



DELVING TO BIGGER OPPORTUNITIES

...

ARION ENTERTAINMENT SINGAPORE LIMITED
ANNUAL REPORT 2020



Contents

01

Corporate Information

02

Executive Director's Statement

04

Board of Directors

06

Financial Highlights

08

Management Team

09

Corporate Governance

29

Directors' Statement

35

Independent Auditor's Report

40

Financials

88

Shareholdings Statistics

90

Notice of Annual General Meeting

Proxy Form

This Annual Report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.



Corporate Information

BOARD OF DIRECTORS

Ng Kai Man

Executive Director

Chou Kong Seng

Independent Non-Executive Director

Kesavan Nair

Independent Non-Executive Director

Lee Keng Mun

Independent Non-Executive Director

NOMINATING COMMITTEE

Kesavan Nair, Chairman

Chou Kong Seng, Member

Lee Keng Mun, Member

REMUNERATION COMMITTEE

Lee Keng Mun, Chairman

Chou Kong Seng, Member

Kesavan Nair, Member

AUDIT COMMITTEE

Chou Kong Seng, Chairman

Kesavan Nair, Member

Lee Keng Mun, Member

COMPANY SECRETARY

Chua Kern

REGISTERED OFFICE

138 Robinson Road #26-03 Oxley Tower

Singapore 068906

Tel: (65) 6236 9353

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

80 Robinson Road #25-00 Singapore 068898

Partner-in-charge: Lee Look Ling

(Appointed since financial year ended 31 March 2018)

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay #10-00 Income at Raffles

Singapore 049318

Contact person: Ms Gillian Goh

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 2020 (“**FY2020**”).

FINANCIAL PERFORMANCE FY2020

Revenue

Revenue from Malaysian publishing operations for FY2020 decreased by 12.8% to S\$0.87 million as compared to S\$1.0 million in the financial year ended 31 March 2019 (“**FY2019**”) largely due to a decrease in advertising revenue as well as a delay in the delivery of two publications which resulted in the performance obligation not being completed as at 31 March 2020.

Other income

Other income increased to S\$28,000 as compared to S\$11,000 in FY2019 mainly due to the write-off of trade creditors and interest income.

Direct Costs

The marginal decrease in printing and editorial costs to S\$0.45 million as compared to S\$0.51 million in FY2019 was mainly due to lower editorial costs for the publications and lower printing costs due to the delay in the delivery of two publications as mentioned in the revenue section above.

Employee compensation decreased to S\$0.85 million as compared to S\$0.90 million in FY2019 due to a decrease in remuneration of the Executive Director.

Professional fees, including fees paid to auditors, decreased by 35.1% to S\$0.28 million as compared to S\$0.43 million in FY2019. The professional fees incurred in FY2019 relating to the Company's shares consolidation exercise and rights issue undertaken by the Company.

Other expenses decreased by 27.8% to S\$0.30 million as compared to S\$0.41 million in FY2019 due to (a) decrease of S\$81,000 largely due to lower director fees in FY2020; (b) printing costs of circulars for the shares consolidation and the rights issue completed in FY2019; and (c) lower foreign exchange losses arising from the currency translation of inter-company balances between Singapore and Malaysia amounting to S\$16,000 as a result of the stronger Malaysian Ringgit.

Loss attributable to shareholders

Loss attributable to shareholders for FY2020 was S\$1.04 million as compared to a loss of S\$1.31 million in FY2019.

The lower loss was largely due to a decrease in employee compensation, professional fees and other expenses.

Financial position and cash flow review

As at 31 March 2020, the Group's Net Asset Value (“**NAV**”) decreased to S\$1.9 million from S\$2.9 million as at 31 March 2019. NAV per share as at 31 March 2020 was 0.31 Singapore cents as compared with 0.47 Singapore cents as at 31 March 2019.

The decrease in trade and other receivables was due to better collection and lower revenue reported during the financial year.

The increase in other current assets was due to unsatisfied performance obligation in respect of undelivered publications classified as contract assets as at FY2020.

The decrease in trade and other payables was largely due to payments made during the financial year.

Cash and cash equivalents decreased by S\$1.07 million mainly due to utilisation of cash for operating activities.

Cash and cash equivalents as at 31 March 2020 was S\$2.10 million as compared to S\$3.16 million as at 31 March 2019.

Cash used in operating activities was S\$1.08 million in FY2020. The net operating cash outflow was mainly due to operating loss before working capital changes of S\$1.03 million, which was adjusted for working capital outflow of S\$37,000 mainly attributable to payments to trade and other creditors during the financial year.

The Group had a positive working capital of S\$1.90 million as at FY2020 as compared to S\$2.91 million as at FY2019.

THE YEAR AHEAD

Covid-19 has impacted the global economy significantly and is expected to have an adverse impact on the Group's operations in Malaysia in the financial year ending 31 March 2021 ("FY2021"). The Group will continue to rationalize the activities of the publishing division and gradually shift towards digital and online publishing in FY2021. Further, as announced on 10 August 2020, the Company has plans to diversify into property related businesses which also involves operating a finance company providing property related loans in Hong Kong.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank and express my appreciation to our shareholders, customers, business associates and suppliers for their unwavering support during this trying period. I would also like to thank the Board for their invaluable guidance. Additionally, I would like to thank our management and staff of our Malaysian operations for their commitment and dedication to the Group throughout these years.

Ng Kai Man

Executive Director

Board of Directors



NG KAI MAN

Executive Director

Date first appointed : 09-03-2016

Date last re-elected: 30-07-2019

Mr Ng serves as an Executive Director of the Company. Mr Ng founded Century 21 Hong Kong Limited and served as its Chief Executive Officer. 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 (now known as Huanxi Media Group Ltd) 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.

Mr Ng does not hold any directorships in other listed companies as at 31 March 2020.



CHOU KONG SENG

Independent Non-Executive Director and Chairman of the Audit Committee

Date first appointed : 14-08-2012

Date last re-elected: 30-07-2019

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.

Mr Chou does not hold any directorships in other listed companies as at 31 March 2020.



KESAVAN NAIR

Independent Non-Executive Director and Chairman of the Nominating Committee

Date first appointed: 14-02-2013

Date last re-elected: 31-07-2018

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 2020)

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



LEE KENG MUN

Independent Non-Executive Director and Chairman of the Remuneration Committee

Date first appointed : 09-03-2016

Date last re-elected: 28-07-2016

Mr Lee currently serves as Chief Operating Officer of China Real Estate Grp Ltd ("**CREG**"). Prior to CREG, 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 a 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.

Mr Lee does not hold any directorships in other listed companies as at 31 March 2020.

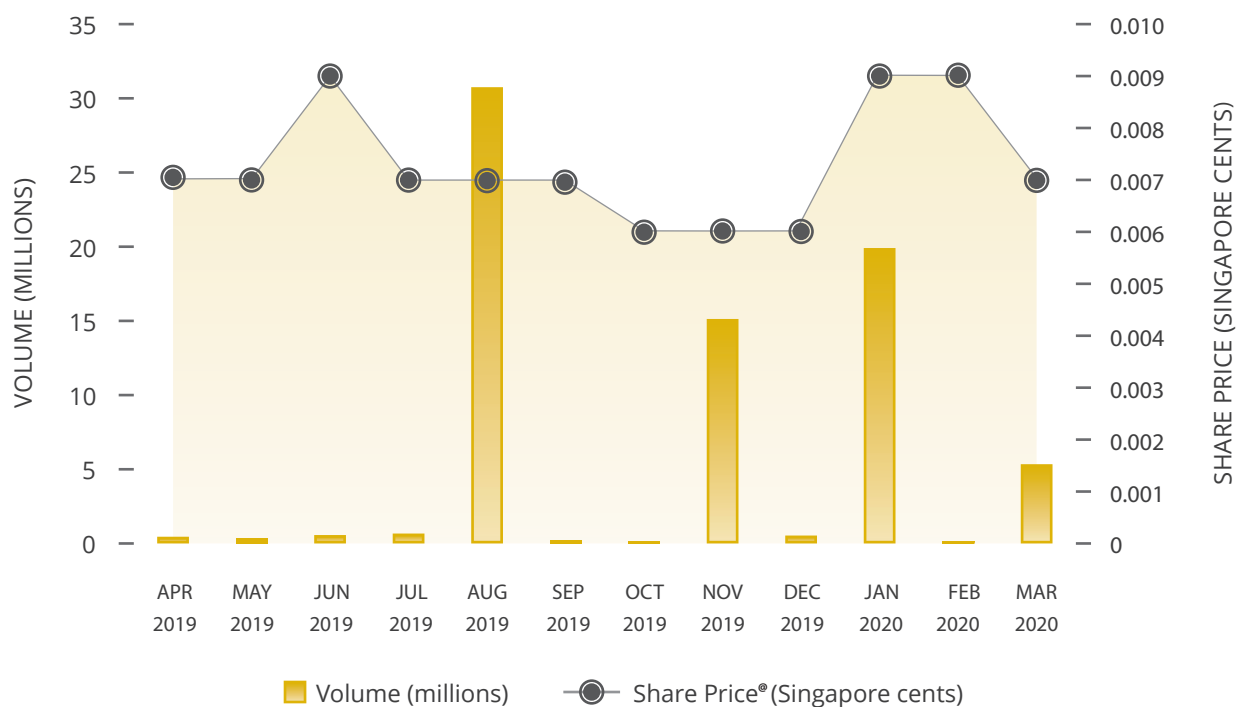
Financial Highlights

Year	Revenue * S\$'000	Loss Attributable to Shareholders S\$'000	Loss Per Share Singapore Cents
FY 2016	2,859	(6,320)	(0.44)
FY 2017	1,596 ^	(7,305)	(0.26)
FY 2018	1,208 ^	(890)	(0.02)
FY 2019	1,007	(1,314)	(0.09)
FY 2020	897	(1,036)	(0.17)

* Including other gains and excluding discontinued operations

^ Excluding gain/ (loss) on disposal of subsidiary corporations

SHARE PRICE AND TOTAL VOLUME



@ The Share Price is the closing price at the last trading day of each month.

Source: www.shareinvestor.com

REVENUE* BY BUSINESS DIVISION

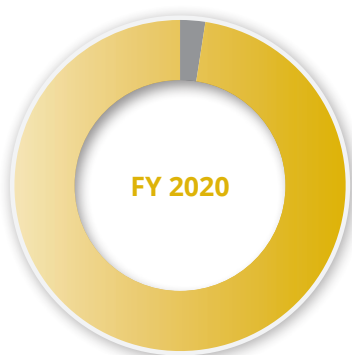
	March 2020 # \$'million	March 2019 # \$'million
Publishing & Events Management	0.9	1.0
HQ Costs & Investments	- ^	- ^

Refer to Note 24 to the Financial Statements

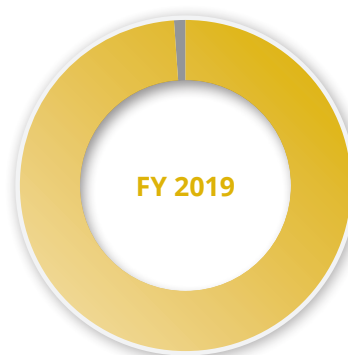
^ Less than S\$0.1 million revenue

* Including other gains

REVENUE* BY GEOGRAPHICAL REGION



2.45%
Singapore
97.55%
Malaysia



0.4%
Singapore
99.60%
Malaysia

* Including other gains

OPERATING PROFIT/ (LOSS) BY BUSINESS DIVISION

	March 2020 \$'million	March 2019 \$'million
Publishing & Events Management	0.1	0.1
HQ Costs & Investments	(1.1)	(1.4)

STAFF STRENGTH

	March 2020	March 2019
HQ Costs & Investments	2	3
Publishing & Events Management	9	8
TOTAL	11	11



Management Team

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.

NG HWEЕ LING

Chief Financial Officer

Ms Ng Hwee Ling is the Chief Financial Officer of the Company. 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.

For the financial year ended 31 March 2020 (“**FY2020**”), the Board and the Management are pleased to confirm that the Company has adhered to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”), its related practice guidance (“**PG**”), guidelines from the Code of Corporate Governance 2012 (the “**Code 2012**”) which are still in effect, the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”) as well as the Listing Manual Section B: Rules of Catalyst (the “**Rules of Catalyst**”). Where applicable, deviations from the Code, Code 2012 and the Guide 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 as and 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 FY2020 are as follows:

Attendance at Meetings								
Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	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	1	1	1	1
Kesavan Nair	2	2	2	2	1	1	1	1
Lee Keng Mun	2	2	2	2	1	1	1	1

Each member of the Board abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested.

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

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 all the Board and Board Committees 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.

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 2020, the Audit Committee, the Remuneration Committee and the Nominating Committee each comprises entirely of Independent Non-Executive 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 organisation structure, business and governance practices.

During FY2020, the Directors had received updates on the regulatory changes to the 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 three Independent Non-Executive Directors. The Company endeavours to maintain a strong independent element on the Board. Independent Non-Executive Directors make up a majority of the Board. Key information regarding the Directors can be found under the "**Board of Directors**" section of the Annual Report.

The Company does not have any alternate directors.

The Independent Non-Executive Directors have confirmed that they do not have any relationship with the Company or its related corporations, its 5% 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 has reviewed and determined that the Independent Non-Executive Directors are independent, and that there are no Directors are deemed to be independent notwithstanding the existence of a relation as stated in the Code, Code 2012 and the Guide that would otherwise deem him not to be independent. Each member of the Nominating Committee has abstained from the deliberations in respect of the assessment of his own independence.

There are no Independent Non-Executive Directors whom have served on the Board beyond nine years from 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 long-standing 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.

The Board is of the view that the size of the board, comprising four Directors is appropriate, with reference to the scope and extent of the Group's operations. The Company's Independent Non-Executive 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.

As the Board consists of professionals from various disciplines, it has yet to adopt a Board diversity policy. Nonetheless, the Board acknowledges and embraces the benefits of diversity on the Board and would look into setting board diversity objective and formalizing and adopting a Board diversity policy.

The Independent Non-Executive Directors meet when necessary and as appropriate for discussion without the presence of management. The Chairman of such meetings will provide feedback to the Board. The Independent Non-Executive Directors did not meet during FY2020 as there were no major issues of concern.

(4) Chairman and Chief Executive Officer

The Company has not appointed any Chairman to the Board due to the size of its current operations. Mr Ng Kai Man ("**Mr Ng**"), 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 Non-Executive 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 entirely Independent Directors, namely Messrs Kesavan Nair (“**Mr Nair**”), Lee Keng Mun and Chou Kong Seng. Mr Nair is the Chairman of the Nominating Committee. The key responsibilities of the Nominating Committee are to (i) evaluate and review nominations for appointment and re-appointment to the Board and the various Board Committees; (ii) review the size and composition of the Board and Board Committees; (iii) ensure that the Board has the appropriate balance of expertise, skills, knowledge, experience, attributes and abilities; (iv) review Directors’ independence and performance; (v) review the training and professional development programmes for Board members; (vi) review the process and criteria for evaluation of the performance of the Board, Board Committees and Directors; and (vii) review and make recommendations to the Board on relevant matters, relating to the succession plans of the Board and senior management personnel. The Nominating Committee, upon carrying out such review as set out above, makes recommendation on the above matters for Board consideration and approval.

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 Annual General Meeting (“**AGM**”) such that no Director stays in office for more than three years without being re-elected by shareholders. All directors must also submit themselves for re-nomination and re-election at least once every three years under Rules of Catalist 720(4).

The Nominating Committee has recommended to the Board that Mr Nair and Mr Lee Keng Mun (“**Mr Lee**”) 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 Lee will, upon re-appointment as a Director of the Company, remain as an Independent Non-Executive Director, the Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee. Both Mr Nair and Mr Lee are considered independent for the purpose of Rule 704(7) of the Rules of Catalist. The information required under Rule 720(5) of the Rules of Catalist on the Directors nominated for re-election are set out in Appendix A to this corporate governance report.

The Company has put in place a process for selecting, appointing new Directors and re-appointing Directors to the Board. Where there is a need to appoint a new Director, the Nominating Committee will evaluate the balance and mix of skills, knowledge and experience of the Board and Board Committees in order to identify the essential and desirable competencies of the candidate. 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. In relation to the re-appointment of Directors, the Nominating Committee assesses the performance of the Director in accordance with the process and performance criteria approved by the Board. Upon obtaining a satisfactory conclusion of the same, the Nominating Committee recommends the re-appointment of such Director to the Board for approval.

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 FY2020, 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, and the conclusions from such discussion by the Nominating Committee recommended for the Board's consideration, with a view to implement certain recommendations to further enhance the effectiveness of the Board. The above performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board committee separately, as well as the contribution by each individual director to the Board, had been recommended by the Nominating Committee and approved by the Board prior to the assessment for FY2020.

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 the Nominating Committee 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.

The Board has not engaged any external facilitator in conducting the assessment of Board performance for FY2020. Where relevant, the Nominating Committee will consider such engagement.

(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).

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 entirely Independent Non-Executive Directors, namely Mr Lee Keng Mun ("**Mr Lee**"), Mr Chou Kong Seng and Mr Kesavan Nair. Mr Lee is the Chairman of the Remuneration Committee.

The Remuneration Committee, guided by the key terms of reference, reviews and recommends to the Board, in consultation with management, a framework for all aspects of remuneration including reviewing the Company's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service. The Remuneration Committee also determines the specific remuneration packages and terms of employment for the Executive Director of the Company including those employees related to the Directors and substantial shareholders of the Company and whose remuneration exceeds S\$100,000 during FY2020 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 benefits 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 FY2020.

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

The Independent 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.

In January 2020, Mr Ng voluntarily offered to reduce his annual remuneration for FY2020 by 66.7%. In the event that the service agreement (the "SA") is terminated by the Company not in accordance with the terms of the SA, the Company has to compensate Mr Ng a sum computed as the number of months served under the SA multiply by the wage cut. This compensation is capped at S\$300,000. The Remuneration Committee has assessed the compensation to be paid to Mr Ng in the event of a termination and considered it to be fair. Save as disclosed, there are no termination, retirement and post-employment benefits that may be granted to the Directors and key management personnel.

Directors' Remuneration

Our Executive Director's remuneration consists of salary, allowances, bonuses and director's fees for attending to board matters. No Director will be involved in deciding his own remuneration. Directors' fees for Independent Non-Executive Directors and Executive Director 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
<u>\$250,000 to \$500,000</u> Ng Kai Man	88%	9%	-	3%	100%
<u>\$250,000 and below</u> Chou Kong Seng	-	-	-	100%	100%
Kesavan Nair	-	-	-	100%	100%
Lee Keng Mun	-	-	-	100%	100%

The Board is of the view that the information on Directors' and key management personnel's remuneration 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 Independent Non-Executive Directors, taking into account the effort, time spent and responsibilities of each Independent 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 FY2020 amounted to S\$118,034 (2019: S\$140,972).

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 FY2020 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 FY2020 was S\$0.26 million.

The Company does not have any employee who is a substantial shareholder of the Company or an immediate family member of a Director (including the Executive Director) or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000 for FY2020.

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 Mr Lee Keng Mun, being Chairman of the Committee, Mr Chou Kong Seng 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 30 to 32 of the Annual Report.

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 and regulatory 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 Non-Executive Directors and at least two members, including the Audit Chairman, possess relevant accounting experience and/or related financial management expertise. Mr Chou Kong Seng chairs the Audit Committee. The other members of the Audit Committee are Mr Lee Keng Mun and Mr Kesavan Nair, who are both Independent Non-Executive 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 two years 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:

- (a) Reviews the scope and the results of internal audit procedures with the internal auditor;
- (b) 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;
- (c) Reviews the operating results of the Group and Company, accounting policies and assistance given by the management to independent auditors;
- (d) Reviews the financial statements of the Group and Company before submission to the Board;
- (e) Reviews all interested person transactions;
- (f) Makes recommendations to the Board on the appointment, re-appointment or removal of the independent auditors, and makes recommendations to the Board on the remuneration and terms of engagement of the independent auditors;
- (g) Reviews the adequacy and effectiveness of the Company's internal controls and risk management systems annually;
- (h) Reviews the assurance from the Executive Director and the Chief Financial Officer on the financial records and financial statements;
- (i) Reviews the adequacy, effectiveness, independence, scope and results of the independent auditor and the internal auditor; and
- (j) Reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

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 independent auditors is disclosed in page 42 of the Annual Report. The Audit Committee has reviewed the independent auditor's non-audit services to satisfy itself that the nature and extent of such services has not prejudiced the independence and objectivity of the independent auditors. The amount of non-audit services fees paid in FY2020 was S\$5,000.

The independent auditors of the Company and its Singapore-incorporated subsidiary corporations are Nexia TS Public Accounting Corporation, Singapore (“Nexia”). The Company’s Malaysia-incorporated subsidiary corporation, Inovatif Media Asia Sdn Bhd, is audited by YTS & Associate, Malaysia. For the purpose of the consolidated financial statements, these financial statements are reviewed by Nexia. Accordingly, the Company has complied with Rules 712, 715 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 be re-appointed as the Company’s independent auditor in respect of the financial year ending 31 March 2021.

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 internal and 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 internal auditors and 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 internal auditors and 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 23 of the Financial Statements.

In FY2020, 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 adequate and 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 by the Company Secretary. Staff may submit such whistle-blowing reports to the Company Secretary of the Company confidentially by post.

Based on the various management controls put in place and the reports from the internal and 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 FY2020 were adequate and effective.

(14) Internal Audit

During the financial year, the Company has appointed Crowe Horwath First Trust Risk Advisory Pte Ltd as the Group's internal auditor. The internal auditor covers the internal audits of the Company and its primary line of reporting is to the Chairman of the Audit Committee.

The internal auditor has unfettered access to all the Group's documents, records, properties and personnel including direct access to the Audit Committee.

The Audit Committee reviews the adequacy and effectiveness of the internal audit function on an on-going basis. The internal auditor adopts the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The Audit Committee is satisfied that the internal auditor is independent, effective and has adequate resources and appropriate standing in the Company to discharge its activities independently and effectively.

(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 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 maintains a corporate website to constantly communicate with stakeholders. The Company welcomes any comment, feedback and query from the stakeholders through the Company's corporate website and strives to engage and manage relationships with the stakeholders. Stakeholders may find such information on the investors relation section of the Company's corporate website.

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 (for ordinary resolutions) or 21 working days (for special resolutions) before the general 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 general meetings of the Company are displayed during the meetings 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. In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2020 will be convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 gazetted on 13 April 2020 (the "**Order**"), and the joint statement issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation on the same day providing additional guidance on the conduct of general meetings of listed and non-listed entities during elevated safe distancing period (the "**Guidance**"). Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions to the Chairman of the AGM in advance, addressing of substantial and relevant questions at the AGM (if any) and appointing the Chairman of the AGM as the proxy, will be put in place.

All registered shareholders are invited to participate in and are given the right to vote on resolutions at general meetings. Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Proxy form is sent with notice of general meeting to all shareholders. For investors who hold Shares under the Central Provident Fund Scheme and Supplementary Retirement Scheme ("**CPF/SRS Investors**"), the proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes. Separate resolutions are proposed for substantially separate issues at the meeting, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

The Constitution of the Company allows members of the Company to appoint not more than two proxies to attend and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax, with an exception being made for the upcoming AGM for FY2020, at which shareholders shall be allowed to submit their proxy forms via electronic means pursuant to the Order and the Guidance.

All Directors and the respective Chairman of the Audit Committee, Nominating Committee and Remuneration Committee, the Management, and the independent auditors are in attendance at general meetings to address any queries of the shareholders. For FY2019, all the Directors were present at the AGM held on 30 July 2019 and addressed shareholders' questions.

The Company, with the help of the Company Secretary, prepares minutes of general meetings that include substantial and relevant comments relating to the agenda of the meetings and responses from the Board and Management and such minutes, where relevant will be made available to shareholders upon their request. Minutes for the upcoming AGM to be convened on 29 September 2020 will be published within one month after the general meeting, in accordance with the requirements under the Order.

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

The Company does not have a formal dividend policy. The declaration and payment of dividends will be determined at the sole discretion of the Board and in the case of final dividends, subject to the approval of shareholders. In making their recommendation, the Board will consider the Group's cash, gearing, return on equity and retained earnings, actual and projected financial performance and working capital needs, projected level of capital expenditure and other investment plans, restriction on payment of dividends imposed by the Company's financing arrangements (if any) and the general economic and business condition in countries which the Group operates. Any proposal for the declaration of final dividends will be clearly communicated to the shareholders via SGXNET. No dividends were declared or recommended for FY2020 as the Group was 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 a 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 and all officers 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 SGX-ST and ending on the date of announcement of the relevant results, or when they are in possession of any unpublished material price-sensitive information. All Directors and officers of the Group are discouraged from dealing in the shares of the Company on short-term considerations.

Directors and officers 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 the Company has complied with Rule 1204(19) of the Rules of Catalyst.

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 FY2020.



Corporate Governance

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 allocated (S\$'000)	Net proceeds utilised as at the date of Annual Report (S\$'000)	Balance unutilised (S\$'000)
Working capital			
- Wages and staff related costs	91	870	-
- Creditors	48	1,155	-
- FY 2018 and 2019 directors' fees	141	325	-
- Acquisition of 21.8% stake in ATG	-	200	-
Total	280	2,550	-

The use of proceeds is consistent with the Company's proposed use of funds as set out in the announcement dated 28 November 2016.

The following relates to the net proceeds of S\$1.88 million raised from the rights issue that was completed in December 2018:

Purpose	Net proceeds allocated (S\$'000)	Net proceeds utilised as at the date of Annual Report (S\$'000)	Balance unutilised (S\$'000)
Publishing business	500	-	500
Working capital	1,377	398	979
- Wages and staff related costs	-	200	-
- Creditors	-	198	-
Total	1,877	398	1,479

The use of proceeds is consistent with the Company's proposed use of funds as set out in the announcement dated 29 September 2018.

SPONSORSHIP

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2020.

SUSTAINABILITY REPORTING

The Group's third sustainability report which covers the period from 1 April 2019 to 31 March 2020 will be prepared with reference to the Global Reporting Initiative Standards and is in line with the requirements of the Rules of Catalist. The report will highlight the key economic, environmental, social and compliance factors such as anti-corruption, energy, non-discrimination, local communities and customer privacy. The Company is working towards the issuance of the sustainability report by 29 October 2020 and such report will be made available to shareholders on the SGXNET.

Corporate Governance - Appendix A

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE RULES OF CATALIST

Pursuant to Rule 720(5) of the Rules of Catalist, the information as set out in Appendix 7F to the Rules of Catalist relating to the retiring Directors, who are retiring by rotation and nominated for re-election in accordance with the Company's Constitution at the forthcoming AGM is set out below.

Name of Director	Kesavan Nair	Lee Keng Mun
Date of first appointment	14 February 2013	9 March 2016
Date of last re-appointment (if applicable)	31 July 2018	28 July 2016
Age	56	48
Country Of Principal Residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Kesavan Nair's contribution as Independent Non-Executive Director, Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee of the Company, and has recommended that Mr Kesavan Nair be re-elected as Director of the Company.	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Lee Keng Mun's contribution as Independent Non-Executive Director, Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee of the Company, and has recommended that Mr Lee Keng Mun be re-elected as Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director. Chairman of Nominating Committee and member of Audit Committee and Remuneration Committee	Independent Non-Executive Director. Chairman of Remuneration Committee and member of Audit Committee and Nominating Committee
Professional Qualifications	Bachelor of Law (Honours) from The University College of Wales, Aberystwyth.	Bachelor of Accounting from University of Malaya and member of Malaysia Institute of Accountants and Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	Mr Kesavan Nair is presently a director of Bayfront Law LLC. Mr Kesavan Nair was formerly a partner of Genesis Law Corporation from 2008 to 2017.	Mr Lee is currently the Chief Operating Officer of China Real Estate Group Limited.

Corporate Governance - Appendix A

Name of Director	Kesavan Nair	Lee Keng Mun
Shareholding interest in the listed issuer and its subsidiaries	300,000 ordinary shares in the Company (Direct interest)	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<p>Other Principal Commitments* including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code, Code 2012 and the Guide.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p> <p>Past (for the last 5 years)</p> <p>Present</p>	<p><u>Present</u></p> <ol style="list-style-type: none"> Kitchen Culture Holdings Ltd IEV Holdings Limited HG Metal Manufacturing Limited Artivision Technologies Ltd <p><u>Past 5 years</u></p> <p>N.A.</p>	<p><u>Present</u></p> <p>N.A.</p> <p><u>Past 5 years</u></p> <ol style="list-style-type: none"> China Real Estate Group Limited
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank.</p> <p>If the answer to any question is "yes", full details must be given.</p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Corporate Governance -

Appendix A

Name of Director	Kesavan Nair	Lee Keng Mun
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No



Corporate Governance - Appendix A

Name of Director	Kesavan Nair	Lee Keng Mun
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

Corporate Governance - Appendix A

Name of Director	Kesavan Nair	Lee Keng Mun
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Corporate Governance - Appendix A

Name of Director	Kesavan Nair	Lee Keng Mun
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	N.A. as this relates to the re-appointment of Director.	N.A. as this relates to the re-appointment of Director.
If Yes, please provide details of prior experience.	N.A.	N.A.
<p>If No, Please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.	N.A.

Note:

N.A. – Not Applicable



Directors' Statement

For the financial year ended 31 March 2020

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2020 and the balance sheet of the Company as at 31 March 2020.

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 40 to 87 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 2020 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
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**
At 31.03.2020 **At 01.04.2019**

Company

(No. of ordinary shares)

Ng Kai Man	92,700,000	92,700,000
Chou Kong Seng	600,000	600,000
Kesavan Nair	300,000	300,000



Directors' Statement

For the financial year ended 31 March 2020

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

	Number of unissued ordinary shares under option held by director	
	At 31.03.2020	At 01.04.2019
Company		
(No. of ordinary shares)		
Chou Kong Seng	672,500	672,500
Kesavan Nair	672,500	672,500

The directors' interests in the ordinary shares of the Company as at 21 April 2020 were the same as those as at 31 March 2020.

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 Mr Lee Keng Mun, Chairman of the Committee, Mr Chou Kong Seng and Mr 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 (both executive and non-executive) 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 are not eligible to participate in the AES ESOS.

Directors' Statement

For the financial year ended 31 March 2020

Share options (cont'd)

(b) Size and duration

The aggregate number of shares which may be issued or transferred pursuant to options 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 options granted under the AES ESOS and (b) all awards, shares and/or 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 the relevant date of grant.

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 options granted 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 shall 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 1.4.2019 '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.03.2020 '000	Exercise price per share	Exercisable period
13.07.2015	7,846	-	-	7,846	\$0.03 *	13.07.2017-13.07.2025

* The exercise price was adjusted pursuant to the shares consolidation exercise on 10 August 2018 and the rights issue on 26 December 2018.

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:

Name of director	No. of unissued ordinary shares of the Company under option				
	Options granted during the financial year '000	Aggregate options granted since commencement of AES ESOS to 31.03.2020 '000	Aggregate options exercised since commencement of AES ESOS to 31.03.2020 '000	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2020 '000	Aggregate options outstanding as at 31.03.2020 '000
Chou Kong Seng	-	672.5	-	-	672.5
Kesavan Nair	-	672.5	-	-	672.5
	-	1,345	-	-	1,345

Directors' Statement

For the financial year ended 31 March 2020

Share options (cont'd)

(b) Size and duration (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, including Directors who have ceased office, and certain key management personnel under the AES ESOS have received 5% or more of the total number of shares under options available under the AES ESOS. All options under the AES ESOS were granted to Directors and employees of the Company and its subsidiary corporations. The Company does not have a controlling shareholder or an ultimate holding company.

Details of the options to subscribe for ordinary shares of the Company granted to participants of the AES ESOS who have received 5% or more of the total number of shares available under the AES ESOS were as follows:

Name of director	No. of unissued ordinary shares of the Company under option				
	Options granted during the financial year	Aggregate options granted since commencement of AES ESOS to 31.03.2020	Aggregate options exercised since commencement of AES ESOS to 31.03.2020	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2020	Aggregate options outstanding as at 31.03.2020
	'000	'000	'000	'000	'000
Non-executive directors					
Chou Kong Seng	-	672.5	-	-	672.5
Kesavan Nair	-	672.5	-	-	672.5
Directors (ceased office)					
Ang Gee Hing	-	2,690.0	-	-	2,690.0
Tan Chong Chai	-	897.0	-	-	897.0
Ling Chung Yee Roy	-	672.5	-	-	672.5
Ang Ghee Ann	-	672.5	-	-	672.5
Employees					
Ng Hwee Ling	-	897.0	-	-	897.0
Chong Chye Wan	-	672.0	-	-	672.0
	-	7,846.0	-	-	7,846.0

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 (the “**Warrant 2015**”). 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.

On 10 August 2018, the Company completed a shares consolidation of every ten existing ordinary shares in the capital of the Company into one ordinary share (the “**Shares Consolidation**”). Pursuant to the Shares Consolidation, the outstanding warrants from Warrant 2015 issue were adjusted to 136,845,123 warrants. During the financial year ended 31 March 2019, the Company carried out a rights issue. In this regard, 16,541,460 new warrants were issued pursuant to the rights issue adjustment.

During the financial year ended 31 March 2020, no warrants have been exercised.

The Warrant 2015 have expired on 5 May 2020. On 5 May 2020, 11,051 new ordinary shares in the capital of the Company were issued pursuant to the exercise of 11,051 Warrant 2015 at the exercise price of S\$0.05 each.

Audit committee

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

Chou Kong Seng (Chairman)
Kesavan Nair
Lee Keng Mun

All members of the Audit Committee are Independent 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 scope and results of internal audit procedures with the internal auditor;
- the audit plan of the Company’s independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company’s management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2020 before their submission to the Board of Directors.

The Audit Committee met twice during the financial year ended 31 March 2020. 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 AGM of the Company.



Directors' Statement

For the financial year ended 31 March 2020

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
Director

.....
Lee Keng Mun
Director

1 September 2020



Independent Auditor's Report

to the Members of Arion Entertainment Singapore Limited

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 2020, 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 40 to 87.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial 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.



Independent Auditor's Report

to the Members of Arion Entertainment Singapore Limited

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

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
<p>Going concern assumption</p> <p>The Group reported net loss of \$1,036,000 for the financial year ended 31 March 2020 and as at that date, total cash and cash equivalents decreased by \$1,076,000 from outflows of cash from operating activities.</p> <p>Management has prepared the financial statements on a going concern basis after taken into consideration that the Group and the Company will have sufficient cash flows to meet the operating requirements, based on a 12-month cash flows projection. The assumptions used in the cash flows projections extend to forecast effects from the global COVID-19 pandemic which have impacted the Group's operations.</p> <p>We focused on this area because of the inherent uncertainties in the assumptions used in the preparation of the cash flows projection in relation to the COVID-19 pandemic. In addition, any post balance sheet effects that the COVID-19 pandemic may have on the going concerns of the Group and the Company cannot be, and have not been incorporated into the Group's financial statements given how rapidly events will continue to evolve after the date of this report.</p>	<p>Our audit approach included the following procedures:</p> <ul style="list-style-type: none"> • Reviewed management assessment on going concern through obtaining management's forecast of the cash flows projection of the Group over the next 12 months; • Challenged the appropriateness of the key assumptions used by the management in the cash flows projection, including timing of cash inflows and cash required for operations; and • Reviewed the adequacy and appropriateness of the disclosures made in Note 4 to the financial statements.
<p>Revenue recognition</p> <p>For the financial year ended 31 March 2020, the Group's recognised a total revenue of \$869,000. Revenue is derived from multiple sources being sale of goods-circulation of magazines and periodicals, rendering of advertising services and interest income.</p> <p>We focused on this area because revenue recognition has been identified as a significant risk in accordance with SSA 315 (revised) and because of judgments used in SFRS(I) 15 - Revenue from Contracts with Customers.</p>	<p>With the involvement of the component auditor, our audit approach included the following procedures:</p> <ul style="list-style-type: none"> • Evaluated management's assessment of the application of SFRS(I) 15. Considered the appropriateness of the revenue recognition accounting policies, including those related to accounting for variable considerations and contract modifications, vis-à-vis the requirements under SFRS(I) 15; • Reviewed contracts identified during the financial year and identified performance obligations in the contracts;

Independent Auditor's Report

to the Members of Arion Entertainment Singapore Limited

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

Key Audit Matters (cont'd)

Key audit matter (cont'd)	How our audit addressed the matter (cont'd)
<p>Revenue recognition (cont'd)</p> <p>The accounting policies for revenue are set out in Note 2.2 to the financial statements and the different revenue streams for the Group has been disclosed in Note 16 to the financial statements.</p>	<p>With the involvement of the component auditor, our audit approach included the following procedures: (cont'd)</p> <ul style="list-style-type: none"> • Performed verification of revenue documentary evidences, including sales cut-off procedures at financial year end and ensured 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 SFRS(I)s, 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.



Independent Auditor's Report

to the Members of Arion Entertainment Singapore Limited

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.



Independent Auditor's Report

to the Members of Arion Entertainment Singapore Limited

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

1 September 2020

Balance Sheet - Group

As at 31 March 2020

	Note	2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	2,099	3,160
Trade and other receivables	6	95	178
Other current assets	7	81	57
		<u>2,275</u>	<u>3,395</u>
Non-current assets			
Property, plant and equipment	10	11	16
		<u>2,286</u>	<u>3,411</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	385	481
		<u>385</u>	<u>481</u>
NET ASSETS			
		<u>1,901</u>	<u>2,930</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	144,676	144,676
Accumulated losses		(142,986)	(141,950)
Other reserves	15	211	204
		<u>1,901</u>	<u>2,930</u>

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

Balance Sheet - Company

As at 31 March 2020

	Note	2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	1,813	2,636
Other current assets	7	40	51
		1,853	2,687
Total assets		1,853	2,687
LIABILITIES			
Current liabilities			
Trade and other payables	12	259	291
Total liabilities		259	291
NET ASSETS		1,594	2,396
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	144,676	144,676
Accumulated losses	14	(143,341)	(142,539)
Other reserves	15	259	259
Total equity		1,594	2,396

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2020

	Note	2020 \$'000	2019 \$'000
Revenue	16	869	996
Other gains	17	28	11
Expenses			
- Printing and editorial costs		(452)	(507)
- Audit fees paid/payable			
- Auditor of the Company		(38)	(38)
- Other auditor		(5)	(5)
- Non-audit fees paid/payable to auditor of the Company		(5)	(17)
- Depreciation of property, plant and equipment	10	(4)	(5)
- Employee compensation	18	(854)	(899)
- Operating lease		(37)	(37)
- Professional fees		(233)	(373)
- Other		(299)	(414)
Total expenses		(1,927)	(2,295)
Loss before income tax		(1,030)	(1,288)
Income tax expense	19	(6)	(26)
Net loss		(1,036)	(1,314)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains		7	17
Other comprehensive income, net of tax		7	17
Total comprehensive loss		(1,029)	(1,297)
Loss attributable to:			
- Equity holders of the Company		(1,036)	(1,314)
Total comprehensive loss attributable to:			
- Equity holders of the Company		(1,029)	(1,297)
Loss per share for loss attributable to the equity holders of the Company (cents per share)			
Basic and diluted loss per share	20	(0.17)	(0.09)

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2020

	Note	Attributable to the Company				Total \$'000	Non- controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Currency translation reserve \$'000	Share options reserve \$'000	Accumulated losses \$'000			
2020								
Balance as at 1 April 2019		144,676	(55)	259	(141,950)	2,930	-	2,930
Total comprehensive income/ (loss) for the financial year		-	7	-	(1,036)	(1,029)	-	(1,029)
Balance as at 31 March 2020		144,676	(48)	259	(142,986)	1,901	-	1,901
2019								
Balance as at 1 April 2018		142,601	(72)	259	(141,186)	1,602	750	2,352
Acquisition of equity interests from non-controlling shareholders	9	-	-	-	550	550	(750)	(200)
Issuance of shares	13	2,075	-	-	-	2,075	-	2,075
Total comprehensive income/ (loss) for the financial year		-	17	-	(1,314)	(1,297)	-	(1,297)
Balance as at 31 March 2019		144,676	(55)	259	(141,950)	2,930	-	2,930

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2020

	Note	Group	
		2020 \$'000	2019 \$'000
Cash flows from operating activities			
Net loss		(1,036)	(1,314)
Adjustments for:			
- Income tax expense	19	6	26
- Depreciation of property, plant and equipment	10	4	5
- Gain on disposal of property, plant and equipment	17	-	(3)
- Property, plant and equipment written off		1	-
- Interest income	17	(8)	-
		(1,033)	(1,286)
Change in working capital			
- Trade and other receivables		59	55
- Trade and other payables		(96)	(13)
Cash used in operations		(1,070)	(1,244)
Income tax paid		(6)	(26)
Net cash used in operating activities		(1,076)	(1,270)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	5
Additions to property, plant and equipment		-	(14)
Interest income	17	8	-
Acquisition of equity interest from non-controlling shareholders		-	(200)
Net cash provided by/(used in) investing activities		8	(209)
Cash flows from financing activity			
Proceeds from issue of new shares		-	2,075
Net cash provided by financing activity		-	2,075
Net (decrease)/increase in cash and cash equivalents		(1,068)	596
Cash and cash equivalents			
Beginning of financial year		3,160	2,547
Effects of currency translation on cash and cash equivalents		7	17
End of financial year	5	2,099	3,160

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



Notes to the Financial Statements

For the financial year ended 31 March 2020

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 138 Robinson Road, #26-03, Oxley Tower, Singapore 068906. The address of its principal place of business is 350 Orchard Road, #11-08, Shaw House, Singapore 238868.

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 9 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 (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) 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 to the financial statements.

The financial statements are presented in Singapore dollar (“\$”) and all values are rounded to the nearest thousand (“\$’000”) except otherwise indicated.

Coronavirus (COVID-19) Impact

On 30 January 2020, the World Health Organisation declared the outbreak a Public Health Emergency of International Concern. The outbreak was subsequently characterised as a pandemic on 11 March 2020.

In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus. As a result, there has been disruption to global trade due to restrictions for cross-border movement and reduced demand in recreational activities. Correspondingly, from the second half of March 2020 onwards, the Group’s financial performance has been affected as customers reduced their sales orders placed with the Group due to closure of businesses enforced by the governments of the countries.

The ongoing and evolving COVID-19 pandemic has a significant impact on the global economy and the economies of the countries in which the Group operates in. There is significant uncertainty as to the duration of the pandemic and its impact on those economies which the Group operates in, hence affects the Group’s financial performance in the following financial years.

An assessment was made for the reporting year whether there is any indication that the Group’s assets and liabilities may be impacted adversely. If any such indication of uncertainties exists, an estimate is made of the fair value of the account balance.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Interpretations and amendments to published standards effective in 2019

On 1 April 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") 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 SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 Leases:

Adoption of SFRS(I) 16 Leases

When the Group is the lessee

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis. The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.12 to the financial statements.

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

- (i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under SFRS(I) 1-17 Lease and SFRS(I) INT 4 Determining whether an Arrangement contains a Leases, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and
- (ii) On a lease-by-lease basis, the Group has:
 - a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
 - b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
 - c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
 - d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
 - e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

As disclosed in the Company's financial statements as at 31 March 2019, the Group has lease commitments payable of \$33,000 which was accounted for as short-term operating lease as the lease term was less than 12 months as at 1 April 2019. Accordingly, the adoption of SFRS(I) 16 did not have any impact on the opening balances of the Company's balance sheet as at 1 April 2019.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.2 Revenue recognition

Revenue is recognised when the Group satisfied a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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

Revenue from sale of goods is recognised at the point in time 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. In some contracts, an entity transfers control of a product to a customer and also grants the customer the right to return the product. The Group recognises revenue for the transferred products in the amount of consideration to which the Group expects to be entitled.

(b) *Rendering of services – Advertising*

Revenue from advertising services is recognised at the over time based on the period of publication. A contract asset is recognised if the goods are transferred to customers before the payment is due, excluding any amounts presented as a receivable. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. Contract liabilities relate to the Group's obligations to provide advertising services to customer for which the Group has received advances from customers.

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

Revenue from event management and convention organisation is recognised at the point in time 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.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

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.

(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.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(a) *Subsidiary corporations (cont'd)*

(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.

(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) *Joint ventures*

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



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(c) Joint ventures (cont'd)

(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 joint ventures' 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 joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in a joint ventures equals to or exceeds its interest in the joint ventures, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the joint ventures. If the joint ventures 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 joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(ii) Disposals

Investments in 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 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 and joint ventures" for the accounting policy on investments in 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.5 Property, plant and equipment

(a) Measurement (cont'd)

(ii) Components of costs (cont'd)

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:

	<u>Useful lives</u>
Furniture and fittings	5 - 10 years
Office equipment	5 - 10 years
Computers	3 years
Renovation	5 - 10 years

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". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.6 Intangibles assets

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.

2.7 Investments in subsidiary corporations and joint ventures

Investments in subsidiary corporations 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.



Notes to the Financial Statements

For the financial year ended 31 March 2020

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 and joint ventures

Intangible assets, property, plant and equipment, and investments in subsidiary corporations and joint 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 and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The group reclassifies debt instruments when and only when its business model for managing those assets changes.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.9 Financial assets (cont'd)

(a) Classification and measurement (cont'd)

The Group's and the Company's financial assets were classified as amortised costs and fair value through profit or loss as at the financial year end.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset;

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised costs and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- Fair value through other comprehensive income ("FVOCI"): Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movement in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains, net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- Fair value through profit or loss ("FVPL"): Debt instruments that are held for trading as well as those do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains".



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.9 Financial assets (cont'd)

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 23(b)(ii) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) 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 debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sale proceeds amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

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.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.12 Leases

(a) *The accounting policy for leases before 1 April 2019 are as follows:*

When the Group is the lessee:

The Group leases office premises and other facilities under operating lease from non-related parties.

Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

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

(b) *The accounting policy for leases from 1 April 2019 are as follows:*

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at costs which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.12 Leases (cont'd)

(b) The accounting policy for leases from 1 April 2019 are as follows: (cont'd)

- Lease liabilities (cont'd)

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.13 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.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.14 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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 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.

- (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.

2.15 Provisions

Provisions 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.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.16 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) *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.

2.17 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.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.17 Currency translation (cont'd)

(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.

All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other gains".

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.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker ("CODM") whose members are responsible for allocating resources and assessing performance of the operating segments.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.



Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Significant accounting policies (cont'd)

2.20 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.

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

Expected credit losses on trade receivables

As at 31 March 2020, the Group's trade receivables amounted to \$95,000 (2019: \$178,000), arising from the Group's different revenue segments – advertisements, circulation and exhibitions and events.

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year.

The Group's and the Company's credit risk exposure for trade receivables are set out in Note 23(b)(ii) to the financial statements.

4. Going concern

The Group reported net loss of \$1,036,000 (2019: \$1,314,000) for the financial year ended 31 March 2020 and as at that date, total cash and cash equivalents decreased by \$1,076,000 (2019: \$1,270,000) from outflows of cash from operating activities.

These financial results indicate the existence of material uncertainties on the Group's and the Company's ability to continue as going concerns. Nevertheless, management has prepared the financial statements on a going concern basis after taken into consideration that the Group and the Company will have sufficient cash flows to meet the operating requirements, based on a 12-month cash flows projection where the assumptions used in the preparation of the cash flow projections extend to forecast effects from the global COVID-19 pandemic which have impacted the Group's operations.

Notes to the Financial Statements

For the financial year ended 31 March 2020

5. Cash and cash equivalents

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	2,099	3,160	1,813	2,636

6. Trade and other receivables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables				
- Non-related parties	95	178	-	-
Non-trade receivables				
- Non-related parties	-*	-*	-	-
- Subsidiary corporations	-	-	26,278	26,567
Less: Loss allowance [Note 23(b)(iii)]	-	-	(26,278)	(26,567)
Non-trade receivables - net	-	-	-	-
	95	178	-	-

* Less than \$1,000

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

7. Other current assets

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Contract assets (Note 16(b))	34	-	-	-
Prepayments	37	51	35	51
Deposits	10	6	5	-
	81	57	40	51

Notes to the Financial Statements

For the financial year ended 31 March 2020

8. Investment in a joint venture

	Group	
	2020 \$'000	2019 \$'000
Equity investments at cost	1,500	1,500
Less: Allowance for impairment	(1,500)	(1,500)
	-	-

Set out below are the joint venture of the Group as at 31 March 2020 and 2019. The joint venture has share capital consist solely of ordinary shares, which are held directly by the Company.

Name of entity	Country of incorporation and place of business	Effective equity held by the Group	
		2020 %	2019 %
<u>Held by Company</u>			
Tom N Toms International Pte Ltd	Singapore	50	50

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

	Group	
	2020 \$'000	2019 \$'000
Assets	-*	-
Liabilities	(380)	-*
Net profit	17	-*

* Less than S\$1,000

The Group has not recognised its share of profit of the joint venture, Tom N Toms International Pte Ltd, amounting to nil (2019: \$5,683) 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 \$198,541 (2019: \$198,541) at the balance sheet date.

Notes to the Financial Statements

For the financial year ended 31 March 2020

9. Investments in subsidiary corporations

	Group	
	2020 \$'000	2019 \$'000
<i>Equity investment at cost</i>		
Beginning of financial year	42,470	42,905
Additions ^(a)	-	200
Disposal of subsidiary corporations	-	(635)
End of financial year	<u>42,470</u>	<u>42,470</u>
<i>Accumulated impairment</i>		
Beginning of financial year	42,470	42,905
Additions ^(a)	-	200
Disposals of subsidiary corporations	-	(635)
End of financial year	<u>42,470</u>	<u>42,470</u>
<i>Carrying amount</i>		
End of financial year	<u>-</u>	<u>-</u>

^(a) On 13 August 2018, the Company completed the acquisition of a 21.82% equity interest of Auston Technology Group Pte Ltd ("ATG") with a consideration of \$200,000. Consequently, ATG became a wholly-owned subsidiary corporation of the Company.

During the financial year ended 31 March 2019, the management has used the value-in-use method to determine the recoverable amount of the subsidiary corporation and recognised an impairment loss as the recoverable amount is lower than its carrying amount.

During the financial year ended 31 March 2020, no impairment loss has been recognised as the investments in subsidiary corporations have been fully impaired.

Notes to the Financial Statements

For the financial year ended 31 March 2020

9. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 March 2020 and 2019.

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group	
			2020 %	2019 %	2020 %	2019 %
Panpac Tech Strategic Ltd ⁽¹⁾	Investment holding - currently dormant	British Virgin Islands	100	100	100	100
Auston Technology Group Pte Ltd ⁽³⁾	Investment holding - currently dormant	Singapore	100	100	100	100
Inovatif Media Asia Sdn. Bhd. ⁽²⁾	Media Publishing	Malaysia	100	100	100	100
TLG Properties Pte Ltd ⁽³⁾	Investment holding	Singapore	100	100	100	100

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

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

(3) These entities have commenced the striking off application during the financial year ended 31 March 2020.

In accordance with the requirements of Rule 715 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

10. Property, plant and equipment

Group	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Renovation \$'000	Total \$'000
2020					
<i>Cost</i>					
Beginning of financial year	17	63	158	41	279
Currency translation differences	–*	(1)	(2)	–*	(3)
Additions	–*	–	–	–	–*
Written-off	(7)	(10)	(64)	–	(81)
End of financial year	10	52	92	41	195
<i>Accumulated depreciation</i>					
Beginning of financial year	15	62	145	41	263
Currency translation differences	–*	(1)	(2)	–*	(3)
Depreciation charge	–*	–*	4	–	4
Written-off	(7)	(9)	(64)	–	(80)
End of financial year	8	52	83	41	184
Net book value					
End of financial year	2	–	9	–	11
2019					
<i>Cost</i>					
Beginning of financial year	17	64	152	42	275
Currency translation differences	–*	(1)	(3)	(1)	(5)
Additions	–	–*	14	–	14
Disposals	–	–	(5)	–	(5)
End of financial year	17	63	158	41	279
<i>Accumulated depreciation</i>					
Beginning of financial year	15	63	146	42	266
Currency translation differences	–*	(1)	(3)	(1)	(5)
Depreciation charge	–*	–*	5	–	5
Disposals	–	–	(3)	–	(3)
End of financial year	15	62	145	41	263
Net book value					
End of financial year	2	1	13	–	16

* Less than S\$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2020

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

	Company	
	2020 \$'000	2019 \$'000
Computers		
<i>Cost</i>		
Beginning of financial year	1	6
Disposals	-	(5)
End of financial year	1	1
<i>Accumulated depreciation</i>		
Beginning of financial year	1	2
Depreciation charge	-	2
Disposals	-	(3)
End of financial year	1	1
Net book value		
End of financial year	-	-

11. Intangible assets

The Group's intangible assets comprise of goodwill on consolidation amounted to nil as at the financial years ended 31 March 2020 and 2019.

Group	Goodwill on consolidation \$'000
31 March 2020	
<i>Cost</i>	
Beginning and end of financial year	178
<i>Accumulated amortisation and impairment</i>	
Beginning and end of financial year	178
Net book value	
End of financial year	-
31 March 2019	
<i>Cost</i>	
Beginning and end of financial year	178
<i>Accumulated amortisation and impairment</i>	
Beginning and end of financial year	178
Net book value	
End of financial year	-

Notes to the Financial Statements

For the financial year ended 31 March 2020

12. Trade and other payables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables				
- Non-related parties	98	88	-	-
Non-trade payables				
- Non-related parties	57	83	53	68
	155	83	53	68
Contract liabilities (Note 16(b))	12	19	-	-
Accrual for operating expenses	218	291	206	223
Total trade and other payables	385	481	259	291

Contract liabilities relate to unsatisfied performance obligations relating to advertisement revenue.

13. Share capital

Group and Company	No. of ordinary shares	Amount \$'000
Issued share capital		
2020		
Beginning and end of financial year	622,940,542	144,676
2019		
Beginning of financial year	3,635,525,365	142,601
Shares consolidation ^(a)	(3,271,972,847)	-
Shares issued ^(b)	259,388,024	2,075
Beginning and end of financial year	622,940,542	144,676

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.

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

- (a) On 10 August 2018, the Company completed a shares consolidation of every ten existing ordinary shares in the capital of the Company into one ordinary share (the "Shares Consolidation").
- (b) On 26 December 2018, the Company issued and allotted 259,388,024 ordinary shares for a total consideration of \$2,075,000 pursuant to a rights issue.

Notes to the Financial Statements

For the financial year ended 31 March 2020

13. Share capital (cont'd)

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 Lee Keng Mun, Chairman of the Committee, Chou Kong Seng 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 (both executive and non-executive) 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 are not eligible to participate in the AES ESOS.

(ii) Size and duration

The aggregate number of shares which may be issued or transferred pursuant to options 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 options granted under the AES ESOS and (b) all awards, shares and/or 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 the relevant date of grant.

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 options granted to employees prior to such expiry or termination will continue to remain valid.

Notes to the Financial Statements

For the financial year ended 31 March 2020

13. Share capital (cont'd)

Share options (cont'd)

(ii) Size and duration (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:

31 March 2020

Date of grant	Balance as at 1.4.2019 '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.03.2020 '000	Exercise price per share	Exercisable period
13.07.2015	7,846	-	-	7,846	\$0.03 *	13.07.2017-13.07.2025

* The exercise price was adjusted pursuant to the shares consolidation exercise on 10 August 2018 and the rights issue on 26 December 2018.

31 March 2019

Date of grant	Balance as at 1.4.2018 '000	Shares Consolidation '000	Adjustment pursuant to rights issue '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.03.2020 '000	Exercise price per share	Exercisable period
13.07.2015	70,000	(63,000)	846	-	-	7,846	\$0.03	13.07.2017-13.07.2025

Notes to the Financial Statements

For the financial year ended 31 March 2020

13. Share capital (cont'd)

Share options (cont'd)

(ii) Size and duration (cont'd)

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:

	Options granted during the financial year	Aggregate options granted since commencement of AES ESOS	Aggregate options exercised since commencement of AES ESOS	Aggregate options cancelled or lapsed since commencement of AES ESOS	Aggregate options outstanding
	'000	'000	'000	'000	'000
31 March 2020					
Non-executive directors		1,345	-	-	1,345
Directors (ceased office)		4,932	-	-	4,932
Employees		1,569	-	-	1,569
		7,846	-	-	7,846
31 March 2019					
Non-executive directors		1,345	-	-	1,345
Directors (ceased office)		4,932	-	-	4,932
Employees		3,169	-	(1,600)	1,569
		9,446	-	(1,600)	7,846

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2020

13. Share capital (cont'd)

Share options (cont'd)

(ii) Size and duration (cont'd)

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

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.

14. Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company	
	2020	2019
	\$'000	\$'000
Beginning of financial year	(142,539)	(144,321)
Net (loss)/profit	(802)	1,782
End of financial year	<u>(143,341)</u>	<u>(142,539)</u>

Notes to the Financial Statements

For the financial year ended 31 March 2020

15. Other reserves

(a) Composition:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Share option reserve	259	259	259	259
Currency translation reserve	(48)	(55)	-	-
	211	204	259	259

(b) Movements:

(i) Share option reserve

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Beginning and end of financial year	259	259	259	259

(ii) Currency translation reserve

	Company	
	2020 \$'000	2019 \$'000
Beginning of financial year	(55)	(72)
Net currency translation differences of financial statements of foreign subsidiary corporations	7	17
End of financial year	(48)	(55)

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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

16. Revenue

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services at a point in time and over time in the following major service lines and geographical regions. Revenue is attributed to countries by location of customers.

	At a point in time \$'000	Over time \$'000	Total \$'000
2020			
<i>Malaysia</i>			
Circulation of magazines and periodicals	769	-	769
Advertisements	-	100	100
	769	100	869
2019			
<i>Malaysia</i>			
Circulation of magazines and periodicals	835	-	835
Advertisements	4	157	161
	839	157	996

(b) Contract assets and liabilities

	Group	
	2020 \$'000	2019 \$'000
<i>Contract assets</i>		
- Advertisements (Note 7)	34	-
<i>Contract liabilities</i>		
- Advertisements (Note 12)	12	19

Contract assets relate to unsatisfied performance obligation arising from contract with a customer where revenue is recognised in advance of billings and are recorded net of estimated losses resulting from the inability to invoice customers. No loss allowance is recognised for contract assets as at the financial year end.

Contract liabilities decrease due to lesser contracts in which the Group billed and received consideration ahead of the provision of services.

Notes to the Financial Statements

For the financial year ended 31 March 2020

16. Revenue (cont'd)

(b) Contract assets and liabilities (cont'd)

(i) Revenue recognised in relation to contract liabilities (cont'd)

	Group	
	2020 \$'000	2019 \$'000
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period		
- Advertisements	19	22

(ii) Unsatisfied performance obligations

	Group	
	2020 \$'000	2019 \$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March		
- Advertisements	12	19

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 March 2020 and 2019 may be recognised as revenue in the next reporting periods as follows:

	Group	
	2020 \$'000	2021 \$'000
Partial and fully unsatisfied performance obligations as at:		
31 March 2020	-	12
31 March 2019	19	-

(c) Trade receivables from contracts with customers

	Group	
	2020 \$'000	2019 \$'000
Trade receivables from contracts with customers	95	178

Notes to the Financial Statements

For the financial year ended 31 March 2020

17. Other gains

	Group	
	2020 \$'000	2019 \$'000
Write off of trade creditors	13	-
Publishing related income	6	8
Gain on disposal of property, plant and equipment	-	3
Interest income from financial assets measured at amortised cost – bank deposits	8	-
Other	1	-
	28	11

18. Employee compensation

	Group	
	2020 \$'000	2019 \$'000
Wages, salaries and bonuses	798	846
Employer's contribution to defined contribution plans, including Central Provident Fund	50	47
Other short-term benefits	6	6
	854	899

19. Income taxes

	Group	
	2020 \$'000	2019 \$'000
Tax expense attributable to loss is made up of:		
- Under provision in prior financial year		
- Current income tax	(6)	(26)
	(6)	(26)

Notes to the Financial Statements

For the financial year ended 31 March 2020

19. 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	
	2020 \$'000	2019 \$'000
Loss before tax	(1,030)	(1,288)
Tax calculated at tax rate of 17% (2019: 17%)	(175)	(219)
Effects of:		
- Expenses not deductible for tax purposes	24	29
- Deferred income tax assets not recognised	153	191
- Income not subject to tax	(2)	(1)
- Under provision of prior year tax	(6)	(26)
Tax charge	(6)	(26)

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 (2019: \$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.

20. 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.

	2020	2019
Net loss attributable to equity holders of the Company (\$'000)	(1,036)	(1,314)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	622,941	1,540,673
Basic loss per share (cents)	(0.17)	(0.09)

Notes to the Financial Statements

For the financial year ended 31 March 2020

20. Loss per share (cont'd)

(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 2020 and 2019. 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.

21. 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Purchase of goods and/or service from				
- Related parties	3	20	-	14

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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Wages and salaries	568	624	502	559
Employer's contribution to defined contribution plans, including Central Provident Fund	22	22	14	14
	590	646	516	573

Included in the above is total compensation to directors of the Company amounting to \$333,000 (2019: \$390,000).

Notes to the Financial Statements

For the financial year ended 31 March 2020

22. Operating lease commitments

The Group leases equipment, and other facilities from non-related parties and office premises from 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
	2019
	\$'000
Not later than one year	33

As disclosed in Note 2.1, the Company has adopted SFRS(I) 16 on 1 April 2019. The Company has elected not to recognise these lease payments as ROU assets and lease liabilities as they are of short-term leases. During the financial year ended 31 March 2020, lease payments amounted to \$37,000 have been recognised as an expense on a straight-line basis over the lease term.

23. 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. The Group and the Company has insignificant exposure of currency risk during the financial years ended 31 March 2020 and 2019.

(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.



Notes to the Financial Statements

For the financial year ended 31 March 2020

23. Financial risk management (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

(i) Risk management

The Group adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

For customers, the Group performs credit reviews on new customers before acceptance and monthly review for existing customers. Credit reviews take into account customers' financial strength, the Group's past experiences with the customers and other relevant factors.

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

The trade receivables of the Group comprise 1 debtor (2019: 2 debtors) that individually represented > 10% of trade receivables.

(ii) Credit rating

The Group and the Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Under performing	Borrower or issuer for which there is a significant increase in credit risk; as significant in credit risk is presumed if interest and/or principal repayment are 90 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal payments are 90 days past due	Lifetime expected credit losses
Write-offs	Interest and/or principal repayments relating to debtor that failing to engage in a repayment plan with the Company and have no reasonable expectation of recovery	Assets are written-off



Notes to the Financial Statements

For the financial year ended 31 March 2020

23. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(iii) Impairment of financial assets

The Group and the Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for all trade and other receivables.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group and the Company consider historical loss rates for each category of customers.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write off when a debtor fails to make contractual payment greater than 90 days past due based on historical loss rates for each category of customers and adjust to reflect current and forward looking information. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

As at 31 March 2020, management has assessed the application of the expected credit loss model. There are no credit risk exposure in relation to the Group's trade receivables from customers and the Company's amounts due from subsidiary corporations have been rated as non-performing.

Consequently, no loss allowance have been recognised by the Group. The Company has recognised loss allowance amounted to \$26,278,000 (2019: \$26,567,000) for amounts due from subsidiary corporations.

(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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

23. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year \$'000
Group	
At 31 March 2020	
Trade and other payables	<u>373</u>
At 31 March 2019	
Trade and other payables	<u>462</u>
Company	
At 31 March 2020	
Trade and other payables	<u>259</u>
At 31 March 2019	
Trade and other payables	<u>291</u>

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

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Total liabilities	<u>385</u>	481	<u>259</u>	291
Total equity	<u>1,901</u>	2,930	<u>1,594</u>	2,396
Liabilities-equity ratio	<u>20%</u>	16%	<u>16%</u>	12%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2020 and 2019.

Notes to the Financial Statements

For the financial year ended 31 March 2020

23. Financial risk management (cont'd)

(e) Fair value measurements

The assets and liabilities are measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of the different categories of financial instruments is as follows:

	2020 \$'000	2019 \$'000
Group		
Financial assets at amortised cost	2,204	3,344
Financial liabilities at amortised cost	373	462
Company		
Financial assets at amortised cost	1,818	2,636
Financial liabilities at amortised cost	259	291

Notes to the Financial Statements

For the financial year ended 31 March 2020

23. 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) \$'000	Gross amounts - financial liabilities (b) \$'000	Net amounts - financial assets presented in the balance sheet (c) = (a)-(b) \$'000
As at 31 March 2020			
Non-trade receivables	26,474	(196)	26,278
As at 31 March 2019			
Non-trade receivables	26,763	(196)	26,567

	← Related amounts set off in the balance sheet →		
	Gross amounts - financial assets (a) \$'000	Gross amounts - financial liabilities (b) \$'000	Net amounts - financial assets presented in the balance sheet (c) = (a)-(b) \$'000
As at 31 March 2020			
Trade and other payables	196	(196)	-
As at 31 March 2019			
Trade and other payables	196	(196)	-

24. Segment information

The Group's chief operating decision maker ("CODM") comprise the Executive Director. 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.

Notes to the Financial Statements

For the financial year ended 31 March 2020

24. Segment information (cont'd)

The segment information provided to the CODM for the reportable segments for the financial year ended 31 March 2020 and 2019 are as follows:

	Malaysia Publishing, exhibition and events \$'000	Singapore HQ costs and investments \$'000	Total \$'000
Group			
2020			
Sales to external parties	869	-	869
Segment results	79	(1,137)	(1,058)
Other gains	6	22	28
Profit/(loss) before income tax	85	(1,115)	(1,030)
Income tax expense	-	(6)	(6)
Net profit/(loss)	85	(1,121)	(1,036)
Net profit includes depreciation and amortisation	4	-	4
Segment assets	432	1,854	2,286
Segment assets includes:			
Additions to property, plant and equipment	-*	-	-
Segment liabilities	129	256	385
2019			
Sales to external parties	996	-	996
Segment results	121	(1,420)	(1,299)
Other gains	7	4	11
Profit/(loss) before income tax	128	(1,416)	(1,288)
Income tax expense	-	(26)	(26)
Net profit/(loss)	128	(1,442)	(1,314)
Net profit includes depreciation and amortisation	3	2	5
Segment assets	708	2,703	3,411
Segment assets includes:			
Additions to property, plant and equipment	12	2	14
Segment liabilities	164	317	481

* Less than \$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2020

24. Segment information (cont'd)

(a) Revenue from major products and services

Revenue from external customers are derived from the publishing and exhibition and events.

Breakdown of the revenue is as follows:

	Group	
	2020	2019
	\$'000	\$'000
Publishing, exhibition and events	869	996

(b) Geographical information

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

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

	Sales	
	2020	2019
	\$'000	\$'000
Singapore	-	-
Malaysia	869	996
	869	996

	Non-current assets	
	2020	2019
	\$'000	\$'000
Singapore	-	-
Malaysia	11	16
	11	16

There are 2 customers (2019: 2) contributing more than 10% to the revenue to the Group.



Notes to the Financial Statements

For the financial year ended 31 March 2020

25. Events occurring after balance sheet date

Other than the COVID-19 outbreak as disclosed in Note 2.1 to the financial statements, there are no subsequent significant developments which would materially affect the Group's and the Company's operating and financial performance or any adjusting events that provide evidence of conditions that existed at the end of the reporting period, as of the date of this report.

As the situation continues to evolve with a significant level of uncertainty, the Group will continue to monitor the financial impact on the Group's and the Company's financial and operation closely.

26. 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 2020 and which the Group has not early adopted:

Amendments to SFRS(I) 3 Business Combination (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

27. 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 1 September 2020.



Shareholdings Statistics

TWENTY LARGEST SHAREHOLDERS AS AT 1 SEPTEMBER 2020

S/N	Names of shareholder	No. of shares	% of shares
1.	Ng Kai Man	92,700,000	14.88
2.	Chung Yuen Yee Kathy	70,000,000	11.24
3.	Lee Ka Chung @ William Lee	31,500,000	5.06
4.	Citibank Nominees Singapore Pte Ltd	31,160,135	5.00
5.	Century Greenland (Hong Kong) Limited	30,000,000	4.82
6.	Interlims (HK) Co., Limited	30,000,000	4.82
7.	L127 Co., Ltd.	30,000,000	4.82
8.	DBS Nominees Pte Ltd	29,999,256	4.82
9.	Lim Chye Huat @ Bobby Lim Chye Huat	28,000,000	4.49
10.	UOB Kay Hian Pte Ltd	23,006,490	3.69
11.	Chan Shui Sheung Ivy	15,620,900	2.51
12.	DBS Vickers Securities (Singapore) Pte Ltd	13,847,395	2.22
13.	Phillip Securities Pte Ltd	9,137,654	1.47
14.	Maybank Kim Eng Securities Pte Ltd	6,273,680	1.01
15.	Ong Kheng Guan	6,000,000	0.96
16.	CGS-CIMB Securities (Singapore) Pte Ltd	5,331,525	0.86
17.	Tan Sze Seng	5,222,900	0.84
18.	Tan Chong Chai	5,000,000	0.80
19.	Guan Li Li Mrs Seow Min Fook	4,091,200	0.66
20.	Yeo Shu Wen Melissa Mary (Yang Shuwen)	4,000,000	0.64
	Total	470,891,135	75.61

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 1 SEPTEMBER 2020

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	2,109	32.59	56,870	0.01
100 – 1,000	2,616	40.43	1,005,771	0.16
1,001 – 10,000	1,033	15.96	4,298,023	0.69
10,001 – 1,000,000	655	10.12	74,572,181	11.97
1,000,001 and above	58	0.90	543,018,748	87.17
Total	6,471	100.00	622,951,593	100.00

SUBSTANTIAL SHAREHOLDER AS AT 1 SEPTEMBER 2020

S/N	Name of Substantial Shareholder	Direct Interest		Deemed Interest	
		Number of Shares	%	Number of Shares	%
1.	Ng Kai Man	92,700,000	14.88	-	-
2.	Chung Yuen Yee Kathy	70,000,000	11.24	-	-
3.	Lee Ka Chung @ William Lee	31,500,000	5.06	-	-

RULE 723 OF SECTION B: CATALIST OF THE LISTING MANUAL OF THE SGX-ST

As at 1 September 2020, there were 427,851,593 shares in the hands of the public as defined in the Rules of Catalist representing approximately 68.68% of the issued share capital of the Company. The Company confirms that Rule 723 of the Rules of Catalist is complied with.

SHARE CAPITAL

Number of shares issued and fully paid (excluding treasury shares and subsidiary holdings)	:	622,951,593 ordinary shares
Class of shares	:	Ordinary
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting rights	:	One vote per ordinary share (excluding treasury shares)



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**AGM**”) of ARION ENTERTAINMENT SINGAPORE LIMITED (the “**Company**”, and together with its subsidiaries, the “**Group**”) will be held by way of electronic means on Tuesday, 29 September 2020 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2020 (“**FY2020**”), together with the Auditor’s Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$118,034 for the financial year ended 31 March 2020 (FY2019: S\$140,972). **(Resolution 2)**
3. To re-elect the following directors of the Company (“**Directors**”) retiring pursuant to the constitution of the Company (“**Constitution**”) and who, being eligible, offer themselves for re-election, as Directors:

Mr Kesavan Nair (Article 107) **(Resolution 3)**

Mr Lee Keng Mun (Article 107) **(Resolution 4)**

[See Explanatory Note (i)]
5. To re-appoint Messrs Nexia TS Public Accounting Corporation as the Independent Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

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

7. Authority to allot and issue shares in the capital of the Company **(Resolution 6)**

“That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the Constitution and the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Rules of Catalist**”), the Directors be and are hereby authorised to:

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

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

Notice of Annual General Meeting

- (iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues, 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,

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

- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) 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, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this resolution, after adjusting for:

- (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards, provided that such share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalyst; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (ii)(a) and (ii)(b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution 6.



Notice of Annual General Meeting

- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Companies Act, the Rules of Catalyst (including supplemental measures hereto) 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 a general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (ii)]

8. Authority to issue shares under the Arion Entertainment Singapore Employees' Share Option Scheme 2014 **(Resolution 7)**

"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 "AES ESOS") 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 centum (20%) of the total issued ordinary share capital of the Company on the day preceding the relevant date of grant.

[See Explanatory Note (iii)]

By Order of the Board of Directors
of **Arion Entertainment Singapore Limited**

Chua Kern
Company Secretary
Singapore, 14 September 2020

Explanatory Notes:

- (i) **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 as a Director, continue as an Independent Director of the Company and the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Mr Kesavan Nair will be considered Independent for the purposes of Rule 704(7) of the Rules of Catalyst.

Detailed information on Mr Kesavan Nair can be found under the sections "Board of Directors" and "Corporate Governance – Appendix A" of the Company's Annual Report 2020.

- Resolution 4 – Re-election of Mr Lee Keng Mun, a Director retiring under Article 107 of the Company's Constitution.**

Mr Lee Keng Mun will, upon re-election as a Director, continue as an Independent Director of the Company and the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. Mr Lee Keng Mun will be considered Independent for the purposes of Rule 704(7) of the Rules of Catalyst.



Notice of Annual General Meeting

Detailed information on Mr Lee Keng Mun can be found under the sections “Board of Directors” and “Corporate Governance – Appendix A” of the Company’s Annual Report 2020.

- (ii) The Ordinary Resolution 6 proposed in item 7 above, if passed, is to empower the Directors to allot and 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 one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any), with a sub-limit of fifty per centum (50%) for share 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 with registered addresses in Singapore. 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, if any) 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 outstanding or subsisting at the time of the passing of Resolution 6; (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 Catalist; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.
- (iii) The Ordinary Resolution 7 proposed in item 8 above, if passed, is to empower the Directors of the Company to offer and grant options in accordance with the provision of the AES ESOS and pursuant to Chapter 8 of the Rules of Catalist, and to allot and issue Shares under the AES ESOS. The size of the AES ESOS is limited to twenty per centum (20%) of the total number of issued Shares, excluding treasury shares of the Company on the day preceding the relevant date of grant.

Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the AGM of the Company will be held by way of electronic means and members of the Company will NOT be allowed to attend the AGM in person.

Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM of the Company to be held on Tuesday, 29 September 2020 at 10.00 a.m. (the “**Meeting**”) are set out in the Company’s announcement dated 14 September 2020 (the “**Announcement**”), which has been uploaded together with this Notice of AGM on SGXNET on 14 September 2020. The Announcement may also be accessed at the URL <http://egl.com.sg/press.html>. For the avoidance of doubt, the Announcement is circulated together with and forms part of this Notice of AGM in respect of the Meeting.

In particular, the Meeting will be held by way of electronic means and a member of the Company will be able to observe the proceedings of the Meeting through a “live” webcast (“**LIVE WEBCAST**”) via his/her/its mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed (“**AUDIO ONLY MEANS**”) via telephone. In order to do so, a member of the Company who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by 10.00 a.m. on 26 September 2020 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting), at the URL <https://complete-corp.com.sg/arion-agm/>. Following authentication of his/her/its status as members of the Company, authenticated members of the Company will receive email instructions on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the Meeting by 12.00 p.m. on 28 September 2020.

A member of the Company may also submit questions related to the resolutions to be tabled for approval at the Meeting. To do so, all questions must be submitted by 10.00 a.m. on 21 September 2020 by email to arion-agm@complete-corp.com.sg; or by post to be lodged at the office of the Company’s Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road International Plaza #29-07 Singapore 079903.

2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.



Notice of Annual General Meeting

4. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
 - a. if sent personally or by post, be lodged at the office of the Company's Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road International Plaza #29-07 Singapore 079903; or
 - b. if submitted by email, be received by the Company's Polling Agent, Complete Corporate Services Pte Ltd, at arion-agm@complete-corp.com.sg,

in either case, by 10.00 a.m. on 27 September 2020 (being not less than forty-eight (48) hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its director 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.
7. Members may access all documents relating to the AGM, amongst others, Annual Report, proxy forms and other relevant corporate information, which has been uploaded together with the Notice of AGM dated 14 September 2020 on SGXNET (the "Announcement"). The Announcement may also be accessed at the URL <http://egl.com.sg/press.html>. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 14 September 2020 in respect of the AGM.
8. CPF/SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes no later than 5.00 p.m. on 17 September 2020 (being not less than seven (7) working days before the AGM).

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the Meeting via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any question prior to the Meeting in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the LIVE WEBCAST or AUDIO ONLY MEANS to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions;
- (iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199407135Z)

PROXY FORM – ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this form)

This proxy form has been made available on SGXNET and the Company's website and may be accessed at the URL <http://egl.com.sg/press.html>. A printed copy of this proxy form will NOT be despatched to members of the Company.

IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM (as defined herein) are set out in the Company's announcement dated 14 September 2020 (the "Announcement"), which has been uploaded together with the Notice of AGM dated 14 September 2020 on SGXNET on the same day. The Announcement may also be accessed at the URL <http://egl.com.sg/press.html>. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 14 September 2020 in respect of the AGM.
2. A member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. CPF/SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes no later than 5.00 p.m. on 17 September 2020.
4. Please read the notes to this proxy form.

PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 September 2020.

*I/We _____ (Name) _____ (NRIC/Passport No./Company Registration No.)

of _____ (Address)

being a *member/members of ARION ENTERTAINMENT SINGAPORE LIMITED (the "Company", and together with its subsidiaries, the "Group"), hereby appoints the Chairman of the annual general meeting of the Company (the "AGM"), as *my/our proxy to vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on Tuesday, 29 September 2020 at 10.00 a.m. and at any adjournment thereof. *I/We direct the Chairman of the AGM to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as *my/our proxy will be treated as invalid.

All resolutions put to the vote at the AGM shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy, who is the Chairman of the AGM, not to vote on that Resolution.

No.	Resolutions relating to:	By way of poll		
		For	Against	Abstain
AS ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2020 ("FY2020"), together with the Auditor's Report thereon (Resolution 1)			
2.	Approval of Directors' Fees of S\$118,034 for the financial year ended 31 March 2020 (Resolution 2)			
3.	Re-election of Mr Kesavan Nair as a Director retiring under Article 107 of the Company's Constitution (Resolution 3)			
4.	Re-election of Mr Lee Keng Mun as a Director retiring under Article 107 of the Company's Constitution (Resolution 4)			
5.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration (Resolution 5)			
AS SPECIAL BUSINESS				
6.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 (Resolution 6)			
7.	Authority to allot and issue shares under the Arion Entertainment Singapore Employees' Share Option Scheme 2014 (Resolution 7)			

Dated this _____ day of _____ 2020

Signature(s) of Member(s) or,
Common Seal of Corporate Member

* Delete as appropriate

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES ON THE REVERSE CAREFULLY BEFORE COMPLETING THIS PROXY FORM



NOTES TO PROXY FORM:

1. Please insert the total number of shares in the capital of the Company (“**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 (Cap. 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 entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This instrument appointing the Chairman of the AGM as proxy must:
 - (a) if sent personally or by post, be lodged at the office of the Company’s Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road International Plaza #29-07 Singapore 079903; or
 - (b) if submitted by email, be received by the Company’s Polling Agent, Complete Corporate Services Pte Ltd at arion-agm@complete-corp.com.sg,

in either case, by 10.00 a.m. on 27 September 2020 (being not less than forty-eight (48) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

- (4) This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
 - (i) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
 - (ii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
- (5) A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore, 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.
- (6) For investors who hold Shares under the Central Provident Fund Scheme and Supplementary Retirement Scheme (“**CPF/SRS Investors**”), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes no later than 5.00 p.m. on 17 September 2020 (being not less than seven (7) working days before the AGM).

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 14 September 2020.

ARION ENTERTAINMENT SINGAPORE LIMITED

SINGAPORE

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