ARION ENTERTAINMENT SINGAPORE LIMITED | ANNUAL REPORT 2018

EXPLORING EMERGING PROSPECTS

CONTENTS

This Annual Report has been prepared by Arion Entertainment Singapore Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”), for compliance with the Singapore Exchange Trading Limited (the “SGX-ST”) Listing Manual Section B : Rules of Catalist. The Sponsor has not verified the contents of this Annual Report. This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and SGX-ST assume no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report. The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

Corporate Information

Board of Directors

Ng Kai Man
Executive Director
Chou Kong Seng
Independent Director
Roy Ling Chung Yee
Independent Director
Kesavan Nair
Independent Director
Lee Keng Mun
Independent Director

Nominating Committee

Kesavan Nair
Chairman
Lee Keng Mun
Member
Chou Kong Seng
Member

Remuneration Committee

Roy Ling Chung Yee
Chairman
Lee Keng Mun
Member
Kesavan Nair
Member

Audit Committee

Chou Kong Seng
Chairman
Roy Ling Chung Yee
Member
Kesavan Nair
Member

Company Secretaries

Abdul Jabbar Bin Karam Din
Chan Poh Kuan

Registered Office

9 Battery Road #15-01
MYP Centre
Singapore 049910
Tel: (65) 6292 0300
Fax: (65) 6293 3674
Registration No. 199407135Z

Share Registrar

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

Auditors

Nexia TS Public Accounting Corporation
100 Beach Road #30-00
Singapore 189702
Partner-in-charge: Lee Look Ling
(Appointed since financial year ended 31 March 2018)

Sponsor

Prime Partners Corporate Finance Pte. Ltd.
16 Collyer Quay #10-00
Income at Raffles
Singapore 049318
Contact person: Ms. Keng Yeng Pheng
(With effect from 9 February 2015)

Principal Bankers

DBS Bank Limited
Malayan Banking Limited

Executive Director's Statement

Dear Shareholders,

On behalf of the Board of Directors of Arion Entertainment Singapore Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiary corporations (the "Group") for the financial year ended 31 March 2018 ("FY 2018").

Income Statement Review

Revenue from Malaysian publishing operations for FY 2018 increased marginally to S$1.02 million as compared to S$0.93 million in the financial year ended 31 March 2017 ("FY 2017")

Direct Costs

Employee compensation decreased by 66.5% to S$0.91 million as compared to S$2.72 million in FY 2017, mainly due to damages for contractual breach paid to executive directors who stepped down during FY 2017 amounting to S$1.71 million.

Amortisation, depreciation and impairment decreased by 97.3% to S$5,000 as compared to S$0.18 million in FY 2017, largely due to impairment of goodwill on consolidation amounting to S$0.18 million in FY 2017.

Professional fees decreased by 85.9% to S$0.21 million as compared to S$1.51 million in FY 2017 largely due to the restructuring of the Group in FY 2017.

Other operating expenses decreased by 29.3% to S$0.46 million as compared to S$0.65 million in FY 2017 largely due to the foreign exchange loss of S$0.10 million in FY 2017.

Loss attributable to shareholders

Loss attributable to shareholders for FY 2018 was S$0.89 million as compared to a loss of S$7.31 million in FY 2017. The lower loss was due to (i) the decrease in employee compensation and other operating expenses in FY 2018; and (ii) the loss incurred in the disposal of subsidiary corporations in FY 2017 as compared to a gain in FY 2018.

Financial position and cash flow review

As at 31 March 2018, the Group's Net Asset Value ("NAV") decreased to S$1.6 million from S$2.5 million in the beginning of the year. NAV per share as at 31 March 2018 was 0.04 cents as compared with 0.07 cents as at 31 March 2017.

The decrease in trade and other payables is largely due to the deconsolidation of the two China subsidiary corporations amounting to S$0.14 million and trade creditors written off amounting to S$0.09 milion in FY 2018.

Cash and cash equivalents as at 31 March 2018 was S$2.55 million as compared to S$3.86 million as at 31 March 2017.

Cash used in operating activities decreased by S$2.11 million to S$1.23 million in FY 2018 as compared to FY 2017 largely due to the operating loss incurred. In FY2018, net cash used in operating activites by the Group was S$1.23 million due to loss before income tax of S$0.89 million, adjustments for gain on deconsolidation of the two China subsidiaries amounting to S$0.12 million, employee share options expense of S$38,000 and payments to trade and other payables of S$0.26 million.

The Group had a positive working capital of S$2.34 million as at FY 2018 as compared to S$3.27 million as at FY 2017.

Executive Director's Statement

The Year Ahead

The publishing operation in Malaysia is expected to be cash flow positive in the next twelve months. Meanwhile, the Company is seeking to expand the publishing operations in the region especially in Greater China.

To date, the Company is actively seeking new business opportunities, including but not limited to acquisitions that may result in a reverse takeover transaction.

Acknowledgements

On behalf of the Board, I would like to thank the Board for their invaluable guidance, as well as our shareholders, customers and partners for their unwavering support.

Finally, on behalf of the Board, I would like to express our thanks to Prof. Roy Ling Chung Yee for his contribution and services to the Company these past years. Prof. Roy Ling will be retiring and will not be seeking re-election as a Non-Executive Independent Director in the upcoming AGM.

Ng Kai Man
Executive Director

Board of Directors

NG KAI MAN

CHOU KONG SENG

ROY LING CHUNG YEE

KESAVAN NAIR

LEE KENG MUN

NG KAI MAN

Executive Director
Date first appointed : 09-03-2016 // Date last re-elected: 11-07-2017

Mr. Ng serves as an Executive Director of the Company. Mr. Ng founded Century 21 Hong Kong Limited and served as its CEO. Mr. Ng has worked in senior positions in Mandarin Property Consultants Limited, The Chase Manhattan Bank, N.A., World Trade Group, and The Bank of Canton (now part of Bank of America). Mr. Ng served as an Executive Chairman of 21 Holdings Limited from 1 July 2009 to 10 April 2014 and has been its Executive Director from 23 July 2008 till 18 September 2015. Mr. Ng served as Deputy Chairman of Capital Estate Ltd., (formerly Yoshiya International Corp. Ltd) from 25 April 2003 to 31 July 2005. Mr. Ng has been Vice Chairman of HK Chamber of Professional Real Estate Property Consultants since 1994 and was a committee member of HK Franchise Association from 1994 to 2000. Mr. Ng graduated from the London School of Economics & Political Sciences, University of London, the United Kingdom and holds a Master Degree of Science in Economics.

CHOU KONG SENG

Independent Director and Chairman of the Audit Committee
Date first appointed : 14-08-2012 // Date last re-elected: 11-07-2017

Mr Chou is presently the Chief Financial Officer of Acma Ltd. Mr. Chou was the non-Executive Chairman of Creative Master Bermuda Ltd from 2003 to 2010 and an Executive Director of Acma Ltd between March 1996 and October 2007. Between 1998 and 2010, Mr. Chou had also served as a non-executive director on two other companies listed on the Singapore Exchange. Prior to joining Acma Ltd in 1994, Mr. Chou was a senior manager with an international public accounting firm in Singapore. Mr. Chou was admitted as an associate member of the Institute of Chartered Accountants in England and Wales in 1981 and a member of the Institute of Certified Public Accountants of Singapore in 1982.

ROY LING CHUNG YEE

Independent Director and Chairman of the Remuneration Committee
Date first appointed: 14-02-2013 // Date last re-elected: 28-07-2016

Prof. Ling is currently a Managing Director at RL Capital Management. Concurrently, he also serves as an Independent Board Director at several listed companies across Asia; as an Adjunct Professor in Finance at the EDHEC Business School and as a Consultant for RHT Strategic Advisory and RHT Academy. Prior to RL Capital, Prof. Ling spent more than 20 years in investment banking and held senior positions with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney. His expertise is in Asia real estate, REIT IPOs and capital markets, and he has worked in New York, Hong Kong, Tokyo and Singapore. Prof. Ling was a former Board Director of the CFA Society of Japan. He was honored as the Real Estate Executive of the Year by Singapore Business Review in 2016, and as one of 20 Rising Stars in Real Estate by Institutional Investor in 2008. Prof. Ling graduated from INSEAD with a Global EMBA and from the National University of Singapore with a Bachelor of Business Administration (Honours).

Present Directorships
(As at 31 March 2018)

- United Food Holdings Limited
- Vingroup Joint Stock Company
- Chaswood Resources Holdings Ltd
- Pine Capital Group Ltd
- Ley Choon Group Holdings Limited

Past Directorships over the preceding three years
(As at 31 March 2018)

- China Flexible Packaging Holdings Ltd
- ChinaSing Investment Holdings Ltd
- JES International Holdings Ltd
- Aquaint Capital Holdings Ltd

KESAVAN NAIR

Independent Director and Chairman of the Nomination Committee
Date first appointed: 14-02-2013 // Date last re-elected: 28-07-2016

Mr. Nair is an Advocate and Solicitor of Singapore and is a director of Bayfront Law LLC. Mr. Nair graduated with a Bachelor of Laws (Honours) from The University College of Wales, Aberystwyth in 1998. He was admitted as a Barrister-at-Law, Middle Temple in 1990, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory in 1991 and an Advocate & Solicitor of the Supreme Court of Singapore in 1992 whereupon he joined M.P.D. Nair & Co as a Partner

Present Directorships
(As at 31 March 2018)

- Kitchen Culture Holdings Ltd
- IEV Holdings Limited
- HG Metal Manufacturing Limited
- Artivision Technologies Ltd

LEE KENG MUN

Independent Director
Date first appointed : 09-03-2016 // Date last re-elected: 28-07-2016

Mr Lee Keng Mun currently serves as an executive director and chief operating officer of Asia-Pacific Strategic Investments Limited ("APSI"). Prior to APSI, Mr. Lee was with the assurance and advisory business services division of Ernst & Young Singapore from January 2007 to October 2007 and with Deloitte & Touché Malaysia from May 1997 to February 2005. From March 2005 to December 2006, Mr Lee. was senior manager of a listed company of Bursa Malaysia. Mr. Lee holds a Bachelor of Accounting from the University of Malaya and is a member of the Malaysia Institute of Accountants and the Institute of Singapore Chartered Accountants.

Present Directorships
(As at 31 March 2018)

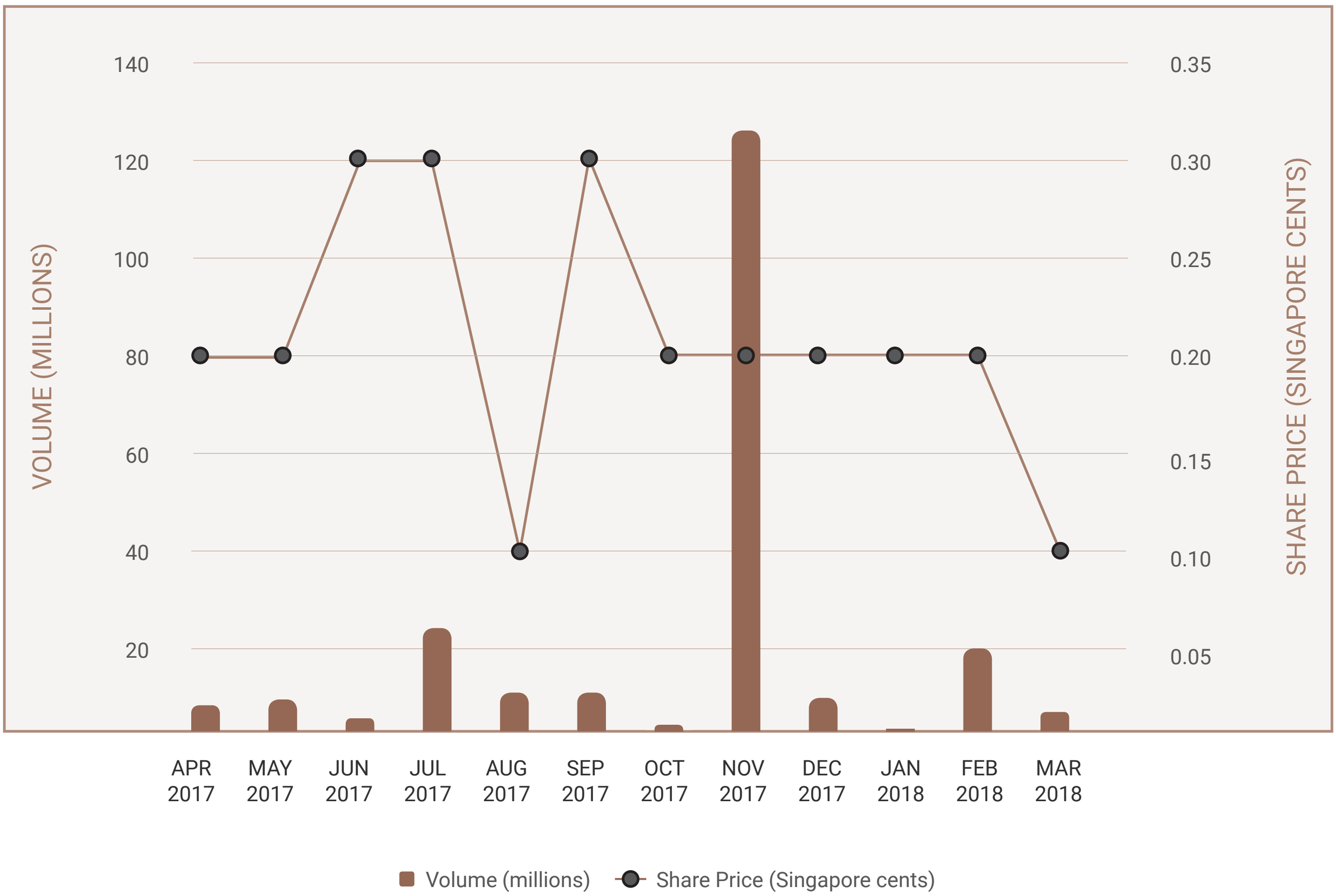
- Asia-Pacific Strategic Investments Limited

Financial Highlights

Year	Revenue* (S$'000)	Loss Attributable to Shareholders (S$'000)	Loss Per Share (Singapore Cents)
FY 2014	7,320	(2,863)	(0.28)
FY 2015	7,924	(2,793)	(0.44)
FY 2016	2,859	(6,320)	(0.44)
FY 2017	1,596^	(7,305)	(0.26)
FY 2018	**1,208^**	**(890)**	**(0.02)**

* Including other income and excluding discontinued operations
^ Excluding gain/(loss) on disposal of subsidiary corporations (refer to Note 21 to the Financial Statements)

Share Price and Total Monthly Income



Financial Highlights

Revenue* by Business Division

S$'million	March 2018#	March 2017#
Publishing & Events Management	1.1	0.9
HQ Costs & Investments	0.1^	0.6^
Discontinued Operations	-	3.0

* Including other income
^ Excluding gain/(loss) on disposal of subsidiary corporations (refer to Note 21 to the Financial Statements)
# Refer to Note 29 to the Financial Statements

Operating Profit/(Loss) by Business Division

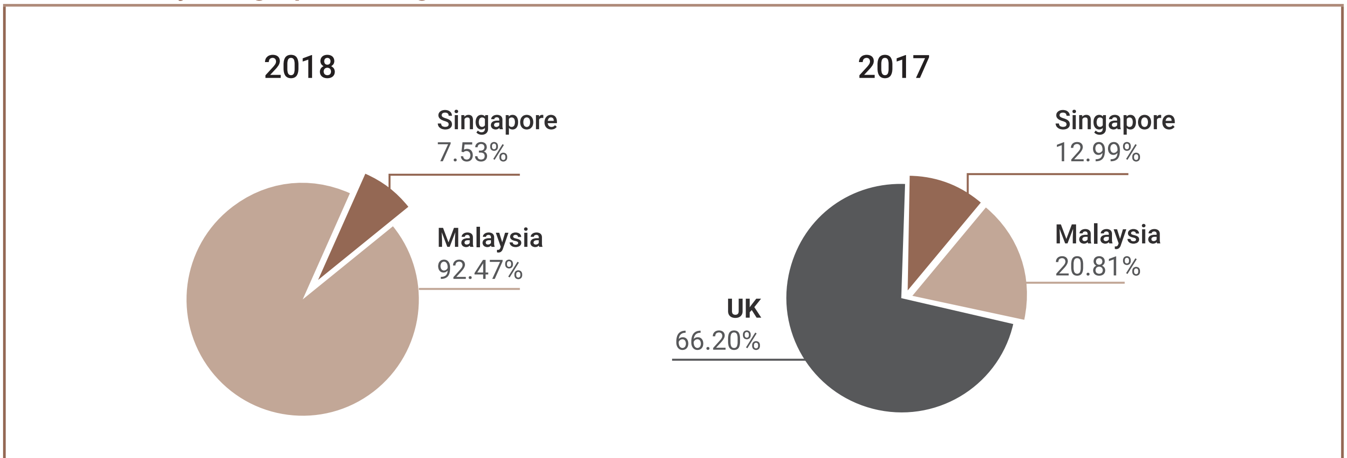
S$'million	March 2018	March 2017
Publishing & Events Management	0.2	-@
HQ Costs & Investments	(1.1)	(6.0)
Discontinued Operations	-	(2.7)

@ Less than S$0.1 million loss

Staff Strength

	March 2018	March 2017
HQ	2	2
Publishing and Events Management	9	10
Total	**11**	**12**

Revenue *^ by Geographical Region



Management Team

MS. CHONG CHYE WAN
President, Publishing Malaysia

Ms. Chong Chye Wan is the President, Malaysia Publishing and is in charge of the day-to-day management of the Group's operations in Malaysia. Ms Chong started her career as an Auditor with an international public accounting firm based in Kuala Lumpur and moved on to join several Malaysian public listed companies in their finance departments. She is a Certified Public Accountant and holds a Bachelor of Accounting degree (Hons) from the University of Malaya.

MS. NG HWEE LING
Chief Financial Officer

Ms. Ng Hwee Ling is the Chief Financial Officer of the Group. Ms Ng is responsible for overseeing the Group's financial and management accounting, and payroll matters. Prior to joining the Group, she was an Auditor with an international public accounting firm. Ms Ng is a member of the Institute of Singapore Chartered Accountants and holds a Bachelor of Accountancy degree (Hons) from the Nanyang Technological University, Singapore.

The Board of Directors (the "Board") of Arion Entertainment Singapore Limited (the "Company") and together with its subsidiary corporations, the "Group") recognises the significance of sound corporate governance in ensuring greater transparency, protecting the interests of its shareholders as well as strengthening investors' confidence in its management and financial reporting. It is committed to maintaining a high standard of corporate governance within the Group based on which its operations, businesses and strategies are directed and controlled.

This report describes the Company's corporate governance processes that were in place for the financial year ended 31 March 2018 ("FY 2018"), with specific reference made to the principles of Code of Corporate Governance 2012 (the "Code"), and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("SGX-ST") in January 2015. Where applicable, deviations from the Code are explained.

BOARD MATTERS

(1) Board's Conduct of its Affairs

The Board holds meetings on a regular basis throughout the year to review and approve the Group's major strategic plans as well as major investments, disposals and funding matters. The Board is also responsible for the overall corporate governance of the Group. Ad-hoc meetings are also held when the need arises. Attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings during FY 2018 are as follows:

	Attendance at Meetings							
	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Ng Kai Man	2	2	–	–	–	–	–	–
Chou Kong Seng	2	2	2	2	–	–	–	–
Roy Ling Chung Yee	2	2	2	2	–	–	1	1
Kesavan Nair	2	2	2	2	1	1	–	–
Lee Keng Mun	2	2	–	–	1	1	1	1
Tai Kok Chuan (1)	2	1	–	–	1	1	1	1

Note:

(1) Mr Tai Kok Chuan ceased as an Independent Non-Executive Director on 6 March 2018.

The Directors are updated regularly on changes in Company policies, Board processes, corporate governance and best practices.

Key matters that are specifically reserved for the Board's consideration and decision include, but are not limited to, matters involving a conflict of interest for a substantial shareholder or Director, corporate planning, public release of periodic financial results, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, formulation of any dividend policy or the change of such dividend policy and declaration of dividends, and nomination of directors to the Board.

(2) Delegation of Authority to Board Committees

To facilitate effective management, the Board has delegated certain functions to the Board committees, namely the audit committee ("Audit Committee"), the remuneration committee ("Remuneration Committee") and the nominating committee ("Nominating Committee"), to ensure that there are appropriate checks and balances. These Board committees operate within clearly defined terms of reference which are reviewed from time to time. As at 31 March 2018, the Audit Committee, the Remuneration Committee and the Nominating Committee each comprises entirely of Independent Directors.

Orientation, briefings, and training provided for Directors

Newly appointed Directors will be briefed by the Executive Director on the Directors' duties and obligations, and on the Group's organization structure, business and governance practices.

During the financial year reported on, the Directors had received updates on the regulatory changes to the Listing Manual Section B: Rules of Catalist ("Rules of Catalist") of the SGX-ST, Companies Act from the Company Secretary and accounting standards from the independent auditors. The Executive Director updates the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group.

(3) Board Composition and Guidance

The Board comprises one Executive Director and four Independent Directors. The Company endeavours to maintain a strong independent element on the Board. Four of the Directors are independent thereby fulfilling the Code's requirement that at least half of the Board should comprise independent directors when the Chairman is part of the managing team. Key information regarding the Directors can be found under the "Board of Directors" section of this annual report.

The Company does not have any alternate directors.

The Independent Directors have confirmed that they do not have any relationship with the Company or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company. The Nominating Committee evaluates on an annual basis whether or not a Director is independent in accordance with the Code. The Nominating Committee has reviewed and determined that the Independent Directors are independent.

There are no Independent Directors whom have served on the Board beyond nine years form the date of his first appointment.

The Nominating Committee is of the view that the current Board exhibits a level of independence that sufficiently enables the Board to exercise objective judgment on corporate affairs independently from the management. The Nominating Committee is also of the view that no individual or small groups of individuals dominate the Board's decision-making processes.

The Board continually reviews its size and composition with a view towards the refreshing of the Board and to strike the appropriate balance and diversity of skills, experience, and knowledge of the Company to support the Group's businesses and strategy.

The current Directors bring with them a wealth of experience and a broad range of expertise relevant to the Group's businesses and strategy, including accounting, finance, business and management, strategic planning, and regional business experience. The key information and profiles of the Directors can be found on pages 4 and 5 of the Annual Report.

Board membership is refreshed progressively and in an orderly manner, bearing in mind the contributions from longstanding directors who have over time developed an understanding and insight into the Group's businesses.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on an annual basis to ensure that the Board dynamics remain optimal.

Prof. Roy Ling Chung Yee will retire and not seek re-election at the forthcoming annual general meeting ("AGM") to facilitate a reduction in the size of the Board. The Board is of the view that the size of the remaining board, comprising four Directors is appropriate, with reference to the scope and extent of the Group's operations. The Company's Independent Directors enhance the Board with increased knowledge, business contacts, proven business and commercial experience. This balance is important in ensuring that the strategies proposed by the executive management are fully discussed and examined, taking into account the long term interests of the Group.

(4) Chairman and Chief Executive Officer

Mr Ng Kai Man, the Executive Director of the Company, has full executive responsibilities over business directions and operational decisions of the Group. The Board reviews all major decisions made by the Executive Director. The Nominating Committee periodically reviews his performance and his appointment to the Board and the Remuneration Committee periodically reviews his remuneration package.

The Board has not appointed any lead independent director taking into consideration the Board size and the size of the Group's operation. Independent Directors, individually and collectively, are and have been available to shareholders as a channel of communication between shareholders and the Board or management.

(5) Board Membership

The Nominating Committee comprises Messrs Kesavan Nair (an Independent Director), Lee Keng Mun (an Independent Director) and Chou Kong Seng (an Independent Director). Mr Nair is the Chairman of the Nominating Committee. The key responsibilities of the Nominating Committee are (i) to review the size and composition of the Board and Board Committees, (ii) to ensure that the Board has the appropriate balance of expertise, skills, knowledge, experience, attributes and abilities, (iii) to review Directors' independence and performance and (iv) to review the training and professional development programmes for Board members.

We believe that Board renewal must be an on-going process, to ensure good corporate governance and to maintain relevance to the business as well as changing needs of the Company. The Constitution of the Company requires one-third of the Directors to retire and subject themselves to re-election by shareholders at every AGM such that no Director stays in office for more than three years without being re-elected by shareholders.

The Nominating Committee has recommended to the Board that Mr Kesavan Nair be nominated for re-election at the Company's forthcoming AGM. Mr Nair will, upon re-appointment as a Director of the Company, remain as an Independent Non-Executive Director, the Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee. Mr. Nair is considered independent for the purpose of Rule 704(7) of the Catalist Rules. Prof. Roy Ling Chung Yee will retire and not seek re-election at the forthcoming AGM.

The Nominating Committee may identify candidates for appointment as new Directors through business network of Board members or engage external independent professional advisors in the search for suitable candidates. The Nominating Committee will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance and business or management expertise. If the Nominating Committee decides that a candidate is suitable, the Nominating Committee would recommend its choice to the Board of Directors.

The Nominating Committee, after reviewing the respective list of directorships held by each Director as well as their attendance and time committed to Company's affairs, is satisfied that all Directors who sit on multiple boards are able to devote adequate time and attention to the affairs of the Company and to fulfill their duties as Directors. The Board has set the maximum number of 10 listed company board representations which any Director of the Company may hold at any one time. All Directors have complied with this requirement.

(6) Board Performance

The Nominating Committee uses its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge and that each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The view on the Board's effectiveness was formed by looking at various criteria including: the composition and size of the Board, Board processes, the effectiveness of the Board Committees, the Board's access to information and how the Board tracks performance and manages risks. In FY 2018, the Nominating Committee has conducted the assessment by preparing a questionnaire to be completed by each Director, of which were then collated and the findings analysed and discussed with a view to implement certain recommendations to further enhance the effectiveness of the Board.

Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

The Board has allocated budgets for Directors to attend training and will make recommendations to the Board on the training and professional development programmes for the Board members.

The Nominating Committee has assessed the current Board's performance to-date and is of the view that performance of the Board as a whole has been satisfactory.

(7) Access to Information

It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full year financial results announcements, other price-sensitive public reports and reports to regulators (if applicable).

For the Board to fulfill its responsibilities, management has to provide adequate and timely information to the Board on affairs and issues that require the Board's decision as well as ongoing reports relating to operational and financial performance of the Company and the Group. Whenever appropriate, senior managers who can provide additional insight on the matters to be discussed are invited to attend the Board meetings. The Company Secretary and/ or his representative attends Board meetings.

The Board has separate and independent access to the senior management and the Company Secretary at all times. Where necessary, the Company will, upon the request of Directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties. The appointment and removal of the Company Secretary is decided by the Board as a whole.

REMUNERATION MATTERS

(8) Formal and transparent procedure for fixing remuneration packages of directors
(9) Level and Mix of Remuneration
(10) Disclosure of Remuneration

The function of the Remuneration Committee is to review the remuneration of the Executive Director and key management personnel of the Company and to provide a greater degree of objectivity and transparency in the determination of their remuneration.

The Remuneration Committee comprises Messrs Roy Ling Chung Yee (an Independent Director), Lee Keng Mun (an Independent Director) and Kesavan Nair (an Independent Director). Prof. Ling is the Chairman of the Remuneration Committee.

The Remuneration Committee reviews and recommends to the Board, in consultation with management, a framework for all aspects of remuneration. The Remuneration Committee also determines the specific remuneration packages and terms of employment for each of the Executive Director of the Company including those employees related to the Executive Directors and controlling shareholders of the Company as well as key management personnel. The recommendations of the Remuneration Committee are submitted for endorsement by the Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefi ts in kind are covered by the Remuneration Committee.

The Remuneration Committee has access to expert professional advice on compensation matters whenever there is a need to consult externally. In its deliberations, the Remuneration Committee takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry and the performance of the individual Directors. No remuneration consultants were engaged by the Company in FY 2018.

The Executive Director has entered into service agreement with the Company. The service agreement cover the terms of employment, specifically salary and other benefits.

The Non-Executive Directors receive directors' fees in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent serving on the Board and Board committees. The directors' fees are recommended by the Board and are subject to the approval of shareholders at the AGM.

Directors' Remuneration

Our Executive Director's remuneration consists of salary, allowances and bonuses. No Director will be involved in deciding his own remuneration. Directors' fees for Independent Directors and Executive Directors are subject to approval of shareholders at the AGM.

The remuneration paid or payable to Directors during the financial year is as follows:

Name	Salary	Bonus	Allowances & Others	Directors' Fee	Total Remuneration
$250,000 to $500,000					
Ng Kai Man	90%	7%	–	3%	100%
$250,000 and below					
Chou Kong Seng	–	–	–	100%	100%
Kesavan Nair	–	–	–	100%	100%
Lee Keng Mun	–	–	–	100%	100%
Roy Ling Chung Yee	–	–	–	100%	100%
Tai Kok Chuan [1]	–	–	–	100%	100%

Note:

(1) Mr Tai Kok Chuan has ceased as a Non-Executive and Independent Director on 6 March 2018.

The Board is of the view that the information on Directors' and key management personnel's remuneration disclosed in the Annual Report would be sufficient for shareholders to have an adequate understanding of the Company's remuneration policies and practice. The Board believes that the disclosure provided is in the interest of the Company given the highly competitive business environment and allowing Directors and key management staff to maintain some degree of their personal confidentiality on remuneration matters.

The Board has also recommended a fixed fee for non-executive Directors, taking into account the effort, time spent and responsibilities of each non-executive Director.

All the Directors receive directors' fee for attending to Board matters. For chairing committees, a Director receives a small additional fee. A Director who serves for part of the financial year will receive pro-rated director's fee. Total directors' fee in FY 2018 amounted to S$183,770.00 (2017: S$195,650.00), because all the Board members have voluntarily agreed to a slight reduction in their directors' fee for FY2018 in support of the Company.

Remuneration of Key Management Personnel

The Group has only two key management personnel (who are not Directors or the CEO). The remuneration received by these key management personnel in FY 2018 is below $250,000 in each case.

Name	Salary	Bonus	Total
Ng Hwee Ling	93%	7%	100%
Chong Chye Wan	93%	7%	100%

The total remuneration paid to or accrued for the top two key management personnel (who are not Directors or the CEO) for FY 2018 was S$0.26 million.

There were no employee who was an immediate family member of any Director or Managing Director of the Company and whose remuneration exceeded S$50,000 in FY 2018.

Share Incentive Scheme

Arion Entertainment Singapore Limited Employees' Share Option Scheme (the "AES ESOS")

On 30 July 2014, members of the Company approved and adopted the AES ESOS at an extraordinary general meeting ("EGM"). The AES ESOS is administered by the Remuneration Committee (the "Committee") comprising Prof. Roy Ling Chung Yee, being Chairman of the Committee, Mr Lee Keng Mun and Mr Kesavan Nair.

In exercising its discretion in administering the AES ESOS, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board. The Committee shall have the power, from time to time, to make and vary such terms for the implementation of the AES ESOS as it thinks fit.

The AES ESOS is intended to provide participants an opportunity to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/ or the Group.

(a) Eligible participants

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- Directors of the Company.

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the AES ESOS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period. The controlling shareholders or their associates and associated company employees are not eligible for selection to participate in the AES ESOS.

(b) Size and duration

The aggregate number of shares which may be issued or transferred pursuant to awards granted under the AES ESOS on any date, when added to the aggregate number of shares issued and issuable and/or transferred and transferable in respect of (a) all awards granted under the AES ESOS and (b) all awards, shares and options granted under any other share scheme implemented by the Company and for the time being in force, shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding that date.

The AES ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing from 30 July 2014, provided always that the AES ESOS may continue beyond the 10-year period with the approval of the shareholders in a general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the AES ESOS, any awards made to employees prior to such expiry or termination will continue to remain valid.

Details of the share options granted can be found on pages 22 to 24 of the Annual Report.

Arion Entertainment Singapore Limited Performance Share Plan (the "AES PSP")

The AES PSP was approved and adopted by shareholders at an EGM of the Company held on 7 September 2007 and has lapsed on 6 September 2017. The AES PSP is intended to recruit, attract and retain participants to higher standards of performance and encourage greater dedication and loyalty, enable the Company to give recognition to past contribution and services, as well as motivate participants to contribute to the long-term prosperity of the Group.

(a) Eligible participants

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- Directors of the Company.

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the AES PSP shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) and/or service condition(s) within the performance period. The controlling shareholders or their associates and associated company employees are not eligible for selection to participate in the AES PSP.

(b) Size and duration

The total number of new Shares issued pursuant to awards granted under the AES PSP, when added to the number of new Shares issued and issuable in respect of (a) all Awards granted under the PSP; (b) all Options under the AES ESOS; and (c) all Shares or awards granted or to be granted under any other share option or share incentive schemes of the Company then in force, shall not exceed 15% of the number of issued Shares of the Company on the day preceding the relevant date of the award. The PSP shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which it is adopted by the Company in general meeting, provided always that the AES PSP may continue beyond the above stipulated period with the approval of Shareholders in a general meeting and of any relevant authorities which may then be required.

The AES PSP may be terminated at any time at the discretion of the Committee, or by an ordinary resolution passed by the Shareholders in a general meeting subject to all other relevant approvals which may be required.

Notwithstanding the expiry or termination of the AES PSP, any awards made to the participants prior to such expiry or termination will continue to remain valid.

The AES PSP awards fully paid shares to participants who have achieved pre-determined targets. The shares are settled by physical delivery of shares by way of issuance of new share by the Company or transfer of treasury shares to the participants. The Company has granted 47,500,000 performance shares since commencement of the AES PSP. There were no unissued shares of the Company under the AES PSP in FY 2018.

Details of the share awards granted can be found on pages 24 to 25 of the Annual Report.

Remuneration of the Executive Directors and key management personnel is driven by a pay-for-performance philosophy and is made up of three key components: a fixed pay component, a variable bonus component, and share-based incentives. The variable bonus is paid based on the Group's and individual's performance. Share options and share awards are tied to the achievement of set performance targets.

The Remuneration Committee has reviewed and is satisfied that the performance conditions were met for FY 2018.

ACCOUNTABILITY AND AUDIT

(11) Accountability

The Board continues to be accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with statutory reporting requirements. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

The management of the Company provides the Board with regular updates on the Group's business activities and financial performance by providing balanced and understandable management accounts of the Group's performance, position and prospects on a half-yearly basis. Such reports highlight key business indicators and major issues that are relevant to the Group's performance.

(12) Audit Committee

The Audit Committee is made up of three Independent Directors who possess relevant accounting experience and/or related financial management expertise. Mr Chou Kong Seng, an independent Director, chairs the Audit Committee. The other members of the Audit Committee are Prof. Roy Ling Chung Yee and Mr Kesavan Nair, who are both Independent Directors of the Company. None of the Audit Committee members were previous partners or directors of the Company's independent audit firm within the last twelve months and none of the Audit Committee members hold any financial interest in the independent audit firm.

The Audit Committee holds periodic meetings and primarily carries out the following functions together with the Executive Director and independent auditors:

(a) Reviews the audit plans set forth by the independent auditors, evaluates the report issued by the independent auditors from their examination of the Company's internal and accounting controls system;

(b) Reviews the operating results of the Group and Company, accounting policies and assistance given by the management to independent auditors;

(c) Reviews the financial statements of the Group and Company before submission to the Board;

(d) Reviews all interested person transactions; and

(e) Nominates the independent auditors for reappointment.

The Audit Committee has full access to and full co-operation of the management. The Audit Committee also has the power to conduct or authorize investigations into any matters within its terms of reference. The independent auditors have unrestricted access to the Audit Committee.

The Audit Committee has met up with the independent auditors without the presence of management, to discuss the results of their audit and their evaluation of the systems of internal accounting issues.

A breakdown of the audit fees paid to the Company's auditors is disclosed in page 32 of the Annual Report. There were no non-audit fees paid to the independent auditors in FY 2018.

The independent auditors of the Company and its Singapore-incorporated subsidiary corporations are Nexia TS Public Accounting Corporation, Singapore. The Board and Audit Committee are satisfied that the appointment of different auditors for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Company has complied with Rules 712 and 716 of the Rules of Catalist of SGX-ST.

The Audit Committee recognizes the need to maintain a balance between the independence and objectivity of the independent auditors and the work carried out by the independent auditors based on value for money consideration. The Audit Committee is satisfied with the independence and objectivity of the independent auditors and has recommended that Nexia TS Public Accounting Corporation, Singapore be re-appointed as the Company's independent auditor in respect of financial year ending 31 March 2019.

To keep abreast of the changes in accounting standards and issues which have an impact on financial statements, discussions are held with the independent auditors when they attend the Audit Committee meetings every half yearly.

(13) Risk Management and Internal Controls

The Board is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Audit Committee and the Board regularly review the adequacy and effectiveness of all internal controls to address the financial, operational, compliance and information technology risks and risk management controls of the Group.

Relying on the reports from the independent auditors and management representation letters, the Audit Committee carried out assessments of the adequacy and effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the independent auditors to further improve the internal controls are reported to the Audit Committee. The Audit Committee in turn reports such discussions to the Board. The Audit Committee will also follow up on the actions taken by management in response to recommendations made by the independent auditors to ensure that they are implemented in a timely and appropriate manner. The Group's financial risk management objectives and policies are discussed under Note 28 of the Financial Statements.

Based on the aforesaid, the Board, with the concurrence of the Audit Committee, is of the view that the system of internal controls maintained is effective and adequate to meet the needs of the Company.

In FY 2018, the Board has received assurances from the Executive Director and Chief Financial Officer of the Company that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the Group's risk management and internal control system were effective.

The Company has in place whistle-blowing policies and arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and appropriate follow up action, all whistle blowing reports are sent to the Audit Committee.

Based on the various management controls put in place and the reports from the independent auditors, reviews by management and the management representation letters, the Board with the concurrence of the Audit Committee is of the opinion that the system of internal controls addressing financial, operational, compliance and information technology risks and risk management systems maintained by the Group in FY 2018 were adequate and effective in meeting the needs of the Group in its current business environment.

(14) Internal Audit

The Chief Financial Officer is also responsible for the running of a robust and timely process of identifying and evaluating business risks, controls over cash flows and preparing timely reports and communications to the various committees, such as audit matters to the Audit Committee and administrative and operational matters to the Board.

In FY 2018, the Company did not conduct an internal audit review in view of the commercial context of the business activity. Having considered various factors, including the scale and risk factors pertaining to the Group's operations and following discussions with the Group's independent auditors, the Audit Committee is of the opinion that an internal audit function is not considered necessary in the present circumstances. The Audit Committee and the Board will continue to assess the need for a separate internal audit function.

(15) Communication with Shareholders

(16) Conduct of Shareholder Meetings

We believe in regular and timely communication with shareholders as part of our organisation's development to build systems and procedures that will enable us to operate globally.

In line with continuous obligations of the Company pursuant to the Rules of Catalist of the SGX-ST and the Companies Act (Cap 50, Singapore), it is the Board's policy that all shareholders be equally and timely informed of all major developments that will or is expected to impact the Company or the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and/or news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and EGM; and

(e) Company's website at www.egl.com.sg where shareholders can access information on the Group.

The Company's AGMs and EGMs are the principal forum for dialogue with the shareholders. The Chairman of the Audit, Remuneration and Nominating Committees are normally available at the meetings to answer any questions relating to the scope of work of these Committees. The independent auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders during such general meetings.

Shareholders are encouraged to attend all general meetings to ensure a high level of interaction and to stay informed of the Company's strategy and goals. Notice of the general meetings is circulated to all shareholders of the Company, together with explanatory notes or a circular on items of special business (if necessary), at least 14 working days before the meeting. The Board welcomes questions from shareholders either informally or formally before or at the general meetings.

The Company has introduced the system of voting by poll and the results of each resolution put to vote at the AGM are announced with details of the percentage voting in favour and against. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are voted on. The results are also announced via SGXNET after the conclusion of the meeting.

The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.

Dividends

No dividends were declared or recommended for FY 2018 as the Group is loss-making.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiary corporations involving the interest of the Directors or controlling shareholders, which are either subsisting at the end of the financial year, or if not than subsisting, entered into since the end of the previous financial year.

DEALINGS IN SECURITIES

The Company has in place policy which prohibits dealings in the securities of the Company by the Directors and employees while in possession of price-sensitive information. The Company, its Directors, key officers and employees of the Group who have access to unpublished price sensitive and confidential information are prohibited to deal in the securities of the Company, at least one month before the release of the half-year and full-year financial results to SGXST and ending on the date of announcement of the relevant results, or when they are in possession of any unpublished material price-sensitive information. Directors and executives of the Group are discouraged from dealing in the shares of the Company on short-term considerations.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

The Board confirms that for the financial year ended 31 March 2018, the Company has complied with Rule 1204(19) of the Rules of Catalist of the SGX-ST.

INTERESTED PERSONS TRANSACTIONS

The Company has established a procedure for recording and reporting interested person transactions ("IPT"). There were no IPTs of S$100,000 and above for the financial year ended 31 March 2018.

USE OF PROCEEDS

The following relates to the net proceeds of S$2.55 million raised from the placement of 1.2 billion shares in December 2016:

Purpose	Net proceeds utilised as at the date of Annual Report (S$'000)	Balance unutilised (S$'000)
Working capital		
- Wages and staff related costs	295	–
- Creditors	483	–
Total	778	1,774

Sponsorship

No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY 2018.

Sustainability Reporting

The SGX-ST has made sustainability reporting mandatory with effect for financial year ending on or after 31 December 2017. For the first year, listed companies have up to 12 months from its financial year end to publish its first report. Accordingly, the Company is working towards the issuance of its first sustainability report by 31 March 2019 and such report will be made available to Shareholders on the SGXNet.

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

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 31 to 93 are drawn up so as to give a true and fair view of the balance sheets of the Company and of the Group as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Ng Kai Man
Chou Kong Seng
Roy Ling Chung Yee
Kesavan Nair
Lee Keng Mun

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee	
Company	At 31.03.2018	At 31.03.2017
(No. of ordinary shares)		
Ng Kai Man	380,000,000	380,000,000
Chou Kong Seng	3,000,000	3,000,000
Roy Ling Chung Yee	3,000,000	3,000,000
Kesavan Nair	3,000,000	3,000,000

Directors' interests in shares or debentures (cont'd)

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: (cont'd)

	Number of unissued ordinary shares under option held by director	
Options to purchase ordinary shares	At 31.03.2018	At 01.04.2017
Chou Kong Seng	6,000,000	6,000,000
Roy Ling Chung Yee	6,000,000	6,000,000
Kesavan Nair	6,000,000	6,000,000

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

Share options

On 30 July 2014, members of the Company approved and adopted the Arion Entertainment Singapore Limited Employees' Share Option Scheme ("AES ESOS") at an Extraordinary General Meeting ("EGM"). The AES ESOS is administered by the Remuneration Committee (the "Committee") comprising Roy Ling Chung Yee, Chairman of the Committee, Lee Keng Mun and Kesavan Nair.

In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board. The Committee shall have the power, from time to time, to make and vary such terms for the implementation of the AES ESOS as it thinks fit.

The AES ESOS is intended to provide participants an opportunity to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

(a) Eligible participants of the AES ESOS

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and

- Directors of the Company

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the AES ESOS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period. The controlling shareholders or their associates and associated company employees are not eligible for selection to participate in the AES ESOS.

Share options (cont'd)

(b) Size and duration

The aggregate number of shares which may be issued or transferred pursuant to awards granted under the AES ESOS on any date, when added to the aggregate number of shares issued and issuable and/or transferred and transferable in respect of (a) all awards granted under the AES ESOS and (b) all awards, shares and options granted under any other share scheme implemented by the Company and for the time being in force, shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding that date.

The AES ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing from 30 July 2014, provided always that the AES ESOS may continue beyond the 10-year period with the approval of the shareholders in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the AES ESOS, any awards made to employees prior to such expiry or termination will continue to remain valid.

On 13 July 2015, the Company granted options to subscribe for 86,000,000 ordinary shares of the Company at exercise price of $0.0028 per share ("2015 Options"). The 2015 options are exercisable from 13 July 2017 and expire on 13 July 2025. The total fair value of the 2015 Options granted was estimated to be $318,000 using the Binomial Option Pricing Model.

Details of the options to subscribe for ordinary shares of the Company pursuant to the AES ESOS described above are as follows:

Date of grant	Balance as at 1.4.2017	Options granted	Options cancelled or lapsed	Balance as at 31.03.2018	Exercise price per share	Exercisable period
	'000	'000	'000	'000		
13.07.2015	70,000	–	–	70,000	$0.028	13.07.2017-13.07.2025

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the AES ESOS were as follows:

	No. of unissued ordinary shares of the Company under option				
Name of director	Options granted during the financial year	Aggregate options granted since commencement of AES ESOS to 31.03.2018	Aggregate options exercised since commencement of AES ESOS to 31.03.2018	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2018	Aggregate options outstanding as at 31.03.2018
	'000	'000	'000	'000	'000
Chou Kong Seng	–	6,000	–	–	6,000
Kesavan Nair	–	6,000	–	–	6,000
Roy Ling Chung Yee	–	6,000	–	–	6,000
	–	18,000	–	–	18,000

Share options (cont'd)

No option has been granted to controlling shareholders of the Company or their associates (as defined in the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual).

All directors under the AES ESOS have received 5% or more of the total number of shares under options available under the AES ESOS.

Performance shares plan

The Arion Entertainment Singapore Limited Performance Shares Plan ("AES PSP") was approved and adopted by shareholders at an EGM of the Company held on 7 September 2007 and has lapsed on 6 September 2017. The AES PSP is intended to recruit, attract and retain participants to higher standards of performance and encourage greater dedication and loyalty enabling the Company to give recognition to past contribution and services; as well as motivating participants to contribute to the long-term prosperity of the Group.

(a) Eligible participants of the AES PSP

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- Directors of the Company

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the AES PSP shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) and/or service condition(s) within the performance period. The controlling shareholders or their associates and associated company employees are not eligible for selection to participate in the AES PSP.

(b) Size and duration

The total number of new Shares issued pursuant to awards granted under the AES PSP, when added to the number of new Shares issued and issuable in respect of (a) all Awards granted under the PSP; (b) all Options under the AES ESOS; and (c) all Shares or awards granted or to be granted under any other share option or share incentive schemes of the Company then in force, shall not exceed 15% of the number of issued Shares of the Company on the day preceding the relevant date of the award. The PSP shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which it is adopted by the Company in general meeting, provided always that the AES PSP may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

The AES PSP may be terminated at any time at the discretion of the Committee, or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required.

Notwithstanding the expiry or termination of the AES PSP, any awards made to the participants prior to such expiry or termination will continue to remain valid.

The AES PSP awards fully paid shares to participants who have achieved pre-determined targets. The shares are settled by physical delivery of shares by way of issuance of new share by the Company or transfer of treasury shares to the participants.

Performance share plan (cont'd)

On 10 July 2015, the Company granted 43,000,000 ordinary shares in the capital of the Company pursuant to the AES PSP to directors and certain employees of the Company. The new shares were allotted on 13 July 2015 at the market price of $0.003.

The Company has granted 47,500,000 performance shares since commencement of the AES PSP. There were no unissued shares of the Company under the AES PSP during the financial year ended 31 March 2018.

On 31 July 2009, the Company awarded the following shares under AES PSP which have no vesting period.

Name of Awardee	No. of shares awarded
	'000
Executive officers and employees	
Others	4,500

On 10 July 2015, the Company awarded the following shares under AES PSP which have no vesting period.

Name of Awardee	No. of shares awarded
	'000
Directors of the Company	
Ricky Ang Gee Hing [1]	12,000
Tan Chong Chai [2]	4,000
Ang Ghee Ann [3]	3,000
Chou Kong Seng	3,000
Kesavan Nair	3,000
Roy Ling Chung Yee	3,000
Executive officers and employees	
Others	15,000

(1) Ricky Ang Gee Hing has resigned as a non-executive and non-independent chairman on 21 November 2016.

(2) Tan Chong Chai has resigned as an executive director on 23 May 2016.

(3) Ang Ghee Ann has resigned as an non-executive and non-independent director on 16 March 2016.

Warrants

During the financial year ended 31 March 2016, the Company issued 1,368,451,292 free attached listed warrants upon the issuance of 684,225,646 new ordinary shares to shareholders. Each warrant entitles the holder to subscribe for one new ordinary share in the Company at an exercise price of $0.005 per share, subject to the terms and conditions as stated in the Deed Poll of the Company. The warrants shall be exercised at any time from 8 May 2015 to the date immediately preceding the fifth anniversary of the date of the issuance of the warrants. The new shares into which the warrants can be converted will rank pari-passu in all respects with the existing ordinary shares of the Company. During the financial year, no warrants have been exercised.

Audit committee

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

Chou Kong Seng (Chairman)
Roy Ling Chung Yee
Kesavan Nair

All members of the Audit Committee are non-executive directors of the Company who are independent of the Group and Company's management.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2018 before their submission to the Board of Directors.

The Audit Committee met 2 times during the financial year ended 31 March 2018. The Audit Committee has met with the independent auditor, without the presence of Management, to discuss issues of concern to them.

In addition, the Audit Committee has, in accordance with Chapter 9 of the Rules of Catalist of the SGX-ST, reviewed the requirements for approval and disclosure of interested party transactions, reviewed the internal procedures set up by the Company to identify and report and, where necessary, seek approval for interested person transactions and, with the assistance of the independent auditor, reviewed interested person transactions.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

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

On behalf of the directors

Ng Kai Man	Lee Keng Mun
Director	Director

27 June 2018

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Arion Entertainment Singapore Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the balance sheets of the Group and of the Company as at 31 March 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 31 to 93.

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

Basis for Opinion

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

Key Audit Matters

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

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
Revenue recognition For the financial year ended 31 March 2018, the Group's revenue amounted to $1,021,000. Revenue is derived from multiple sources being sale of goods circulation of magazines and periodicals, advertising, event management and convention organization and interest income. We focused on this area because revenue recognition has been identified as a significant risk in accordance with SSA 315 (revised). The accounting policies for revenue are set out in Note 2.2 to the consolidated financial statements and the different revenue streams for the Group has been disclosed in Note 20 to the consolidated financial statements.	With the involvement of the component auditor, our audit response comprise of substantive procedures are follows: • Understood and evaluated the operating effectiveness of key controls over the sales cycle; • Substantive testing on different revenue streams as disclosed in the financial statements; • Performed substantive testing to verify revenue recognised, including sales cut-off procedures and review of credit notes to ensure that revenue is recognised in the correct financial year; and • Checked that the Group's revenue recognition policy was consistently applied within the Group.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Lee Look Ling.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

27 June 2018

Balance Sheets

As at 31 March 2018

	Note	Group 2018	Group 2017	Company 2018	Company 2017
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	5	2,547	3,863	2,281	3,667
Trade and other receivables	6	250	250	1	1
Inventories	7	–	2	–	–
Other current assets	8	40	40	33	33
		2,837	4,155	2,315	3,701
Non-current assets					
Available-for-sale financial assets	10	–	–	–	–
Investment in a joint venture	11	–	–	–	–
Investments in subsidiary corporations	12	–	–	–	–
Investment in associated company	13	–	–	–	–
Property, plant and equipment	14	9	4	4	–
Intangible assets	15	–	–	–	–
		9	4	4	–
Total assets		2,846	4,159	2,319	3,701
LIABILITIES					
Current liabilities					
Trade and other payables	16	494	890	3,780	4,030
Total liabilities		494	890	3,780	4,030
NET ASSETS/(LIABILITIES)		2,352	3,269	(1,461)	(329)
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	17	142,601	142,601	142,601	142,601
Accumulated losses	18	(143,965)	(143,075)	(144,321)	(143,151)
Other reserves	19	2,966	3,000	259	221
		1,602	2,526	(1,461)	(329)
Non-controlling interests	12	750	743	–	–
Total equity		2,352	3,269	(1,461)	(329)

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2018

	Note	2018	2017
		$'000	$'000
Continuing operations			
Revenue	20	1,021	927
Other gains/(losses), net	21	305	(1,245)
Expenses			
Printing and editorial costs		(558)	(535)
- Audit fees paid/payable			
- Auditor of the Company		(39)	(66)
- Other auditor		(5)	(4)
- Amortisation, depreciation and impairment	22	(5)	(182)
- Employee compensation	23	(912)	(2,719)
- Operating lease		(58)	(55)
- Professional fees		(169)	(1,443)
- Other		(461)	(652)
Total expenses		(2,207)	(5,656)
Loss before income tax		(881)	(5,974)
Income tax expense	24	(2)	–
Loss from continuing operations		(883)	(5,974)
Discontinued operations			
Loss from discontinued operations	9	–	(2,826)
Total loss		(883)	(8,800)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
(Losses)/gains		(72)	20
Total comprehensive loss		(955)	(8,780)

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2018

	Note	2018	2017
		$'000	$'000
Loss attributable to:			
- Equity holders of the Company		(890)	(7,305)
- Non-controlling interests		7	(1,495)
		(883)	(8,800)
Loss attributable to equity holders of the Company relates to:			
Loss from continuing operations		(890)	(5,897)
Loss from discontinued operations		–	(1,408)
		(890)	(7,305)
Total comprehensive loss attributable to:			
- Equity holders of the Company		(962)	(7,285)
- Non-controlling interests		7	(1,495)
		(955)	(8,780)
Loss per share for loss from continuing and discontinued operations attributable to the equity holders of the Company (cents per share)			
Basic and diluted loss per share			
From continuing operations	25	(0.02)	(0.21)
From discontinued operations	25	–	(0.05)

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2018

	Note	Attributable to the Company						
		Share capital	Currency translation reserve	Share options reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2018								
Beginning of financial year		142,601	2,779	221	(143,075)	2,526	743	3,269
Total comprehensive (loss)/ income for the financial year		–	(72)	–	(890)	(962)	7	(955)
Employee share option scheme: - Value of employee services	19(b)(i)	–	–	38	–	38	–	38
End of financial year		142,601	2,707	259	(143,965)	1,602	750	2,352
2017								
Beginning of financial year		136,549	2,759	113	(135,791)	3,630	1,013	4,643
Issue of shares	17	6,052	–	–	–	6,052	–	6,052
Disposal of subsidiary corporations		–	–	–	–	–	1,225	1,225
Total comprehensive income/ (loss) for the financial year		–	20	–	(7,305)	(7,285)	(1,495)	(8,780)
Employee share option scheme: - Value of employee services	19(b)(i)	–	–	108	21	129	–	129
End of financial year		142,601	2,779	221	(143,075)	2,526	743	3,269

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	Note	Group 2018	2017
		$'000	$'000
Cash flows from operating activities			
Total loss		(883)	(8,800)
Adjustments for:			
- Income tax expense	24	2	–
- Amortisation and depreciation		5	1,009
- Impairment of goodwill on consolidation	22	–	178
- (Gain)/loss on disposal of subsidiary corporations	21	(118)	1,914
- Gain on disposal of property, plant and equipment		–	(1)
- Property, plant and equipment written off	14	–	1
- Interest expense		–	53
- Employee share option expense	23	38	129
		(956)	(5,517)
Change in working capital, net of effects from disposal of subsidiary corporations			
- Inventories		2	253
- Trade and other receivables		(16)	2,019
- Trade and other payables		(262)	(100)
Cash used in operations		(1,232)	(3,345)
Income tax paid		(2)	–
Net cash used in operating activities		(1,234)	(3,345)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		–	4
Additions to property, plant and equipment		(10)	(6)
Additions to intangible assets	15	–	(90)
Disposal of subsidiary corporations, net of cash		–	874
Net cash (used in)/provided by investing activities		(10)	782
Cash flows from financing activities			
Proceeds from issue of new shares		–	2,552
Repayment of finance lease liabilities		–	(16)
Repayment of borrowings		–	(275)
Interest paid		–	(53)
Net cash provided by financing activities		–	2,208
Net decrease in cash and cash equivalents		(1,244)	(355)
Cash and cash equivalents			
Beginning of financial year		3,863	4,188
Effects of currency translation on cash and cash equivalents		(72)	30
End of financial year	5	2,547	3,863

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

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

1. General information

Arion Entertainment Singapore Limited is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 9 Battery Road #15-01 MYP Centre Singapore 049910. The address of its principal place of business is 3 Bishan Place, #06-02 CPF Bishan Building Singapore 579838.

The principal activities of the Company are those of provision of management services and investment holding. The principal activities of its subsidiary corporations are set out in Note 12 to the financial statements.

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 financial statements are presented in Singapore dollar ("$") and all values are rounded to the nearest thousand ("$'000") except otherwise indicated.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 and Note 4.

Interpretations and amendments to published standards effective in 2017

On 1 April 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue comprises 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. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises 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 activites are met as follows:

(a) Sale of goods – Circulation of magazines and periodicals

Revenue from these sales is recognised when the Group has delivered the goods to locations specified by its customers and the customers have accepted the goods in accordance with the sales contract.

2. Significant accounting policies (cont'd)

2.2 Revenue recognition (cont'd)

(b) Rendering of services – Advertising

Revenue from advertising services is recognised based on the date of publication.

(c) Rendering of services – Event management and convention organisation

Revenue from event management and convention organisation is recognised when the exhibition event has occurred, at which time the direct costs associated with the organisation of the event are matched with the respective revenue.

(d) Interest income

Interest income is recognised using the effective interest method.

2.3 Government grants

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

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

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

2.4 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(a) Subsidiary corporations (cont'd)

(ii) Acquisitions

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

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposals

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

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

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

2. Significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

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%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures 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 and joint ventures 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 and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

2. Significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(c) Associated companies and joint ventures (cont'd)

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture 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 or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

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

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Furniture and fittings	5 - 10 years
Office equipment	5 - 10 years
Computers	3 years
Renovation	5 - 10 years
Electric vehicle charging equipment	8 - 10 years
Motor vehicles	8 - 10 years

2. Significant accounting policies (cont'd)

2.5 Property, plant and equipment (cont'd)

(b) Depreciation (cont'd)

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

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

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains/(losses), net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.6 Intangibles assets

(a) Goodwill on acquisition

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

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

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

(b) Acquired magazine mastheads

Magazine mastheads acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These intangible assets have infinite lives and are tested for impairment annually.

(c) Brands

Brands acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These intangible assets have infinite lives and are tested for impairment annually.

2. Significant accounting policies (cont'd)

2.6 Intangibles assets (cont'd)

(d) Patents

Cost directly attributable to the patent are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the patent and the costs can be measured reliably. These intangible assets have finite lives and are amortised on straight-line basis over 20 years.

(e) Development expenditure

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

2.7 Investments in subsidiary corporations, associated companies and joint ventures

Investments in subsidiary corporations, associated companies and joint ventures 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.

2.8 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.

2. Significant accounting policies (cont'd)

2.8 Impairment of non-financial assets (cont'd)

(b) Intangible assets
Property, plant and equipment
Investments in subsidiary corporations, associated companies and joint ventures

Intangible assets, property, plant and equipment, and investments in subsidiary corporations, associated companies and joints ventures 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.

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. 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.

The Group does not hold any of the financial assets except for loans and receivables and available-for-sale financial assets.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 6) and "cash and cash equivalents" (Note 5) on the balance sheet.

2. Significant accounting policies (cont'd)

2.9 Financial assets (cont'd)

(a) Classification (cont'd)

(ii) Available-for-sale financial assets

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

(b) Recognition and derecognition

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

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

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.

(d) Subsequent measurement

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

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

2. Significant accounting policies (cont'd)

2.9 Financial assets (cont'd)

(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.

(i) Loans and receivables

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.10 Offsetting of financial instruments

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

2.11 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 (or in the normal operating cycle of the business if longer). 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. Significant accounting policies (cont'd)

2.12 Fair value estimation of financial assets and liabilities

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

2.13 Leases

(a) When the Group is the lessee:

The Group leases motor vehicles under finance leases from non-related parties, equipment and other facilities under operating lease from non-related parties and office premises under operating lease from 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.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Work-in-progress relates to costs incurred in the production of magazines and periodicals which have not been issued and exhibitions that have not been launched as at the end of the financial year.

2. Significant accounting policies (cont'd)

2.15 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 goodwill or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, 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

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.16 Provisions

Provisions for warranty, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2. Significant accounting policies (cont'd)

2.17 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 Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balances previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued to the employees.

(c) Performance shares

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's share on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vested, with the corresponding adjustment made in equity.

Cancellation of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

2. Significant accounting policies (cont'd)

2.17 Employee compensation (cont'd)

(d) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balances previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued to the employees.

(e) Performance shares

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's share on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vested, with the corresponding adjustment made in equity.

Cancellation of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

(f) Employees 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.

(g) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of FRS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2. Significant accounting policies (cont'd)

2.18 Currency translation

(a) Functional and presentation currency

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

(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 exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies are recognised in other comprehensive income and accumulated in the currency translation reserve.

All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains/(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 rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

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

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

2.19 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. Significant accounting policies (cont'd)

2.20 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.

2.21 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.

2.22 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

a) represents a separate major line of business or geographical area of operations;

b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

c) is a subsidiary corporation acquired exclusively with a view to resale.

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.

3.1 Critical accounting estimates and assumptions

Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

3. Critical accounting estimates, assumptions and judgements (cont'd)

3.1 Critical accounting estimates and assumptions (cont'd)

Impairment of loans and receivables (cont'd)

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

If the net present values of estimated cash flows had been higher/lower by 10% (2017: 10%) from management's estimates for all past due loans and receivables, the allowance for impairment of the Group and the Company would have been higher/lower by $23,000 (2017:$23,000) and $Nil (2017:$Nil) respectively.

4. Going concern

As at 31 March 2018, the Group was in a net assets position of $2,352,000 and the Company was in a net liabilities position of $1,461,000. The Group and the Company incurred a net loss of $883,000 and $1,170,000 respectively for the financial year ended 31 March 2018. These financial results indicate the existence of a material uncertainty on the Group's and the Company's ability to continue as going concerns. Nevertheless, the financial statements of the Group and the Company have been prepared on a going concern basis as the management has prepared cash flows projections and based on the cash flows projections, the management is of the view that there are sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due.

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties.

5. Cash and cash equivalents

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Cash at bank and on hand	2,547	3,863	2,281	3,667

Disposal of subsidiary corporations

On 27 April 2016, the Company entered into a Sale and Purchase Agreement with a former employee to dispose one of its subsidiary corporations, Wine and Dine Experience Pte Ltd ("WDE") for a cash consideration of $10,000. The proposed divestment of WDE was approved by the Directors by way of resolution on 15 April 2016 and the disposal has been completed on 29 April 2016.

5. Cash and cash equivalents (cont'd)

Disposal of subsidiary corporations (cont'd)

The Group had deconsolidated the financial results of WDE from 1 April 2016 as the management is of the opinion that the financial results from 1 April 2016 to 15 April 2016, upon which the Directors' approval has been obtained and where control has been lost, will not have a significant financial impact to the Group.

As disclosed in Note 9(b) to the financial statements, the Group has also disposed its electric vehicle charging solutions operations arising from Elektromotive Limited and its subsidiary corporations ("Disposal Group").

Following the disposal of subsidiary corporations, the effects of the disposal on the cash flows of the Group were:

	Group	
	Wine and Dine Experience Pte Ltd	Elektromotive Limited and its subsidiary corporations
	2017	2017
	$'000	$'000
Carrying amounts of assets and liabilities disposed of		
Cash and cash equivalents	15	1
Trade and other receivables	415	451
Other current assets	128	50
Inventories	18	250
Property, plant and equipment	16	89
Intangible assets	–	3,845
Total assets	592	4,686
Trade and other payables	(338)	(2,901)
Current income tax liabilities	–	(8)
Deferred income tax liabilities	–	(25)
Borrowings	–	(330)
Total liabilities	(338)	(3,264)
Net assets derecognised	254	1,422
Add: Non-controlling interests	–	1,047
Net assets disposed of	254	2,469

5. Cash and cash equivalents (cont'd)

Disposal of subsidiary corporations (cont'd)

The aggregate cash outflows arising from the disposal of subsidiary corporations were:

	Group	
	Wine and Dine Experience Pte Ltd	Elektromotive Limited and its subsidiary corporations
	2017	2017
	$'000	$'000
Net assets disposed of (as above)	254	2,469
Add: Receivables waived	–	81
Loss on disposal	(244)	(1,670)
Cash proceeds from disposal	10	880
Less: Cash and cash equivalents in subsidiary corporations disposed of	(15)	(1)
Net cash (outflows)/inflows on disposal of subsidiary corporations	(5)	879

6. Trade and other receivables

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade receivables				
- Non-related parties	244	332	–	–
Less: Allowance for impairment of trade receivables (Note 28(b)(ii))	–	(101)	–	–
Trade receivables – net	244	231	–	–
Non-trade receivables				
- Non-related parties	6	28	1	1
- Subsidiary corporations	–	–	26,366	27,266
	6	28	26,367	27,267
Less: Allowance for impairment of non-trade receivables (Note 28(b)(ii))	–	(9)	(26,366)	(27,266)
Non-trade receivables - net	6	19	1	1
	250	250	1	1

The non-trade amounts due from subsidiary corporations are unsecured, interest-free and repayable on demand.

7. Inventories

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Work-in-progress	–	2	–	–

Work-in-progress relates to costs incurred in the production of magazines and periodicals which have not been issued at the end of the financial year.

The cost of inventories recognised as an expense and included in "cost of sales" amounts to Nil (2017: $575,000).

8. Other current assets

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Prepayments	33	23	33	22
Deposits	7	17	–	11
	40	40	33	33

9. Discontinued operations

(a) Tom N Toms International Pte. Ltd.

On 3 November 2009, the Group has incorporated a joint venture company, Tom N Toms International Pte Ltd ("TNTI") with Tom N Toms Ltd and KTNT Holdings Limited ("JV Partners") of which the Company holds a 50% stake. The purpose of the joint venture company is to increase market shareholdings through franchising "Tom and Toms" brand.

Subsequently, there were disputes between the Company and the JV Partners regarding use of trade marks as well as the establishment of a competing outlet without a proper franchise agreement.

On 6 August 2010, the JV Partners purported to terminate the Area Master Franchise Agreement ("AMFA") with TNTI. TNTI has treated such termination as a repudiatory breach of the AMFA. Such termination of the AMFA by the JV Partners has been treated by the Company as a repudiatory breach of the Joint Venture Agreement ("JVA") without prejudice to its right to claim for rescission of the JVA on account of various misrepresentations made by the JV Partners prior to entering into the JVA. On 16 September 2010, the Company filed a Notice of Arbitration ("NOA") with the Singapore International Arbitration Centre ("SIAC") relating to the JVA.

During the financial year ended 31 March 2012, the Group ceased its food and beverages ("F&B") operations, as such, the assets and liabilities relating to F&B operations were presented separately as discontinued operations on the balance sheet and the results of discontinued operations were presented separately on the consolidated statement of comprehensive income as "Discontinued operations".

9. Discontinued operations (cont'd)

(a) Tom N Toms International Pte. Ltd. (cont'd)

Management is of the view that the delay in the completion of the disposal is caused by the arbitration case.

During the financial year ended 31 March 2017, the Company has reached a settlement for the arbitration case. Accordingly, the financial results for the F&B operations have been reclassified as continuing operations as the management is of the intention to strike-off these companies in due course.

(b) Elektromotive Limited and its subsidiary corporations

On 25 January 2017, the Group has disposed its electric vehicles charging solutions ("EV") operations arising from Elektromotive Limited and its subsidiary corporations for a cash consideration of $880,000 (approximately GBP 500,000).

Consequently, Elektromotive Limited and its subsidiary corporations have been treated as discontinued operations for the financial year ended 31 March 2017. A single amount is shown on the face of the consolidated statement of comprehensive income comprising the post-tax results of the discontinued operations. The consolidated statement of comprehensive income for prior financial year has also been restated to conform to this style of presentation.

Upon the completion of the disposal, the Company has deconsolidated the financial results of the Disposal Group from 25 January 2017 resulting from the loss of control over the Disposal Group because the Company is neither exposed to, nor has rights to, variable returns from its involvement with the entities and has no ability to affect those returns through its power over the entities from that date.

(i) The results of the discontinued operations are as follows:

	Group	
	2018	2017
	$'000	$'000
Revenue	–	2,869
Other income	–	87
Expenses	–	(5,782)
Loss before tax from discontinued operations	–	(2,826)
Income tax expense	–	–
Loss after tax from discontinued operations	–	(2,826)

9. Discontinued operations (cont'd)

(b) Elektromotive Limited and its subsidiary corporations (cont'd)

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

	Group	
	2018	2017
	$'000	$'000
Operating cash outflows	–	(440)
Investing cash outflows	–	(224)
Financing cash outflows	–	(644)
Total cash outflows	–	(1,308)

10. Available-for-sale financial assets

	Group and Company	
	2018	2017
	$'000	$'000
Beginning of financial year	853	853
Allowance for impairment	(853)	(853)
End of financial year	–	–

Available-for-sale financial assets are analysed as follows:

Unlisted securities		
Grandview Financial Limited	–	–

The unquoted equity securities were measured at cost less impairment losses as the investment does not have a quoted market price in an active market and other methods of determining fair value do not result in a reasonable estimate.

11. Investment in a joint venture

	Group 2018	Group 2017
	$'000	$'000
Equity investments at cost	1,500	1,500
Less : Allowance for impairment	(1,500)	(1,500)
	–	–

Set out below is the joint venture of the Group as at 31 March 2018 and 2017. The joint venture has share capital consisting solely of ordinary shares, which are held directly by the Company; the country of incorporation is also its principal place of business.

Name of entity	Country of incorporation and place of business	Effective equity held by the Group 2018	Effective equity held by the Group 2017
		%	%
Held by Company			
Tom N Toms International Pte Ltd	Singapore	50	50
Held by Tom and Toms International Pte Ltd			
Tom N Toms Retail Pte Ltd [1]	Singapore	50	50

[1] On 4 May 2018 the Company announced the struck off of Tom n Toms Retail Pte. Ltd.. Consequently, the Tom n Toms Retail Pte. Ltd ceased to be its joint venture.

The summarised financial information of the joint venture, not adjusted for the proportion of ownership interest held by the Company, is as follows:

	2018	2017
	$'000	$'000
Assets	–	–
Liabilities	386	386
Net loss	(215)	(28)

The Group has not recognised its share of losses of the joint venture, Tom N Toms International Pte Ltd amounting to $108 (2017: $14,000) as the Group's cumulative share of losses has exceeded its interest in the entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses of this entity are $192,858 (2017: $192,750) at the balance sheet date.

12. Investments in subsidiary corporations

	Company 2018	Company 2017
	$'000	$'000
Equity investment at cost		
Beginning of financial year	68,024	87,424
Additions[a]	1,030	–
Disposal of subsidiary corporations[b]	(26,149)	(19,400)
End of financial year	42,905	68,024
Accumulated impairment		
Beginning of financial year	68,024	83,505
Additions[a]	1,030	–
Disposals of subsidiary corporations[b]	(26,149)	(15,481)
End of financial year	42,905	68,024
Carrying amount		
End of financial year	–	–

(a) On 28 April 2017, the Company had capitalised an amount due from AES Business Ventures Pte Ltd ("AES") (formerly known as Elektromotive (Singapore) Pte Ltd), a wholly-owned subsidiary corporation, amounting to $395,627 as additional investment in the share capital of the subsidiary corporation.

On 12 March 2018, the Company had capitalised an amount due from E-Motive (Asia) Pte Ltd ("EMA"), a wholly-owned subsidiary corporation, amounting to $634,299 as additional investment in the share capital of the subsidiary corporation.

(b) On 28 February 2018, the Company completed the struck-off of AES, wholly-owned subsidiary corporation of the Company. Consequently, AES ceased to be subsidiary corporation of the Company.

The Group has the following subsidiary corporations as at 31 March 2018 and 2017:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company 2018	2017	Proportion of ordinary shares held by the Group 2018	2017	Proportion of ordinary shares held by non-controlling interest 2018	2017
			%	%	%	%	%	%
Panpac Marketing & Circulation Pte Ltd [1]	Publishing and sale of periodicals and magazines - currently dormant	Singapore	–	100	–	100	–	–
Lexicon F&B Pte Ltd [1]	Operating of cafes and restaurants - currently dormant	Singapore	–	100	–	100	–	–

12. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 March 2018 and 2017: (cont'd)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company 2018	2017	Proportion of ordinary shares held by the Group 2018	2017	Proportion of ordinary shares held by non-controlling interest 2018	2017
			%	%	%	%	%	%
TLG Specialist Magazines Pte Ltd [1]	Publishing and sale of periodicals and magazines - currently dormant	Singapore	–	100	–	100	–	–
SmartInvestor Pte Ltd[1]	Publishing and sale of periodicals and magazines - currently dormant	Singapore	–	100	–	100	–	–
Panpac Tech Strategic Ltd[3]	Investment holding - currently dormant	British Virgin Islands	100	100	100	100	–	–
Auston Technology Group Pte Ltd[4]	Investment holding	Singapore	78.2	78.2	78.2	78.2	21.8	21.8
Inovatif Media Asia Sdn. Bhd.[5]	Media Publishing	Malaysia	100	100	100	100	–	–
Lifestyle Magazines Publishing Pte Ltd[1]	Publishing and sale of periodicals and magazines - currently dormant	Singapore	–	100	–	100	–	–
E-Motive (Asia) Pte Ltd[1]	Investment holding	Singapore	100	100	100	100	–	–
Sun China Media (BJ) Culture Distribution Ltd[1]	Media Publishing currently dormant	People's Republic of China	–	100	–	100	–	–
MOB Holdings Pte Ltd[1]	Investment holding - currently dormant	Singapore	–	100	–	100	–	–
Romulus Holdings Pte Ltd[2]	Investment holding - currently dormant	Singapore	60	60	60	60	40	40
TLG Properties Pte Ltd[2]	Investment holding - currently dormant	Singapore	100	100	100	100	–	–

12. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 March 2018 and 2017: (cont'd)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company 2018	2017	Proportion of ordinary shares held by the Group 2018	2017	Proportion of ordinary shares held by non-controlling interest 2018	2017
			%	%	%	%	%	%
AES Business Ventures Pte Ltd[1]	Installation of electrobays for electric and plug-in hybrid vehicles – currently dormant	Singapore	–	100	–	100	–	–

(1) These entities have commenced the striking off application during the financial year ended 31 March 2018.

(2) Dormant and opted for audit exemption.

(3) Not required to be audited by the laws of their countries of incorporation.

(4) Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.

(5) Audited by YTS & Associates, Malaysia. For the purpose of the consolidated financial statements, these financial statements are reviewed and/or audited by Nexia TS Public Accounting Corporation, Singapore.

In accordance with the requirements of Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Manual Section B: Rules of Catalist, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

Carrying value of non-controlling interests

	2018	2017
	$'000	$'000
Auston Technology Group Pte Ltd	750	743

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below are the summarised financial information for Auston Technology Group Pte Ltd, that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

12. Investments in subsidiary corporations (cont'd)

There were no transactions with non-controlling interests for the financial years ended 31 March 2018 and 2017.

	Auston Technology Group Pte Ltd	
	As at 31 March 2018	As at 31 March 2017
	$'000	$'000
Summarised balance sheet		
Current		
Assets	3,447	3,414
Liabilities	(5)	(6)
Total current net assets	3,442	3,408
Non-current		
Assets	–	–
Liabilities	–	–
Total non-current net assets	–	–
Net assets	3,442	3,408

	Auston Technology Group Pte Ltd	
	For the financial year ended 31 March 2018	For the financial year ended 31 March 2017
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	–	–
Profit before income tax	34	164
Income tax expense	(2)	–
Net profit	32	164
Total comprehensive income	32	164
Total comprehensive income allocated to non-controlling interests	7	36

12. Investments in subsidiary corporations (cont'd)

	Auston Technology Group Pte Ltd	
	For the financial year ended 31 March 2018	For the financial year ended 31 March 2017
	$'000	$'000
Summarised cash flows		
Cash used in operations	2	(2)
Income tax expense	(2)	–
Net cash used in operating activities	–	(2)
Net decrease in cash and cash equivalents	–	(2)
Cash and cash equivalents at beginning of year	–	2
Cash and cash equivalents at end of financial year	–	–

13. Investment in associated company

	Group	
	2018	2017
	$'000	$'000
Equity investment at cost		
Beginning of financial year	83	83
Share of loss of an associated company	(83)	(83)
End of financial year	–	–

Details of the associated company are as follows:

Name of entity	Principal activities	Country of incorporation and place of business	% of ownership interest	
			2018	2017
			%	%
Held by E-Motive (Asia) Pte Ltd				
Beijing Xinke Yi Neng Technologies Ltd	Research, develop and localise products for electric vehicle charging equipment	People's Republic of China	40	40

13. Investment in associated company (cont'd)

The Group has not recognised its share of losses of the associated company because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses with respect to this entity amount to $32,000 (2017: $32,000) at the balance sheet date.

There are no contingent liabilities relating to the Group's interest in the associated company.

14. Property, plant and equipment

Group	Furniture and fittings	Office equipment	Computers	Renovation	Total
	$'000	$'000	$'000	$'000	$'000
2018					
Cost					
Beginning of financial year	16	71	147	39	273
Currency translation differences	1	5	11	3	20
Additions	2	1	7	–	10
Written off	(2)	(13)	(13)	–	(28)
End of financial year	17	64	152	42	275
Accumulated depreciation					
Beginning of financial year	16	70	145	38	269
Currency translation differences	1	5	11	3	20
Depreciation charge (Note 22)	–	1	3	1	5
Written off	(2)	(13)	(13)	–	(28)
End of financial year	15	63	146	42	266
Net book value					
End of financial year	2	1	6	–	9

* Less than S$1,000

14. Property, plant and equipment (cont'd)

Group	Furniture and fittings	Office equipment	Computers	Renovation	Electric vehicle charging equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2017							
Cost							
Beginning of financial year	65	87	429	93	19	72	765
Currency translation differences	(5)	(7)	(20)	(7)	(1)	(5)	(45)
Additions	3	–	1	2	–	–	6
Disposals	–	–	–	–	–	(11)	(11)
Disposal of subsidiary corporations (Note 5)	(47)	(9)	(126)	(49)	(18)	(56)	(305)
Written off	–	–	(137)	–	–	–	(137)
End of financial year	16	71	147	39	–	–	273
Accumulated depreciation							
Beginning of financial year	62	82	397	42	15	17	615
Currency translation differences	(5)	(6)	(18)	(3)	(1)	(2)	(35)
Depreciation charge (Note 22)	1	1	6	10	4	11	33
Disposals	–	–	–	–	–	(8)	(8)
Disposal of subsidiary corporations (Note 5)	(42)	(7)	(104)	(11)	(18)	(18)	(200)
Written off	–	–	(136)	–	–	–	(136)
End of financial year	16	70	145	38	–	–	269
Net book value							
End of financial year	–	1	2	1	–	–	4

14. Property, plant and equipment (cont'd)

Company	Computers
	$'000
2018	
Cost	
Beginning of financial year	–
Additions	6
End of financial year	6
Accumulated depreciation	
Beginning of financial year	–
Depreciation charge	2
End of financial year	2
Net book value	
End of financial year	4

	Computers
	$'000
2017	
Cost	
Beginning of financial year	138
Additions	–
Write-off	(138)
End of financial year	–
Accumulated depreciation	
Beginning of financial year	136
Depreciation charge	2
Write-off	(138)
End of financial year	–
Net book value	
End of financial year	–

15. Intangible assets

	Group 2018	Group 2017
	$'000	$'000
Composition:		
Goodwill arising on consolidation	–	–

Group	Goodwill on consolidation	Patents	Development expenditure	Total
	$'000	$'000	$'000	$'000
2018				
Cost				
Beginning and end of financial year	178	–	–	178
Accumulated amortisation and impairment				
Beginning and end of financial year	178	–	–	178
Net book value				
End of financial year	–	–	–	–
2017				
Cost				
Beginning of financial year	22,798	87	2,614	25,499
Additions	178	3	87	268
Disposal of subsidiary corporations	(22,798)	(90)	(2,701)	(25,589)
End of financial year	178	–	–	178
Accumulated amortisation and impairment				
Beginning of financial year	19,154	71	1,543	20,768
Amortisation charge	–	19	957	976
Impairment charge (Note 25)	178	–	–	178
Disposal of subsidiary corporations	(19,154)	(90)	(2,500)	(21,744)
End of financial year	178	–	–	178
Net book value				
End of financial year	–	–	–	–

During the financial year ended 31 March 2017, goodwill has been included in the carrying amount of the CGU when calculating the loss on disposal of the Disposal Group (Note 9(b)).

16. Trade and other payables

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade payables to:				
- Non-related parties	61	212	–	–
Non-trade payables to:				
- Non-related parties	81	190	69	228
- Subsidiary corporations	–	–	3,447	3,413
	81	190	3,516	3,641
Deferred revenue	22	15	–	–
Accrual for operating expenses	330	473	264	389
	494	890	3,780	4,030

The non-trade amounts due to subsidiary corporations are unsecured and repayable on demand.

17. Share capital

Group and Company	No. of ordinary shares	Amount
		$'000
Issued share capital		
2018		
Beginning and end of financial year	3,635,525,365	142,601
2017		
Beginning of financial year	1,735,525,365	136,549
Shares issued	1,900,000,000	6,052
End of financial year	3,635,525,365	142,601

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.

On 21 April 2016, the Company issued and allotted 700,000,000 ordinary shares for a total consideration of $3,500,000 through placement.

On 23 December 2016, the Company issued and allotted 1,200,000,000 ordinary shares for a total consideration of $2,552,400 through placement.

17. Share capital (cont'd)

(a) Share options

On 30 July 2014, members of the Company approved and adopted the Arion Entertainment Singapore Limited Employees' Share Option Scheme ("AES ESOS") at an Extraordinary General Meeting. The AES ESOS is administered by the Remuneration Committee (the "Committee") comprising Roy Ling Chung Yee, Chairman of the Committee, Lee Keng Mun and Kesavan Nair.

In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board. The Committee shall have the power, from time to time, to make and vary such terms for the implementation of the AES ESOS as it thinks fit.

The AES ESOS is intended to provide participants an opportunity to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

(i) Eligible participants of the AES ESOS

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- Directors of the Company

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the AES ESOS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period. The controlling shareholders or their associates and associated company employees are not eligible for selection to participate in the AES ESOS.

(ii) Size and duration

The aggregate number of shares which may be issued or transferred pursuant to awards granted under the AES ESOS on any date, when added to the aggregate number of shares issued and issuable and/or transferred and transferable in respect of (a) all awards granted under the AES ESOS and (b) all awards, shares and options granted under any other share scheme implemented by the Company and for the time being in force, shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding that date.

The AES ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing from 30 July 2014, provided always that the AES ESOS may continue beyond the 10-year period with the approval of the shareholders in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the AES ESOS, any awards made to employees prior to such expiry or termination will continue to remain valid.

17. Share capital (cont'd)

(a) Share options (cont'd)

On 13 July 2015, the Company granted options to subscribe for 86,000,000 ordinary shares of the Company at exercise price of $0.0028 per share ("2015 Options"). The 2015 options are exercisable from 13 July 2017 and expire on 13 July 2025. The total fair value of the 2015 options granted was estimated to be $318,000 using the Binomial Option Pricing Model.

Details of the options to subscribe for ordinary shares of the Company pursuant to the AES ESOS described above are as follows:

2018

Date of grant	Balance as at 01.04.2017	Options granted	Options cancelled or lapsed	Balance as at 31.03.2018	Exercise price per share	Exercisable period
	'000	'000	'000	'000		
13.07.2015	70,000	–	–	70,000	$0.028	13.07.2017-13.07.2025

2017

Date of grant	Balance as at 01.04.2016	Options granted	Options cancelled or lapsed	Balance as at 31.03.2017	Exercise price per share	Exercisable period
	'000	'000	'000	'000		
13.07.2015	–	86,000	(16,000)	70,000	$0.028	13.07.2017-13.07.2025

Details of the options to subscribe for ordinary shares of the Company granted to directors and employees of the Company pursuant to the AES ESOS were as follows:

2018	Options granted during the financial year	Aggregate options granted since commencement of AES ESOS to 31.03.2018	Aggregate options exercised since commencement of AES ESOS to 31.03.2018	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2018	Aggregate options outstanding as at 31.03.2018
	'000	'000	'000	'000	'000
Non-executive directors	–	18,000	–	–	18,000
Executive directors	–	–	–	–	–
Directors (ceased office)	–	38,000	–	–	38,000
Employees	–	30,000	–	(16,000)	14,000
	–	86,000	–	(16,000)	70,000

17. Share capital (cont'd)

(a) Share options (cont'd)

Under the terms and conditions of the AES ESOS, in the case of a director on the offering date who ceases to be a Director subsequently, all options granted under the AES ESOS to such Director will, notwithstanding such cessation, continue to be exercisable within the relevant exercisable period after such Director ceases to be a Director of the Company.

2017	Options granted during the financial year	Aggregate options granted since commencement of AES ESOS to 31.03.2017	Aggregate options exercised since commencement of AES ESOS to 31.03.2017	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2017	Aggregate options outstanding as at 31.03.2017
	'000	'000	'000	'000	'000
Non-executive directors	–	18,000	–	–	18,000
Executive directors	–	–	–	–	–
Directors (ceased office)	–	38,000	–	–	38,000
Employees	–	30,000	–	(16,000)	14,000
	–	86,000	–	(16,000)	70,000

No option has been granted to controlling shareholders of the Company or their associates.

All directors under the AES ESOS have received 5% or more of the total number of shares under option available under the AES ESOS.

The fair values of the share options granted were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

	2015 Options
Grant date	13.07.2015
Share price at valuation date	0.4 cents
Exercise price	0.28 cents
Expected volatility	200%
Vesting period (years)	2 years
Maturity date	13.07.2025
Risk free rate	2.64%
Expected dividend yield	0%
Fair value of share options (cents)	0.37

17. Share capital (cont'd)

(a) Share options (cont'd)

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model is based on historical data and is not necessary indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

(b) Performance share plan

Arion Entertainment Singapore Limited Performance Share Plan

The Arion Entertainment Singapore Limited Performance Share Plan ("AES PSP") was approved and adopted by shareholders at an EGM of the Company held on 7 September 2007 and has lapsed on 6 September 2017. The AES PSP is intended to recruit, attract and retain participants to higher standards of performance and encourage greater dedication and loyalty enabling the Company to give recognition to past contribution and services; as well as motivating participants to contribute to the long-term prosperity of the Group.

(i) Eligible participants of the AES PSP

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- Directors of the Company

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the AES PSP shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) and/or service condition(s) within the performance period. The controlling shareholders or their associates and associated company employees are not eligible for selection to participate in the AES PSP.

(ii) Size and duration

The total number of new shares issued pursuant to awards granted under the AES PSP, when added to the number of new shares issued and issuable in respect of (a) all Awards granted under the PSP; (b) all Options under the AES ESOS; and (c) all shares or awards granted or to be granted under any other share option or share incentive schemes of the Company then in force, shall not exceed 15% of the number of issued shares of the Company on the day preceding the relevant date of the award. The PSP shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which it is adopted by the Company in general meeting, provided always that the AES PSP may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

The AES PSP may be terminated at any time at the discretion of the Committee, or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required.

17. Share capital (cont'd)

(b) Performance share plan (cont'd)

Notwithstanding the expiry or termination of the AES PSP, any awards made to the participants prior to such expiry or termination will continue to remain valid.

The AES PSP awards fully paid shares to participants who have achieved pre-determined targets. The shares are settled by physical delivery of shares by way of issuance of new shares by the Company or transfer of treasury shares to the participants.

On 10 July 2015, the Company granted 43,000,000 ordinary shares in the capital of the Company pursuant to the AES PSP to directors and certain employees of the Company. The new shares were allotted on 13 July 2015 at the market price of $0.003.

As at 31 March 2018, the Company has granted 43,000,000 performance shares since commencement of the AES PSP. There were no unissued shares of the Company under the AES PSP in the financial year ended 31 March 2018.

On 31 July 2009, the Company awarded the following shares under AES PSP which have no vesting period.

Name of Awardee	No. of shares awarded
	'000
Executive officers and employees	
Others	4,500

On 10 July 2015, the Company awarded the following shares under AES PSP which have no vesting period.

Name of Awardee	No. of shares awarded
	'000
Directors of the Company	
Ricky Ang Gee Hing	12,000
Tan Chong Chai	4,000
Ang Ghee Ann	3,000
Chou Kong Seng	3,000
Kesavan Nair	3,000
Roy Ling Chung Yee	3,000
Executive officers and employees	
Others	15,000

18. Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company	
	2018	2017
	$'000	$'000
Beginning of financial year	(143,151)	(137,059)
Net loss	(1,170)	(6,092)
End of financial year	(144,321)	(143,151)

19. Other reserves

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
(a) Composition:				
Share option reserve	259	221	259	221
Currency translation reserve	2,707	2,779	–	–
	2,966	3,000	259	221
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	221	113	221	113
Employee share option scheme				
- Lapse of share options [1]	–	(21)	–	(21)
- Value of employee services (Note 23)	38	129	38	129
End of financial year	259	221	259	221

[1] The lapsed share options pertain to employees who had ceased office during the financial year.

	Group		Company	
(ii) Currency translation reserve				
Beginning of financial year	2,779	2,759	–	–
Net currency translation differences of financial statements of foreign subsidiary corporations	(72)	20	–	–
End of financial year	2,707	2,779	–	–

19. Other reserves (cont'd)

The share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Other reserves are non-distributable.

20. Revenue

	Group	
	2018	2017
	$'000	$'000
Advertisements	162	189
Circulation	859	723
Exhibitions and events	–	15
	1,021	927

21. Other gains/(losses), net

	Group	
	2018	2017
	$'000	$'000
Gain/(loss) on disposal of subsidiary corporations, net	118	(1,914)
Write off of trade creditors	90	253
Publishing related income	7	2
Recovery of arbitration award [a]	–	411
Foreign exchange gains	89	–
Other	1	3
	305	(1,245)

[a] During the financial year ended 31 March 2017, the Company has reached a settlement for the arbitration case with Tom N Toms International Pte Ltd and had received an amount of $411,000 as a final award for the damages to the Company as disclosed in Note 9 (a) to the financial statements.

22. Amortisation, depreciation and impairment

	Group	
	2018	2017
	$'000	$'000
Depreciation of property, plant and equipment	5	4
Impairment of goodwill on consolidation (Note 15)	–	178
	5	182

23. Employee compensation

	Group	
	2018	2017
	$'000	$'000
Wages, salaries and bonuses	821	960
Employer's contribution to defined contribution plans, including Central Provident Fund	45	45
Termination benefits	–	1,565
Employee share options expense [Note 19(b)]	38	129
Other short-term benefits	8	20
	912	2,719

24. Income taxes

	Group	
	2018	2017
	$'000	$'000
Tax expense attributable to loss is made up of:		
Under provision in prior financial year		
- Current income tax	(2)	–
Tax expense is attributable to:		
- continuing operations	(2)	–

24. Income taxes (cont'd)

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

	Group	
	2018	2017
	$'000	$'000
Loss before tax from:		
- Continuing operations	(881)	(5,974)
- Discontinued operations (Note 9)	–	(2,826)
	(881)	(8,800)
Tax calculated at tax rate of 17% (2017: 17%)	(149)	(1,496)
Effects of:		
- Different tax rates in other countries	–	56
- Expenses not deductible for tax purposes	3	1,391
- Deferred income tax assets not recognised	149	51
- Income not subject to tax	(3)	(2)
- Under provision of prior year tax	(2)	–
Tax charge	(2)	–

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of $19,998,000 (2017: $19,998,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in Singapore. The tax losses have no expiry date.

25. Loss per share

(a) Basic loss per share

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

	Continuing operations		Discontinued operations		Total	
	2018	2017	2018	2017	2018	2017
Net loss attributable to equity holders of the Company ($'000)	(890)	(5,897)	–	(1,408)	(890)	(7,305)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	3,635,525	2,835,525	–	2,835,525	3,635,525	2,835,525
Basic loss per share (cents)	(0.02)	(0.21)	–	(0.05)	(0.02)	(0.26)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: warrants and share options.

The Group has no dilution in its loss per share as at 31 March 2018 and 2017. The dilutive potential ordinary shares arising from warrants and share options have not been included in the calculation of diluted loss per share because they are anti-dilutive.

26. 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:

(a) Sales and purchases of goods and services

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Purchase of goods and/or service from				
- Related parties	5	36	5	36

Related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Wages and salaries	625	928	559	762
Employer's contribution to defined contribution plans, including Central Provident Fund	22	23	14	19
Termination benefits	–	1,565	–	1,565
Share option expense	38	129	38	129
	685	2,645	611	2,475

Included in the above is total compensation to directors of the Company amounting to $390,000 (2017: $2,236,000).

27. Operating lease commitments

The Group leases equipment, offices premises and other facilities from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

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

	Group	
	2018	2017
	$'000	$'000
Not later than one year	14	46

28. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. Though the Group does not have a formal risk management policies and guidelines, the Board of Directors (the "Board") reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Market risk

(i) Currency risk

The Group operates in Singapore and Malaysia. Entities in the Group regularly transact in their respective functional currencies. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as Malaysia Ringgit ("MYR") (2017: MYR).

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

	SGD	MYR	Total
	$'000	$'000	$'000
At 31 March 2018			
Financial assets			
Cash and cash equivalents	2,281	266	2,547
Trade and other receivables	1	249	250
Receivables from subsidiary corporations	26,366	–	26,366
Other financial assets	–	6	6
	28,648	521	29,169
Financial liabilities			
Payables to subsidiary corporations	(26,366)	–	(26,366)
Other financial liabilities	(366)	(106)	(472)
	(26,732)	(106)	(26,838)
Net financial assets	1,916	415	2,331
Add: Net non-financial assets	37	6	43
Net assets	1,953	421	2,374
Currency profile including non-financial assets and liabilities	1,953	421	2,374
Currency exposure of financial assets net of those denominated in the respective entities functional currency	–	421	421

28. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

	SGD	MYR	Other	Total
	$'000	$'000	$'000	$'000
At 31 March 2017				
Financial assets				
Cash and cash equivalents	3,667	196	–	3,863
Trade and other receivables	19	231	–	250
Receivables from subsidiary corporations	27,266	–	–	27,266
Other financial assets	11	6	–	17
	30,963	433	–	31,396
Financial liabilities				
Payables to subsidiary corporations	(27,266)	–	–	(27,266)
Other financial liabilities	(581)	(153)	(141)	(875)
	(27,847)	(153)	(141)	(28,141)
Net financial assets/(liabilities)	3,116	280	(141)	3,255
Add: Net non-financial assets	23	6	–	29
Net assets/(liabilities)	3,139	286	(141)	3,284
Currency profile including non-financial assets and liabilities	3,139	286	(141)	3,284
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities functional currency	–	286	(141)	145

28. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

If the foreign currencies change against the SGD by 6% (2017: 5%) with all other variables including tax rate being held constant, the effect arising from the net financial assets/liabilities position will be as follows:

	Increase/(decrease)	
	2018	2017
	Loss after tax	Loss after tax
	$'000	$'000
Group		
MYR against SGD		
- strengthened	25	12
- weakened	(25)	(12)

The Company is not exposed to significant currency risk since majority of its financial assets and liabilities as at the financial years ended 31 March 2017 and 2018 are denominated in Singapore Dollar.

(ii) Price risk

The Group and the Company is not exposed to significant equity securities price risk.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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 and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and 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 trade receivables of the Group comprise 2 debtors (2017: 2 debtors) that individually represented 11% to 52% (2017: 10% – 51%) of trade receivables.

28. Financial risk management (cont'd)

(b) Credit risk (cont'd)

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2018	2017
	$'000	$'000
By geographical areas		
Malaysia	244	227
Other countries	–	4
	244	231
By types of customers		
Non-related parties:		
- Other companies	244	231
	244	231

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record 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 except for trade and other receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2018	2017
	$'000	$'000
Past due < 3 months	236	221
Past due 3 to 6 months	4	10
Past due over 6 months	4	–
	244	231

28. Financial risk management (cont'd)

(b) Credit risk (cont'd)

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

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2018	2017
	$'000	$'000
Gross amount	–	101
Less: Allowance for impairment	–	(101)
	–	–
Beginning of financial year	101	133
Currency translation differences	7	(9)
Allowance utilised	(108)	–
Disposal of subsidiary corporations	–	(21)
Allowance written back	–	(2)
End of financial year (Note 6)	–	101

The impaired trade receivables arise mainly from sales to customers who have suffered significant losses in its operations.

The carrying amount of non-trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Beginning of financial year	9	185	27,266	28,850
Allowance made	–	–	129	144
Allowance written back	–	–	(1,029)	(936)
Allowance utilised	(9)	(176)	–	(792)
End of financial year (Note 6)	–	9	26,366	27,266

28. Financial risk management (cont'd)

(c) Liquidity risk

The Group and the Company manage liquidity risk by maintaining sufficient cash and having an adequate amount of committed credit facilities to enable them to meet their normal operating commitments.

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.

	Less than 1 year
	$'000
Group	
At 31 March 2018	
Trade and other payables	472
At 31 March 2017	
Trade and other payables	875
Company	
At 31 March 2018	
Trade and other payables	3,780
At 31 March 2017	
Trade and other payables	4,030

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the financial position of the Group and the Company. The Group has positive net assets and maintain low bank borrowings. Future decisions to raise capital and funds will be made with the objective to maintain positive working capital structure.

28. Financial risk management (cont'd)

(d) Capital risk (conr'd)

The liabilities-equity ratio is calculated as total liabilities divided by total equity.

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Total liabilities	494	890	3,780	4,030
Total equity	2,352	3,269	(1,461)	(329)
Liabilities-equity ratio	21%	27%	N.M.	N.M.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2017 and 2018.

*N.M. - Not meaningful

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet, except for the following:

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Loans and receivables	2,804	4,130	2,282	3,679
Financial liabilities at amortised cost	472	875	3,780	4,030

28. Financial risk management (cont'd)

(f) Offsetting financial assets and financial liabilities

(i) *Financial assets*

The Company has the following financial instruments subject to enforceable master netting arrangements or similar agreement as follows:

	← Related amounts set off in the balance sheet →		
	Gross amounts – financial assets (a)	Gross amounts – financial liabilities (b)	Net amounts – financial assets presented in the balance sheet (c) = (a)-(b)
	$'000	$'000	$'000
As at 31 March 2018			
Non-trade receivables	26,562	(196)	26,366
As at 31 March 2017			
Non-trade receivables	27,495	(229)	27,266

(ii) *Financial liabilities*

The Company has the following financial instruments subject to enforceable master netting arrangements or similar agreement as follows:

	← Related amounts set off in the balance sheet →		
	Gross amounts – financial liabilities (a)	Gross amounts – financial assets (b)	Net amounts – financial liabilities presented in the balance sheet (c) = (a)-(b)
	$'000	$'000	$'000
As at 31 March 2018			
Trade and other payables	3,490	(43)	3,447
As at 31 March 2017			
Trade and other payables	3,642	(229)	3,413

29. Segment information

The Group's chief operating decision maker ("CODM") comprise the Executive Directors. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The CODM considers the Group's businesses from both geographical and business segment perspectives. Geographically, management manages and monitors the businesses in the two primary geographic areas: Singapore and Malaysia. Malaysia is engaged in publishing, exhibition and events and Singapore is engaged in HQ costs and investments.

Subsequent to the disposal of Elektromotive Limited and its subsidiary corporations during the financial year ended 31 March 2017, the Group's only business segment is principally the publishing of magazines, exhibition and events and investments holding in Singapore and Malaysia.

The segment information provided to the CODM for the reportable segments for the financial year ended 31 March 2018 are as follows:

	Continuing operations		
	Malaysia	Singapore	
	Publishing, exhibition and events	HQ costs and investments	Total
	$'000	$'000	$'000
Group			
2018			
Sales to external parties	1,021	–	1,021
Segment results	100	(1,286)	(1,186)
Other income, net	96	209	305
Profit/(loss) before income tax	196	(1,077)	(881)
Income tax expense	–	(2)	(2)
Net profit/(loss)	196	(1,079)	(883)
Net profit includes depreciation and amortisation	4	1	5
Segment assets			
Segment assets includes:			
Additions to property, plant and equipment	527	2,319	2,846
Segment liabilities	127	367	494

29. Segment information (cont'd)

The segment information provided to the CODM for the reportable segments for the financial year ended 31 March 2017 are as follows:

	Continuing operations		Discontinued operations		
	Malaysia	Singapore	Singapore	United Kingdom	
	Publishing, exhibition and events	HQ costs and investments	Electric vehicle charging solutions		Total
	$'000	$'000	$'000	$'000	$'000
Group					
2017					
Sales to external parties	927	–	–	2,869	3,796
Segment results	(22)	(4,707)	(2)	(2,771)	(7,502)
Other income/(loss), net	2	(1,334)	–	87	(1,245)
Interest expenses	–	–	–	(53)	(53)
Loss before income tax	(20)	(6,041)	(2)	(2,737)	(8,800)
Income tax expense	–	–	–	–	–
Net loss	(20)	(6,041)	(2)	(2,737)	(8,800)
Net loss includes depreciation and amortisation	4	–	–	1,005	1,009
Segment assets	439	3,720	–	–	4,159
Segment assets includes:					
Additions to property, plant and equipment	–	–	–	6	6
Additions to intangible assets	–	178	–	90	268
Segment liabilities	167	723	–	–	890

The management assesses the performance of the operating segments based on net profit of each segment.

(a) Revenue from major products and services

Revenue from external customers are derived from the publishing, exhibition and events and electric vehicle charging equipment. Breakdown of the revenue is as follows:

	2018	2017
	$'000	$'000
Publishing, exhibition and events	1,021	927
Electric vehicle charging equipment	–	2,869
	1,021	3,796

29. Segment information (cont'd)

(b) Geographical information

The Group's two business segments operate in three main geographical areas:

- Singapore – the company is headquartered and has operations in Singapore. The operations in this area are principally the publishing of magazines, exhibition and events and investments holdings.

- Malaysia – the operations in this area are principally the publishing of magazines, exhibition and events, and investments holdings.

- United Kingdom – the operation in this area are principally the installation of electrobays for electric and plug-in hybrid vehicles.

	Sales	
	2018	2017
	$'000	$'000
Singapore	–	–
Malaysia	1,021	927
United Kingdom	–	2,869
	1,021	3,796

	Non-current assets	
	2018	2017
	$'000	$'000
Singapore	4	–
Malaysia	5	4
	9	4

There are 2 customers (2017: 2) contributing more than 10% to the revenue to the Group.

30. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2018 or later periods and which the Group has not early adopted:

Effective for annual periods beginning on or after 1 January 2018

- FRS 109 Financial Instruments

  FRS 109 replaces FRS 39 Financial instruments: Recognition and Measurement and its relevant interpretations.

  FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI ("FVOCI"). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

  Under FRS 109, there are no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair value changes arising from changes in own credit risk. For liabilities designated at fair value through profit or loss, such changes are recognised in OCI.

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

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

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

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

30. New or revised accounting standards and interpretations (cont'd)

Effective for annual periods beginning on or after 1 January 2018 (cont'd)

- FRS 115 Revenue from Contracts with Customers

  FRS 115 replaces FRS 11 Construction Contracts, FRS 18 Revenue, and related interpretations.

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

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

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

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

- Amendments to FRS 28: Investments in Associates and Joint Ventures
- Amendments to FRS 40: Transfers of Investment Property
- Amendments to FRS 101 First-Time Adoption of Financial Reporting Standards
- Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers
- INT FRS 122 Foreign Currency Transactions and Advance Consideration

30. New or revised accounting standards and interpretations (cont'd)

Effective for annual periods beginning on or after 1 January 2019

- FRS 116 Leases

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

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

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

  The Group is required to adopt a new accounting framework from 1 April 2019 (Note 31). The new accounting framework has similar requirements of FRS 116.

Effective date: to be determined*

- Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

* *The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore ("ASC") in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.*

31. Adoption of SFRS(I)

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

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

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS. The Group will also concurrently apply new major SFRS(I) equivalents of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

The management does not expect significant adjustments to the Group's financial statements arising from the adoption of SFRS(I) on the Group's financial statements.

32. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Arion Entertainment Singapore Limited on 27 June 2018.

Shareholdings Statistics

TWENTY LARGEST SHAREHOLDERS AS AT 26 JUNE 2018

S/N	Names of shareholder	No. of shares	% of shares
1.	Ng Kai Man	380,000,000	10.45
2.	Chung Yuen Yee Kathy	350,000,000	9.63
3.	Century Greenland (Hong Kong) Limited	300,000,000	8.25
4.	Interlims (HK) Co., Limited	300,000,000	8.25
5.	L127 Co., Ltd.	300,000,000	8.25
6.	Choo Yeow Ming	165,000,000	4.54
7.	UOB Kay Hian Pte Ltd	161,181,200	4.43
8.	DBS Nominees Pte Ltd	150,495,636	4.14
9.	CGS- CIMB Securities (Singapore) Pte Ltd	147,787,250	4.07
10.	Lim Chye Huat @ Bobby Lim Chye Huat	136,699,263	3.76
11.	Lee Ka Chung @ William Lee	135,000,000	3.71
12.	Tan Chong Chai	50,000,000	1.38
13.	Maybank Kim Eng Securities Pte Ltd	41,009,200	1.13
14.	Frankie Quek Swee Heng	35,235,900	0.97
15.	Chua Keng Loy	26,000,000	0.72
16.	Tan Eng Chua Edwin	22,660,710	0.62
17.	Lim Chee Yong	22,520,000	0.62
18.	OCBC Securities Private Ltd	21,137,520	0.58
19.	Phillip Securities Pte Ltd	20,329,449	0.56
20.	Low Jeok Lee	20,000,000	0.55
Total		2,785,056,128	76.61

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 26 JUNE 2018

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 -99	400	6.14	19,707	0.00 *
100 – 1,000	2,130	32.71	966,731	0.03
1,001 – 10,000	2,223	34.14	9,790,086	0.27
10,001 – 1,000,000	1,576	24.21	229,754,834	6.32
1,000,001 and above	182	2.80	3,394,994,007	93.38
Total	6,511	100.00	3,635,525,365	100.00

* less than 0.01%

TWENTY LARGEST WARRANTHOLDERS (W200505) AS AT 26 JUNE 2018

S/N	Names of warrantholder	No. of warrants	% of warrants
1.	Chew Soo Lin	400,000,000	29.23
2.	CGS-CIMB Securities (Singapore) Pte Ltd	130,151,472	9.51
3.	Lim Chye Huat @ Bobby Lim Chye Huat	108,713,786	7.94
4.	Phillip Securities Pte Ltd	52,104,234	3.81
5.	Chua Keng Loy	30,000,000	2.19
6.	Frankie Quek Swee Heng	30,000,000	2.19
7.	Lim Ting Sa	24,000,000	1.75
8.	Tan Wang Cheow	22,340,000	1.63
9.	Chua Siew Lian	21,600,000	1.58
10.	Tan Eng Chua Edwin	21,295,720	1.56
11.	UOB Kay Hian Pte Ltd	20,387,000	1.49
12.	Teo Yong Ping (Zhang Rongbin)	18,930,000	1.38
13.	Tan Hai Leck (Chen Hailu)	15,000,000	1.10
14.	Ang Wern Ling Alison	14,293,000	1.04
15.	Lee Chung Hong (Li Zhongkang)	13,000,000	0.95
16.	Ronnie Poh Tian Peng	12,000,000	0.88
17.	Tee Siew Kiong	12,000,000	0.88
18.	DBS Nominees Pte Ltd	11,437,080	0.84
19.	Wong Walter	10,000,300	0.73
20.	Ooi Cheng Hooi	10,000,000	0.73
Total		977,252,592	71.41

DISTRIBUTION OF WARRANTHOLDERS BY SIZE OF WARRANTHOLDINGS (W200505) AS AT 26 JUNE 2018

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 -99	4	0.94	150	0.00 *
100 – 1,000	4	0.94	2,400	0.00 *
1,001 – 10,000	26	6.13	148,100	0.01
10,001 – 1,000,000	275	64.86	79,926,620	5.84
1,000,001 and above	115	27.13	1,288,374,022	94.15
Total	424	100.00	1,368,451,292	100.00

* less than 0.01%

Shareholdings Statistics

SUBSTANTIAL SHAREHOLDER AS AT 26 JUNE 2018

		Direct Interest		Deemed Interest	
S/N	Name of Substantial Shareholder	Number of Shares	%	Number of Shares	%
1.	Ng Kai Man	380,000,000	10.45	–	–
2.	Chung Yuen Yee Kathy	350,000,000	9.63	–	–
3.	Century Greenland (Hong Kong) Limited	300,000,000	8.25	–	–
4.	Interlims (HK) Co., Limited	300,000,000	8.25	–	–
5.	L127 Co., Ltd.	300,000,000	8.25	–	–
6.	Jin Xianghua [(1)]	–	–	300,000,000	8.25
7.	Lim Ho [(2)]	–	–	300,000,000	8.25
8.	Lee Sung Jin [(3)]	–	–	300,000,000	8.25

(1) Ms Jin Xianghua is deemed interested in 300,000,000 ordinary shares in the issued share capital of the Company held by Century Greenland (Hong Kong) Limited ("Century Greenland") by virtue of her 100% shareholding in Century Greenland.

(2) Mr Lim Ho is deemed interested in 300,000,000 ordinary shares in the issued share capital of the Company held by Interlims (HK) Co., Limited ("Interlims") by virtue of his 100% shareholding in Interlims.

(3) Mr Lee Sung Jin is deemed interested in 300,000,000 ordinary shares in the issued share capital of the Company held by L127 Co., Ltd ("L127") by virtue of his 100% shareholding in L127.

Rule 723 of Section B: Catalist of the listing manual of the SGX-ST

As at 26 June 2018, there were 1,996,525,365 shares in the hands of the public as defined in the Rules of Catalist representing approximately 54.92% of the issued share capital of the Company. The Company confirms that Rule 723 is complied with.

SHARE CAPITAL

Number of shares issued and fully paid	:	3,635,525,365 ordinary shares (excluding treasury shares)
Number of treasury shares and subsidiary holdings	:	Nil
Voting rights	:	One vote per ordinary share (excluding treasury shares)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ARION ENTERTAINMENT SINGAPORE LIMITED will be held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on Tuesday, 31 July 2018 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 March 2018 and the Auditors' Report thereon. (Resolution 1)

2. To approve the payment of Directors' fees of S$183,770 for the financial year ended 31 March 2018 (2017: S$195,650). (Resolution 2)

3. To re-elect Mr Kesavan Nair, a Director retiring under Article 107 of the Company's Constitution. [See Explanatory Note (a)] (Resolution 3)

4. To note that Prof. Ling Chung Yee Roy will be retiring pursuant to Article 107 of the Company's Constitution and he will not be seeking re-election at this Annual General Meeting. [See Explanatory Note (b)] (Resolution 4)

5. To re-appoint Messrs Nexia TS Public Accounting Corporation as the Company's Independent Auditors and to authorise the Directors to fix their remuneration. (Resolution 5)

6. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS:

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

7. "SHARE ISSUE MANDATE

   That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore and the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist (the "Rules of the Catalist") and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

   a. (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

      (ii) make or grant offers, agreements or options (collectively, "instruments") that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

      at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   b. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be granted other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company shall be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time of the passing of this Resolution, after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of the Catalist; and

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

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

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
[See Explanatory Note (c)] (Resolution 6)

8. "ARION ENTERTAINMENT SINGAPORE EMPLOYEES' SHARE OPTION SCHEME 2014

That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Arion Entertainment Singapore Employees' Share Option Scheme 2014 (the "Scheme") and to allot, issue or transfer from time to time such number of shares in the capital of the Company as may be required to be issued or transferred pursuant to the exercise of the options under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed twenty per cent. (20%) of the total issued ordinary share capital of the Company from time to time."
[See Explanatory Note (d)]. (Resolution 7)

9. "GRANT OF OPTIONS AT A DISCOUNT

THAT subject to and contingent upon the passing of Resolution 7 above, the Directors of the Company be and are hereby authorised to offer and grant option(s) in accordance with the Scheme with the exercise prices set at a maximum discount of twenty per cent. (20%) to the Market Price (as defined below), provided that such discount does not exceed the relevant limits set by the SGX-ST.

In this notice, "Market Price" means the price equal to the average of the last dealt prices for a Share on the SGX-ST over the five (5) consecutive Market Days immediately preceding the Offering Date of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded up to the nearest whole cent in the event of fractional prices."
[See Explanatory Note (e)] (Resolution 8)

By Order of the Board
Abdul Jabbar Bin Karam Din
Chan Poh Kuan
Joint Company Secretaries

Singapore, 16 July 2018

Notes:-

1. Save as provided in the Constitution, a member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

3. The instrument appointing a proxy must be lodged at the registered office of the Company at 9 Battery Road #15-01 MYP Centre Singapore 049910 not less than forty-eight (48) hours before the time fixed for the Annual General Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

EXPLANATORY NOTES:

(a) Resolution 3 – Re-election of Mr Kesavan Nair, a Director retiring under Article 107 of the Company's Constitution.

Mr Kesavan Nair, will, upon re-election, continue as an Independent Non-Executive Director of the Company and the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He will be considered independent for the purpose of Rule 704(7) of the Rules of the Catalist.

(b) Resolution 4 – Retirement of Prof. Ling Chung Yee Roy pursuant to Article 107 of the Company's Constitution.

Prof. Roy Ling will not be seeking re-election at this Annual General Meeting and upon retirement, he will cease as the Chairman the Remuneration Committee and a member of the Audit Committee.

(c) Resolution 6 is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 6 (including shares to be issued in pursuance of instruments made or granted) shall not exceed hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, with a sub-limit of fifty per cent (50%) for shares issued other than on a pro rata basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company will be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of Resolution 6, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 6, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of the Catalist of the SGX-ST; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

(d) Resolution 7 is to empower the Director of the Company to offer and grant options in accordance with the provision of the Scheme and pursuant to Chapter 8 of Rules of Catalist, and to allot and issue Shares under the Scheme. The size of the Scheme is limited to twenty per cent (20%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings of the Company for the time being.

(e) Resolution 8 is to empower the Director of the Company to allot and issue shares on the exercise of options granted under the Scheme at a discount.

Personal Data Privacy:

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

ARION ENTERTAINMENT SINGAPORE LIMITED
(Incorporated in Singapore)
(Registration No. 199407135Z)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ________________________ (Name) ____________________ (NRIC/Passport Number/ Company Regn. No.)

of ____ (Address)
being a member/members of Arion Entertainment Singapore Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or failing him/her (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the AGM, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on 31 July 2018 at 10.00 a.m. and at any adjournment thereof.

The proxy/proxies shall vote on the Resolutions set out in the notice of Meeting in accordance with my/our directions as indicated hereunder. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, on any matter at the Meeting or at any adjournment thereof.

No.	Resolutions relating to:	For *	Against *
	ROUTINE BUSINESS		
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2018 (Resolution 1)		
2.	Approval of Directors' Fees of S$183,770.00 (Resolution 2)		
3.	Re-election of Mr Kesavan Nair as a Director retiring under Article 107 of the Company's Constitution (Resolution 3)		
4.	To note that Prof. Ling Chung Yee Roy retiring pursuant to Article 117 of the Company's Constitution will not be seeking re-election at this Annual General Meeting (Resolution 4)		
5.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as auditors (Resolution 5)		
6.	Any other business		
	SPECIAL BUSINESS		
7.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 (Resolution 6)		
8.	Authority to offer and grant options under the Arion Entertainment Singapore Employees' Share Option Scheme 2014 (Resolution 7)		
9.	Approval of offer and grant of option(s) at a discount (Resolution 8)		

* *If you wish to exercise all your votes "For" or "Against", please indicate with an "x" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ______ day of ______________ 2018

Total Number of Shares held in:	
CDP Register	
Register of Members	

____
Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 9 Battery Road #15-01 MYP Centre Singapore 049910 not less than 48 hours before the time set for the meeting.

4. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50 and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 16 July 2018.

ARION ENTERTAINMENT SINGAPORE LIMITED

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