fair value measurements

The fair value of a financial instrument is the amount of which the instrument could be exchanged or settled between knowledgeable and willing parties in arms-length transaction, other than in a forced or liquidation sale. Management has determined that the carrying amounts of financial assets which includes trade receivables, other receivables (excluding prepayments) and cash at banks and short-term deposits and financial liabilities (including trade and other payables) reasonably approximate their fair values because of the short term maturity of these financial instruments.

28. Related party transactions

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

Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2015	2014
	$	$
Wages and salaries	**488,099**	412,100
Employer's contribution to defined contribution plans, including Central Provident Fund	**12,784**	30,600
Other benefit	**12,000**	-
	512,883	442,700

29. Segment information

Geographical segments

The Group operates in three main geographical areas:
Asean, North Asia and South Asia

Inter-segment transaction are recorded at their transacted price which is generally at fair value. Unallocated costs represent corporate expenses. Segment assets consist primarily of plant and equipment, intangible assets, receivables, operating cash and exclude deferred income tax assets, and short term bank deposits. Segment liabilities comprise payables and bank overdraft and exclude income tax liabilities and borrowings. Capital expenditures comprise additions to plant and equipment and intangible assets, including those acquired through business combinations.

The segment information provided for the reportable segments are as follows:

2015	**Asean**	**North Asia**	**South Asia**	**Total**
	$	**$**	**$**	**$**
Sales				
Sales to external parties	17,390,984	-	2,431,523	19,822,507
	17,390,984	-	2,431,523	19,822,507
Adjusted EBITDA				
Depreciation	116,250	-	-	116,250
Amortisation	656,410	-	-	656,410
Segment assets	3,360,219	-	-	3,360,219

29. Segment information (continued)

Geographical segments (continued)

	Asean $	North Asia $	South Asia $	Total $
Segment assets includes:				
Additions to:				
- plant and equipment	299,787	-	-	299,787
Segment liabilities	2,359,428	-	-	2,359,428

2014

Sales				
Sales to external parties	13,294,545	-	1,839,746	134,291
	13,294,545	-	1,839,746	134,291
Adjusted EBITDA	446,779	-	474,860	921,639
Depreciation	151,199	-	30,809	182,008
Amortisation	296,607	-	-	296,607
Segment assets	10,432,792	(647,093)	2,367,738	12,153,437
Segment assets includes:				
Additions to:				
- plant and equipment	133,546	-	26,715	160,261
Segment liabilities	7,191,772	-	1,221,444	8,413,216

Business segments

At 31 December 2015, the Group's activities are predominantly developing and marketing mobile content to customers and considered operating as one industry segment.

Other operations of the Group mainly comprise investment holding, which does not constitute a separately reportable segment.

29. Segment information (continued)

Business segments (continued)

	Total consolidated sales	
	2015	2014
	$	$
E-commerce and mobile services	**19,717,620**	15,134,291
Sale of food and beverage	**104,887**	-
	19,822,507	15,134,291

	Total consolidated sales	
	2015	2014
	$	$
E-commerce and mobile services	**-**	7,789,100
Unallocated assets	**3,360,219**	4,364,037
	3,360,219	12,153,137

	Total consolidated capital expenditure	
	2015	2014
	$	$
E-commerce and mobile services	**107,817**	182,008
Sale of food and beverage	**8,433**	-
	116,250	182,008

30. New or revised accounting standards and interpretations

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1 January 2016. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

31. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Pixie Group Limited on 29 March 2016.

32. Subsequent events

Subsequent to the end of the reporting year:

(i) The Group has incorporated a wholly - owned subsidiary, Pixie Group Hong Kong Limited on 20 January 2016 with a paid up capital of HKD 50,000. The principal activity of the subsidiary is that of investment holding.

(ii) The Group has incorporated a wholly - owned subsidiary, The Mammoth Collaborative Pte. Ltd. on 1 March 2016 with a paid up capital of SGD 1,000. The principal activity of the subsidiary is that of event and concert organiser.

33. Listing of significant companies in the Group

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2015 %	Equity holding 2014 %
Significant subsidiaries held by the company				
Bizmac Sdn. Bhd.	Operating entertainment in food and beverage	Malaysia @	**100**	-
Roylmark Holdings Sdn. Bhd.	Operating entertainment in food and beverage	Malaysia @	**100**	-
Pixie Entertainment Group Pte. Ltd.	Investment holding	Singapore *	**100**	-
PT Media Kreasindo Utama	Providing ecommerce and mobile content services	Indonesia @	**-**	⊗49
PT Neo Dimensi	Provide commercial and mobile content service	Indonesia @	**-**	⊗48
Zingmobile Pte Ltd	Providing ecommerce and mobile content services	Singapore *	**-**	100
Zingmobile Itouch Pte Ltd	Providing mobile cellular, radio paging and other wireless telecommunication activities	Singapore @	**-**	51
Megamobile Solutions Sdn Bhd	Providing technology related services and sales and licensing of multimedia applications	Malaysia @	**-**	100
Teramobile Sdn. Bhd	Providing mobile content service	Malaysia @	-	-
Open World Engine Pte. Ltd.	Providing mobile content services	Singapore *	-	100
B2M Technologies Ltd.	Providing ecommerce and mobile marketing solutions	Bangladesh @	-	50
Zingmobile (HongKong) Limited.	Investment holding	Hong Kong, PRC @	-	100
Sunnetic Co., Ltd	Provide web design and consultancy	Thailand @	-	90
Zingtech Pte Ltd	Provide ecommerce and mobile content service	Singapore @	-	50
Zingactive Pte. Ltd	Provide ecommerce and mobile content service	Singapore @ #	-	60

* Audited by One Assurance LLP
@ Audited by other than One Assurance LLP
# Not audited, dormant status
⊗ Consolidated 100% in the group consolidation account as the holding Company has significant influence over the financing, investing and operating activities

Statement of Use Of Capital Raising (Offer) Funds

As stated in the prospectus and subsequent announcements on ASX, the proceeds of the Offer are intended to pay expenses of the Offer and RTO, repay existing borrowings, pursue general expansion opportunities and for general working capital. During the period from reinstatement to official quotation to end of the reporting period 31 December 2015, the Company has used the funds in accordance with its stated aims and continues to do so.

Shareholder Information

Top 20 Holdings as at 25 May 2016

Security classes selected for this report:

CHESS Depositary Interests over FP Shares
CDIs over FP Shares ASX Escrow 12 Months
CDIs over FP Shares ASX Escrow 24 Months

Holder Name	25/05/2016	%
FORTRESS CAPITAL ASSET MANAGEMENT (M) SDN BHD <CLIENTS A/C>	113,300,000	16.600
SENS CAPITAL SDN BHD	81,100,000	11.882
MR SIM HEOK HOO	45,000,000	6.593
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,617,458	6.391
HOO VOON HIM	41,200,000	6.036
TAN ZHI XIONG IAN	37,500,000	5.494
TIN YU JIANN	34,100,000	4.996
CITICORP NOMINEES PTY LIMITED	25,238,179	3.698
LOW LI CHIEH	25,000,000	3.663
LAY CHIN MOEY	24,000,000	3.516
TEO SIEW KIET	22,806,653	3.341
SECRET RECIPE HOLDINGS SDN BHD	20,236,986	2.965
BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	16,795,164	2.461
SHENSEAN CHEN	16,700,000	2.447
TAN WEE CHED	15,000,000	2.198
LIM FANG TSENG	15,000,000	2.198
V CAPITAL SDN BHD	13,900,000	2.037
CHEN KONG YOOUNG	11,200,000	1.641
CHONG CHEE HOONG	9,700,000	1.421
BNP PARIBAS NOMS PTY LTD <DRP>	7,507,173	1.100
Total for Top 20	618,901,613	90.677
Total of Securities	**682,534,570**	

Directors

Hoo Voon Him, Tin Yu Jiann, Tan Zhi Xiong, Ian, Lay Chin Moey

Company Secretary

Ms Foo Soon Soo

Registered Office in Australia

Link Market Services, Level 12, 680 George Street, Sydney NSW Australia 2000

Registered Office in Singapore

545 Orchard Road, Far East Shopping Centre #15-07, Singapore 238882

Share Registry

Boardroom Pty Ltd, Level 12, 225 George Street, Sydney NSW Australia 2000

Number of Security Holders and Securities on Issue

Quoted Equity Securities - Pixie Group Limited has issued 682,534,570 CHESS Depository Interests (CDIs) over Fully Paid (FP) Shares held by 519 CDI holders.

Unquoted Equity Securities - 3 ordinary shares.

Voting Rights

The voting rights attached to CDIs over FP Shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

Distribution of Security Holders

CHESS Depositary Interests over FP Shares
CDIs over FP Shares ASX Escrow 12 Months
CDIs over FP Shares ASX Escrow 24 Months

Holding	Numbers of Shareholders	Number of Shares	%
1 - 1,000	4	2,013	0.000
1,001 - 5,000	123	448,286	0.066
5,001 - 10,000	27	242,233	0.035
10,001 - 100,000	308	10,639,624	1.559
100,001 and over	57	671,202,414	98.340
Total	519	682,534,570	100.000

Unmarketable Parcel of Shares

The number of CDI holders, holding less than a marketable parcel of shares is 135 holders at the closing share price of AUD 0.055 (5.5 cents) on 25 April 2016.

Substantial Shareholders

The number of securities held by substantial shareholders and their associates are set out below:
CHESS Depositary Interests over FP Shares
CDIs over FP Shares ASX Escrow 12 Months
CDIs over FP Shares ASX Escrow 24 Months

Names	Number of Shares	%
FORTRESS CAPITAL ASSET MANAGEMENT (M) SDN BHD <CLIENTS A/C>	113,300,000	16.600
SENS CAPITAL SDN BHD	81,100,000	11.882
MR SIM HEOK HOO	45,000,000	6.593
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,617,458	6.391
HOO VOON HIM	41,200,000	6.036
TAN ZHI XIONG IAN	37,500,000	5.494

Details Regarding Escrow

	Number of Shares	Expiry
CDIs over FP Shares ASX Escrow 12 months	85,900,000	4 December 2016
CDIs over FP Shares ASX Escrow 24 months	414,100,000	4 December 2017
	500,000,000	

There are no securities subject to voluntary escrow.

On-Market Buy-Back

There is no current on-market buy-back.

Twenty Largest Shareholders of Quoted Securities

See 2015 Annual Report page 74.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Hilton Singapore, 581 Orchard Road, Singapore 238883 on 28 June 2016, Tuesday at 2.30pm (Singapore time) to transact the following business:

Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2015 together with the reports of the Directors and the Auditors thereon. (Resolution 1)

2. To re-elect Mr Hoo Voon Him, a Director retiring under Article 92 of the Constitution of the Company. (Resolution 2)

3. To re-elect Ms Lay Chin Moey, a Director retiring under Article 92 of the Constitution of the Company. (Resolution 3)

4. To re-appoint One Assurance LLP as Auditors of the company and to authorise the Directors to fix their remuneration. (Resolution 4)

Special Business

To consider, and if thought fit, to pass the following Ordinary Resolutions with or without amendments:

5. To approve the payment of the Directors' Fee of S$12,000.00 for the financial year ended 31 December 2015. (Resolution 5)

   A voting exclusion applies - see below.

6. For the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given to ratify the issue of 15 Convertible Notes on the terms and conditions and to the Noteholders set out in the Explanatory Notes. (Resolution 6)

   A voting exclusion applies - see below.

7. For the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company is authorised to issue up to 25 Convertible Notes to the persons and on the terms set out in the Explanatory Notes. (Resolution 7)

   A voting exclusion applies - see below.

To consider, and if thought fit, to pass the following Special Resolution with or without amendments:

8. For the purposes of ASX Listing Rule 7.1A and for all other purposes, the issue of up to 10% of the Company's share capital calculated in accordance with Listing Rule 7.1A, and on the terms and conditions set out in the Explanatory Notes, is approved. (Resolution 8)

   A voting exclusion applies - see below.

9. To consider, and if thought fit, to pass the following Ordinary Resolutions with or without amendments: -
   "That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise), to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit and that such authority shall continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier always subject to the ASX Listing Rules and the law." (Resolution 9)

Any Other Business

10. To transact any other business which may be properly transacted at the Annual General Meeting.

    By Order of the Board

    Foo Soon Soo
    Company Secretary
    Date: 13 June 2016

Voting Exclusions:

Resolution 5

The Company will disregard any votes cast on Resolution 5 by the Chair, any Director of the Company and their associates.

However, the entity need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6

The Company will disregard any votes cast on Resolution 6 by a person who participated in the convertible note issue and any associate of those persons.

However, the Company need not disregard a vote if it is cast by a person:

- as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7

The Company will disregard any votes cast on Resolution 7 by a person who may participate in the proposed issue; a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and any associate of any such persons.

However, the Company need not disregard a vote if it is cast by a person:

- as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8

The Company will disregard any votes cast on Resolution 8 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares and any associate of such person.

However, a person described above may cast a vote on this Resolution if:

- the person does so as a proxy that specifies how the proxy is to vote on the resolution; or
- the person is the Chair and has been appointed as a proxy (expressly or by default) without being directed how to vote on the resolution; and
- in either case, the vote is not cast on behalf of a person described in (a) or (b) above.

Explanatory Notes:

1. Resolution 1 – **Annual Report**

The financial statements of Pixie Group Limited ("Pixie") and its controlled entities for the year ended 31 December 2015 and the reports of the Directors and Auditors are set out in the Annual Report accompanying this Notice of Annual General Meeting.

2. Resolution 2 – **Re-election of Director**

Mr Hoo Voon Him retires by rotation pursuant to Article 92 of the Company's Constitution and offers himself for re-election.

3. Resolution 3 – **Re-election of Director**

Ms Lay Chin Moey retires by rotation pursuant to Article 92 of the Company's Constitution and offers herself for re-election.

4. Resolution 4 – **Auditors Appointment**

Singapore law requires that the appointment of the auditors and the authorisation of the Directors to fix the auditors' remuneration be approved by the shareholders. This resolution is to re-appoint One Assurance LLP as Auditors of the Company.

5. Resolution 5 – **Directors' Fee**

Singapore law requires that the Directors' Fee be approved by the shareholders.

6. Resolution 6 – **Ratification of prior issue of Convertible Notes**

General information

As announced to ASX, the Company has entered into the convertible note deeds (Convertible Notes) with each of the following Noteholders.

Noteholder	Amount A$	Number of Notes	Interest Rate	Date of Note Deed
Tan Geck Lin	40,000	2	10%	23-03-2016
Tan Yu Kwang	100,000	5	12.5%	7-04-2016
Wei Weihang	20,000	1	10%	21-04-2016
Goh Kim Hoe Jerry and Tan Suan Mui Catherine	40,000	2	10%	11-05-2016
Yee Yoke Tong and Yong Lai Kuen	100,000	5	10%	27-05-2016

The Convertible Notes are unsecured, and will be convertible into shares of the Company at any time after their first anniversary at a conversion price equal to 80% of the 15-day volume weighted market average price (VWAP) (subject to a minimum conversion price of A$0.01 per share), at the holders' option. The Company has the right to redeem the Convertible Notes at any time after the first anniversary of issue by repaying the subscription price paid by the Convertible Note holder, plus applicable interest, before the maturity date - which is five years after the date of issue. Interest is payable annually, in arrears. If a Convertible Note has not been redeemed or converted on or before the maturity date, the Company must repay the face value of the Convertible Note plus interest. If the Company commits an event of default, the face value of each Convertible Note which remains outstanding, plus interest, must be repaid the note holder. Events of default include:

- a failure by the Company to convert the Convertible Note in accordance with its terms;
- an insolvency event occurring in respect of the Company;
- a change of control in the Company; or
- the sale of the business or main undertaking of the Company.

Resolution 6 seeks Shareholders ratification, pursuant to ASX Listing Rule 7.4, of the issue of the Convertible Notes.

ASX Listing Rule 7.1 provides that a listed company must not, without prior approval of its shareholders, issue equity securities if the number of securities issued, or when aggregated with the number of securities issued by the company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period. A Convertible Note, being a security which is convertible into shares of the Company, is an equity security for the purpose of the Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of equity securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying the issue of the Convertible Notes, the Company will retain the flexibility to issue equity securities in the future of up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

If Shareholders do not ratify the issue of the Convertible Notes pursuant to Listing Rule 7.4 then the Company will not be able to issue any further equity securities (including further convertible notes or shares) until it has the ability to do so within its 15% capacity under ASX Listing Rule 7.1 (being 12 months after the issue of the convertible notes) or the Company otherwise obtains shareholder approval for the issue.

The number of shares that may be issued if the Noteholders elect to convert some or all of the Convertible Notes is unknown at present because:

- it is not known how many (if any) Convertible Notes will be converted; and
- the conversion price of the Convertible Notes to determine the number of shares to be issued is to be calculated on the 15 day VWAP prior to the conversion date less a 20% discount.

However, under the terms of the Convertible Notes the minimum conversion price per share is A$0.01 which means that the Company may issue up to a maximum of 30,000,000 shares on conversion of the Convertible Notes. Further, the Company is not obliged to, and must not, convert any Convertible Note where to do so would be in breach of any law, including the ASX Listing Rules. This will restrict the Company from, amongst other things, issuing shares on the conversion of a Convertible Note where the issue would cause the Company to breach the 15% capacity limit under ASX Listing Rule 7.1.

Examples of different scenarios, assuming all of the Convertible Notes are converted at a total face value of A$300,000, are set out below:

Assumed 15 day VWAP prior to conversion date	Conversion price (20% discount to 15 day VWAP)	No. of shares to be issued if all Convertible Notes are Converted
$0.012 or lower	$0.01*	30,000,000
$0.04	$0.032	9,375,000
$0.05	$0.04	7,500,000
$0.08	$0.064	4,687,500
$0.10	$0.08	3,750,000

** This is the minimum conversion price set under the terms of the Convertible Notes.*

Additional information required by ASX Listing rule 7.4

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the Convertible Note issue:

- 15 Convertible Notes were issued between 23 March 2016 and 27 May 2016 and none of the Convertible Note holders are related parties of the Company. If some or all of the Convertible Notes are converted at the election of any of the Noteholders the number of shares to be issued to those Noteholders who elect to convert (on that date) is not known as at the date of this Explanatory Statement because (i) it is not known how many (if any) Convertible Notes will be converted; and (ii) the conversion price is to be calculated as a 20% discount to the 15 day VWAP prior to the conversion date (subject to a minimum conversion price of A$0.01 per share). The table above indicates some possible scenarios as to the number of shares which may be issued should conversion of all of the Convertible Notes occur;

- the shares that may be issued upon the conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing ordinary shares; and
- the A$300,000 raised from the issue of the Convertible Notes will be used to fund working capital requirements of the Company.

A voting exclusion statement applies to this resolution. Please refer to the Notice of Meeting.

7. Resolution 7 – **The proposed issue of up to an additional 25 Convertible Notes of face value A$20,000 each**

Background

The effect of Resolution 7 is to allow the Company to issue up to an additional 25 Convertible Notes with face value A$20,000 each, to raise up to A$500,000. These Convertible Notes would be issued in addition to the 15 Convertible Notes referred to in Resolution 6. The purpose of Resolution 7 is to enable the Company to issue the notes, and to issue Shares on conversion, without exceeding the Company's 15% annual placement capacity under the ASX Listing Rules.

The additional Convertible Notes will be issued on the same terms and conditions as those described in Resolution 6, other than as to maturity date and potentially interest rate. As the number of shares that may be issued on the conversion of the Convertible Notes cannot be determined at this point in time (because the number of shares issued will be determined by reference to a conversion price based on a discounted VWAP of the Company's shares at the time of conversion, subject to a minimum conversion price of A$0.01 per share), the Company is seeking shareholder approval to issue up to 25 Convertible Notes with a total face value of up to A$500,000. If fully converted at the minimum conversion price, this could result in the issue of up to a maximum of 50,000,000 shares. However, if the conversion price is based on a 20% discount to a $0.05 market price then the maximum number of shares to be issued on conversion would be only 12,500,000.

In addition to the 15 Convertible Notes and the additional Convertible Notes which are approved under Resolution 6 and this Resolution 7, the Company will be in a position to issue further Convertible Notes or other securities (including shares or convertible securities) up to the 15% annual placement capacity under the ASX Listing Rules.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 requires the following information concerning the proposed issue:

- the maximum number of Convertible Notes of face value A$20,000 which may be issued if the approval sought under this Resolution 7 is obtained is 25;
- the Convertible Notes will be issued to sophisticated investors to be selected by the Company (none of which will be related parties of the Company) on one or more dates, to be determined by timing of entry into Convertible Note Deeds in the future. The identity of the allottees under the Convertible Notes will be determined on a case by case basis;
- the Convertible Notes will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- the shares issued on the conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing ordinary shares and will rank equally in all respects with the existing ordinary shares;
- the amount that may be raised from the issue of the additional Convertible Notes will be used to fund the expansion of the Pixie Group. The Company does not yet know how much will be raised from the issue of these additional Convertible Notes.

A voting exclusion statement applies to this resolution. Please refer to the Notice of Meeting.

Effect of the shareholders' approval

If approved, Resolution 7 will result in approval for the issue of up to 25 Convertible Notes, which (if converted at the theoretical minimum conversion price) may result in the issue of up to a total of 50,000,000 shares. These Convertible Notes and shares would not be counted towards the 15% limit under ASX Listing Rule 7.1 for issued capital in the next 12 month period without shareholder approval.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

8. Resolution 8 – **Approval of 10% placement under Listing Rule 7.1A**

Under Resolution 8, the Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under ASX Listing Rule 7.1A (10% Placement). Resolution 8 is a special resolution and requires approval of 75% of the votes cast by Shareholders present and eligible to vote.

Eligibility criteria

Under Listing Rule 7.1A, an eligible listed entity may, subject to shareholder approval by way of special resolution, issue shares comprising up to 10% of its issued share capital in addition to the normal 15% new issue capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of A$300 million or less. The Company is an eligible entity.

Placement capacity under Listing Rule 7.1 and 7.1A

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under Listing Rule 7.1.

As at the date of this Notice of Meeting, the Company has 682,534,573 shares on issue and therefore, in addition to any other shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it has the capacity to issue:

- 102,380,186 shares under Listing Rule 7.1; and
- subject to shareholder approval being obtained under Resolution 8, 68,253,457 shares under Listing Rule 7.1A.

The actual number of shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the shares in accordance with the formula in Listing Rule 7.1A.2.

Minimum issue price

In accordance with Listing Rule 7.1A, shares issued by the Company under a 10% Placement can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) of the shares calculated over the 15 trading days on which trades in its shares were recorded immediately before:

- the date on which the issue price of the shares is agreed; or
- the issue date (if the shares are not issued within five trading days of the date on which the issue price is agreed).

Placement period

Shareholder approval under Listing Rule 7.1A is valid from the date of this AGM until the earlier to occur of:

- 12 months after the date of the AGM; and
- the date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (Placement Period).

Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds A$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the AGM.

Dilution to existing shareholdings

If Resolution 8 is approved by Shareholders and the Company issues shares under the 10% Placement, there is a risk of economic and voting dilution to existing Shareholders as a result. Further, as the market price of the Company's shares may be lower on the issue date than on the date of AGM approval, and because the shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement may raise less funding than it would based on current market prices.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement where variable "A" in the formula in Listing Rule 7.1A (representing the Company's share capital) has increased by either 50% or 100%, and the share price has decreased by 50% or increased by 100% from the approximate share price as at the date of this Notice of Meeting.

Dilution Table

Variable 'A' in Listing Rule 7.1A.2		$0.025 50% decrease in Issue Price	$0.05 Issue Price	$0.10 100% increase in Issue Price
Current 682,534,573 shares	Number of shares	68,253,457	68,253,457	68,253,457
	Funds raised	$1,706,336	$3,412,673	$6,825,346
50% increase in Variable A 1,023,801,859 shares	Number of shares	102,380,185	102,380,185	102,380,185
	Funds raised	$2,559,505	$5,119,009	$10,238,019
100% increase in Variable A 1,365,069,145 shares	Number of shares	136,506,914	136,506,914	136,506,914
	Funds raised	$3,412,673	$6,825,346	$13,650,691

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- the Company issues the maximum number of shares available under the 10% Placement;
- any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue. However, a 15% placement under Listing Rule 7.1 does not increase variable "A" for the purposes of calculating the placement capacity under Listing Rule 7.1A;
- the table shows only the effect of issues of shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- the table does not show the dilution that may be caused to any particular Shareholder by reason of placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the AGM. For instance, Shareholders will have different outcomes depending on whether or not they participate in a pro-rata issue which has the effect of increasing variable "A"; and
- the current Share price is assumed to be $0.05.

Purpose of the 10% Placement

The Company may seek to issue shares under the 10% Placement for either:

- a cash issue price. In this case, the Company may use the funds for working capital or for other corporate purposes; or
- non-cash consideration, such as for the acquisition of new assets or investments, subject to any applicable ASX requirements.

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement will be determined on a case by case basis having regard to the factors including the following:

- the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- the effect of the issue of the shares on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement have not been determined as at the date of this Notice of Meeting and may include existing substantial Shareholders and/or new Shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

Voting exclusion

A voting exclusion statement is included in the Notice of Meeting. At the date of the notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing Shareholders to participate in the issue of the shares. No existing Shareholder's vote will therefore be excluded under the voting exclusion in the Notice of Meeting.

Previous approval

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

Recommendation

The Directors believe that Resolution 8 will provide the Company with flexibility to raise capital quickly if advantageous terms are available, and is in the best interests of the Company. The Directors recommend that Shareholders vote in favour of this Resolution.

9. Resolution 9 - **Authority to issue shares**

Singapore law, pursuant to Section 161 of the Singapore Companies Act, Cap. 50, requires that the issue of any new securities, such as shares or options, be approved by the shareholders.

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to issue shares and convertible securities in the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

This Resolution 9 is not seeking approval for:

- the issue of securities pursuant to the requirements of ASX Listing Rule 7.1; and
- the issue of securities to related parties, pursuant to the requirements of ASX Listing Rule 10.11, as the persons or entities are not known at the time of this notice of meeting.

Notes:

1) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2) The instrument appointing a proxy or proxies must be under the hand of the appointor or of 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) To be effective, the proxy must be received at the share registry of the Company at least 48 hours before the time fixed for the Meeting. Proxies must be received by one of the following methods:

By post:	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
By facsimile:	In Australia (02) 9290 9655 From outside Australia +61 2 9290 9655
By hand delivery:	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Australia

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Proxy Form

Pixie Group Limited

(Incorporated in the Republic of Singapore)
Registration No.200700159Z
ARBN 126 494 880

I/We...

(PLEASE PRINT NAME)

Of..

(ADDRESS)

being a member/members of Pixie Group Limited

A Appoint ....

(PLEASE PRINT NAME)

or failing the person so named (or if no person is named) the Chairman of the Meeting [if appointing the Chairman see B below] as proxy to vote in accordance with the following directions (or if no directions have been given as the proxy or the Chairman sees fit) at the Annual General Meeting of Members of Pixie Group Limited to be held at Hilton Singapore, 581 Orchard Road, Singapore 238883 on 28 June 2016, Tuesday at 2.30pm (Singapore time) and at any adjournment.

B Exercise of Proxy by Chairman

For undirected proxies, the Chairman intends to vote in favour of each resolution. If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. Note that the Chairman has an interest in the outcome of Resolution 5. ☐

C Business

	For	Against	Abstain
Resolution 1 – To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2015 together with the reports of the Directors and the Auditors therein	☐	☐	☐
Resolution 2 – Re-election of Director – **Mr Hoo Voon Him**	☐	☐	☐
Resolution 3 – Re-election of Director – **Ms Lay Chin Moey**	☐	☐	☐
Resolution 4 – Re-appointment of One Assurance LLP as Auditors of the Company	☐	☐	☐
Resolution 5 – Approval of Directors' Fee	☐	☐	☐
Resolution 6 – Approval of Issue of Convertible Notes under Listing Rule 7.4	☐	☐	☐
Resolution 7 – Approval of Additional Capacity to issue Convertible Notes under Listing Rule 7.1	☐	☐	☐
Resolution 8 – Approval of Additional Capacity to issue Shares under Listing Rule 7.1A (Special Resolution)	☐	☐	☐
Resolution 9 – Approval of Issue of Shares and Convertible Securities	☐	☐	☐

D If Appointing a Second Proxy

State here the percentage of your voting rights [%]

Or

The number of share applicable to this Form [Or Number]

E Insert your daytime telephone number [(S T D)]

F Signature(s) [ ]

Signatures if Corporate Shareholder (See Note F)

Director/Sole Director sign and print name

Director/Secretary sign and print name

Note: For your proxy to be entitled to vote your shares at the Meeting, the completed Proxy Form must be received by the Company not later than 48 hours prior to the Meeting.

Instruction For Completion Of Proxy Form

Your vote is important. Please direct your proxy how to vote. For your proxy to be entitled to vote your shares at the Meeting, the completed Proxy Form must be received by the Company not later than 48 hours prior to the Meeting. Any proxy received after this deadline will be treated as invalid.

A. Appoint

Insert here the name of the person you wish to appoint as proxy. Members cannot appoint themselves. If you submit a Proxy Form, which does not name a person to act as your proxy, the Chairman of the Meeting will act as your proxy. You can vote your shares by proxy even if you plan to attend the Meeting.

B. Exercise of Proxy by Chairman

For undirected proxies, Chairman intends to vote in favour of each resolution. If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking the box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

C. Business

If you wish to direct your proxy how to vote on any item, place a mark in the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate box. The vote will be invalid if a mark is made against more than one box for a particular item or if the total shareholding shown in "For", "Against" and "Abstain" boxes is more than your total shareholding on the share register.

D. If Appointing a Second Proxy

A member is entitled to appoint up to two persons (whether members or not) to attend the Meeting as proxies and vote. If you wish to appoint two proxies, please photocopy your proxy form or obtain another proxy form by calling the Company Secretary at +65 6837 2133. Both Forms should be completed with the nominated percentage of your voting rights or number of shares on each Form. If you do not specify the nominated percentage of your voting rights or number of shares, each of the proxies may exercise half of the votes. Please return these Proxy Forms together.

E. Insert your daytime telephone number

This is required in case we need to contact you.

F. Signature(s)

This Form must be signed by the member. If there are joint holders of the shares, the Proxy Form must be signed by both members. If the member is a corporation, the Proxy Form must be executed either under its seal or under the hand of an officer, attorney or other person authorized to sign. A member that is an Australian corporation must execute the Proxy Form in accordance with Section 127 of the Corporations Act 2001 or by an attorney. If this Proxy Form is signed under a Power of Attorney, then either the original Power of Attorney or a certified copy of the Power of Attorney must be returned to the Company with the Proxy Form.

Further Important Information

Please return your completed Proxy Form to Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001, Australia. Alternatively, your Form can be faxed to the Company at +61 2 9290 9655. To be effective, the Form must be received by the Company at the above address not later than 48 hours prior to the Meeting. If you require further information on how to complete the Proxy Form, telephone the Company Secretary at +65 6837 2133.

CDI Voting Instruction Form For Shareholders Who Hold Shares Through The Chess Depositary Nominees Pty Ltd

All Correspondence to:

By Mail	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
By Fax	+61 2 9290 9655
Online	www.boardroomlimited.com.au
By Phone	(within Australia) 1300 737 760 (outside Australia) +61 2 9290 9600

CDI VOTING INSTRUCTION FORM

PIXIE GROUP LIMITED

ANNUAL GENERAL MEETING

For your vote to be effective it must be recorded before 2.30pm (Singapore time) on Sunday, 26 June 2016.

TO VOTE BY COMPLETING THE CDI VOTING INSTRUCTION FORM

STEP 1 HOW TO VOTE ON ITEMS OF BUSINESS

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depositary Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depositary Nominees Pty Ltd enough time to tabulate all CHESS Depositary Interest votes and to vote on the underlying shares

STEP 2 SIGN THE FORM

Individual: Where the holding is in one name, the security holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory. i.e. Sole Director, Sole Company Secretary or Director and Company Secretary.

STEP 3 LODGEMENT

This form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by 2.30pm (Singapore time) on Sunday, 26 June 2016. Any form received after that time will not be valid for the scheduled meeting.

Forms may be lodged:

By Fax	+61 2 9290 9655
By Mail	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
In Person	Level 12, 225 George Street, Sydney NSW 2000 Australia

Comments and Questions

If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

TURN OVER TO COMPLETE THE FORM

Pixie Group Limited
Incorporated in the Republic of Singapore. Registration No. 200700159Z
ARBN 126 494 880

Your Address
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

CDI VOTING INSTRUCTION FORM

STEP 1 CHESS DEPOSITARY NOMINEES WILL VOTE AS DIRECTED

Voting Instructions to CHESS Depositary Nominees Pty Ltd

I/We being a holder of CHESS Depositary Interests of the above Company hereby direct CHESS Depositary Nominees Pty Ltd to vote the shares underlying my/our holding at the **Annual General Meeting of Pixie Group Limited** to be held at Hilton Singapore, 581 Orchard Road, Singapore 238883 on Tuesday / 28 June 2016 at 2.30pm (Singapore time) and at any adjournment of that meeting.

By execution of this CDI Voting Form the undersigned hereby authorises CHESS Depositary Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

Undirected proxies will not be voted. You are encouraged to direct your proxy by marking the box in relation to the resolution in Step 2 below.

STEP 2 VOTING DIRECTIONS

*If you mark the Abstain box for a particular item, you are directing your CHESS Depositary Nominees Pty Ltd not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

Ordinary Business	To receive the Financial Statements **(No resolution required)**	FOR	AGAINST	*ABSTAIN
Resolution 2	To re-elect Mr Hoo Voon Min as a director	☐	☐	☐
Resolution 3	To re-elect Ms Lay Chin Moey as a director	☐	☐	☐
Resolution 4	To re-appoint One Assurance LPP as Auditors	☐	☐	☐
Resolution 5	To approve the payment of the Directors' Fee	☐	☐	☐
Resolution 6	Approval of Issue of Convertible Notes under Listing Rule 7.4	☐	☐	☐
Resolution 7	Approval of Additional Capacity to issue Convertible Notes under Listing Rule 7.1	☐	☐	☐
Resolution 8	Approval of Additional Capacity to issue Shares under Listing Rule 7.1A (Special Resolution)	☐	☐	☐
Resolution 9	Approval of Issue of Shares and Convertible Securities	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name……………………………….. Contact Daytime Telephone………………… Date / / 2016

Designed by **Firefish**

PIXIE GROUP

PIXIE GROUP LIMITED
Registration No.200700159Z
ARBN 126 494 880
545 Orchard Road #15-07,
Far East Shopping Centre Singapore 238882