

ARION ENTERTAINMENT SINGAPORE LIMITED

ANNUAL REPORT 2021



**MOVING
TOWARDS CHANGE**



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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 Foo Jien Jieng, 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

PRINCIPAL BANKERS

DBS Bank Limited

Malayan Banking Berhad

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 2021 (“**FY2021**”).

FINANCIAL PERFORMANCE FY2021

Income Statement review

Revenue from Malaysian publishing operations for FY2021 decreased marginally by 1.14% to S\$0.86 million as compared to S\$0.87 million in the previous corresponding period. The decrease is mainly due to lower advertisement revenue as Smart Investor was being published bi-monthly in FY2021 as a result of the ongoing pandemic as compared to being published monthly in the financial year ended 31 March 2020 (“**FY2020**”). The decrease was partially offset by an increase in circulation revenue during FY2021 arising from the recognition of S\$62,000 revenue in relation to unsatisfied performance obligation for undelivered publications as at 31 March 2020 as the magazines were delivered in April 2020.

Other gains

Other gains decreased marginally to S\$24,000 as compared to S\$28,000 in FY2020 due mainly to the absence of write-off of trade creditors and interest income as reported in FY2020. This is partially offset by the grants received by the Company under the Singapore Government Jobs Support Scheme.

Direct Costs

Printing and editorial costs increased by 8.9% to S\$0.49 million as compared to S\$0.45 million in FY2020 due to the following:

- (a) the Group's use of an alternative printer during the movement control period in Malaysia in April 2020, as the Group's regular printing service provider did not operate during that period; and
- (b) the printer that the Group was using in Malaysia ceased operations in July 2020 and the costs charged by the new printer was higher.

Employee compensation decreased by 31.8% to S\$0.58 million as compared to S\$0.85 million in FY2020 due mainly to a decrease in the remuneration of the Executive Director who had voluntarily reduced his remuneration commencing from January 2020.

The increase in operating lease expenses by 13.5% in FY2021 to S\$42,000 as compared to S\$37,000 in FY2020 is mainly due to the new co-work space leased by the Company commencing February 2020.

Professional fees decreased by 14.3% to S\$0.24 million as compared to S\$0.28 million in FY2020 as the Company engaged professionals for a prospective acquisition which did not come to fruition during FY2020.

Other expenses decreased by 23.3% to S\$0.23 million as compared to S\$0.30 million in FY2020 due to over accrual of S\$29,000 for the costs related to the preparation of the Company's annual report for FY2020 due to e-circulation of annual reports as allowed under Covid-19 measures. The over-accrual is written back in FY2021. The costs written back is offset by higher foreign exchange losses in FY2021 arising from the translation of inter-company balances between Singapore and Malaysia amounting to S\$10,000 as a result of the weaker Malaysian Ringgit.

Loss attributable to shareholders

Loss attributable to shareholders for FY2021 was S\$0.70 million as compared to a loss of S\$1.04 million in FY2020.

EXECUTIVE DIRECTOR'S STATEMENT

The improvement was mainly due to the decrease in employee compensation, professional fees and other operating expenses as mentioned above.

Financial position and cash flow review

As at 31 March 2021, the Group's Net Asset Value ("NAV") increased to S\$2.8 million as compared to S\$1.9 million in the beginning of the year. NAV per share as at 31 March 2021 was 0.30 cents as compared to 0.31 cents as at 31 March 2020.

The decrease in trade and other receivables in FY2021 was largely due to the lower advertising revenue attributed to Smart Investor magazine.

Cash and cash equivalents increased by S\$0.95 million due largely to the Company's issue of new shares (the "**Proposed Subscription**") which was completed on 14 September 2020. The gross proceeds from the Proposed Subscription amounted to approximately S\$1.63 million.

Cash and cash equivalents as at 31 March 2021 was S\$3.05 million as compared to S\$2.10 million as at 31 March 2020.

Cash used in operating activities was S\$0.69 million in FY2021. The net operating cash outflow was mainly due to operating loss before working capital changes of S\$0.69 million, which was adjusted for working capital inflow of S\$4,000.

Cash provided by financing activity was S\$1.63 million in FY2021 as a result from the Proposed Subscription as mentioned above.

The Group had a positive working capital of S\$2.83 million as at 31 March 2021 as compared to S\$1.90 million as at 31 March 2020.

THE YEAR AHEAD

As mentioned in our half year results announcement announced on 12 November 2020, the Group has plans to shift towards digital and online publishing which has yet to be initiated as at 31 March 2021 due to challenging economic conditions in Malaysia as a consequence of the pandemic. However, our Malaysian publishing operations plan to initiate digital publishing during the financial year ending 31 March 2022. The Group will continue to rationalize the activities of the publishing division.

On 16 February 2021, the Company obtained shareholders' approval to diversify into property business and moneylending business. Thereon, the Company has acquired a shelf company, Fame Harvest Limited, in May 2021 as announced on 14 May 2021, to serve as the holding company for the new businesses in Hong Kong. The Company has plans to commence the moneylending business in Hong Kong in the next few months.

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. I would also like to thank the Board for their invaluable guidance and contribution to the Group throughout the 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 the Executive Director of the Company. Mr Ng founded Century 21 Hong Kong Limited and served as its CEO since 1993. 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 the 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 2021.



CHOU KONG SENG

Independent 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 2021

BOARD OF DIRECTORS



KESAVAN NAIR

**Independent Director and
Chairman of the Nomination
Committee**

Date first appointed: 14-02-2013

Date last re-elected: 29-09-2020

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. Mr Kesavan Nair was formerly a partner of Genesis Law Corporation from 2008 to 2017. Mr Nair is presently a director of Bayfront Law LLC.

Present Directorships

(As at 31 March 2021)

- Medi Lifestyle Limited (formerly known as “IEV Holdings Limited”)
- HG Metal Manufacturing Limited
- MC Payment Limited (formerly known as “Artivision Technologies Ltd”)

Past Directorships

- Kitchen Culture Holdings Limited



LEE KENG MUN

**Independent Director and
Chairman of the Remuneration
Committee**

Date first appointed : 09-03-2016

Date last re-elected: 29-09-2020

Mr Lee Keng Mun currently serves as Chief Operating Officer of Asia-Pacific Strategic Investments Limited (formerly known as China Real Estate Grp Ltd.) (“**APSIL**”). Prior to APSIL, 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 2021.

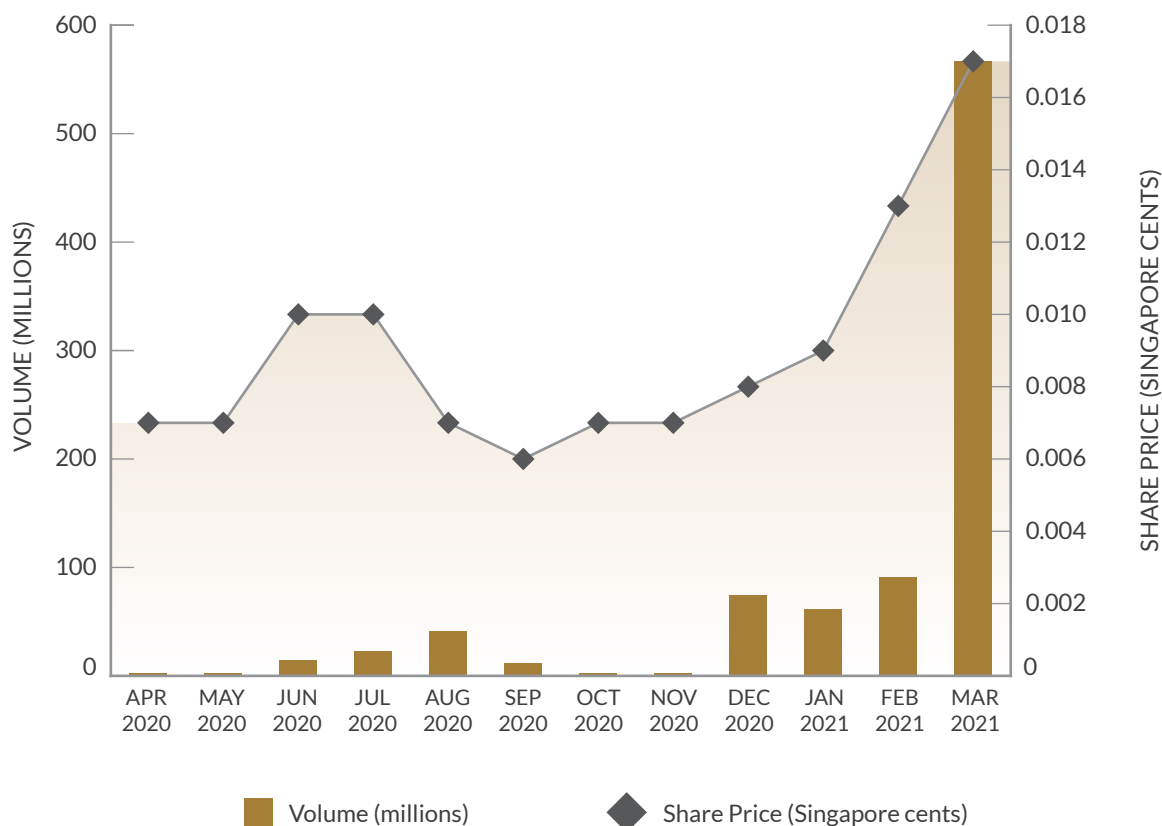
FINANCIAL HIGHLIGHTS

Year	Revenue* S\$'000	Loss Attributable to Shareholders S\$'000	Loss Per Share Singapore Cents
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)
FY 2021	857	(699)	(0.09)

* 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

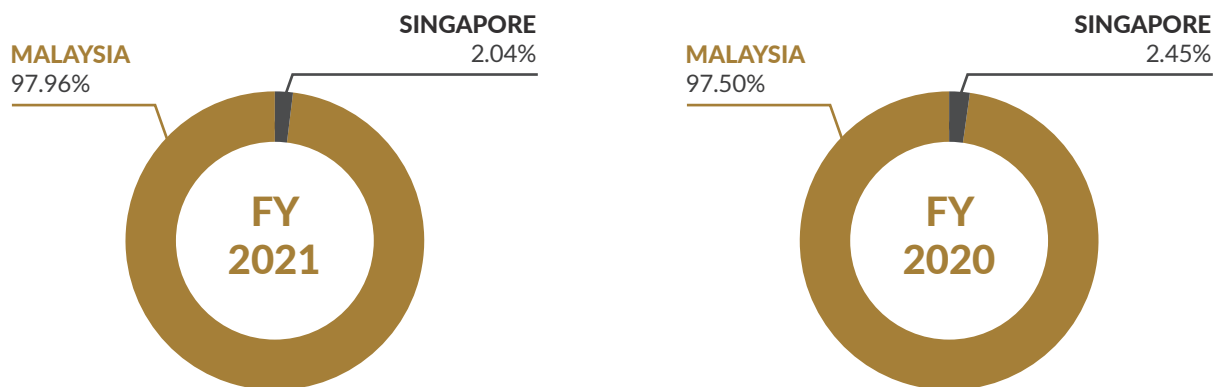
	March 2021# \$'million	March 2020# \$'million
Publishing & Events Management	0.9	0.9
HQ Costs & Investments	- ^	- ^

Refer to Note 23 to the Financial Statements

^ Less than S\$0.1 million revenue

* Including other gains

REVENUE* BY GEOGRAPHICAL REGION



OPERATING PROFIT/ (LOSS) BY BUSINESS DIVISION

	March 2021 \$'million	March 2020 \$'million
Publishing & Events Management	0.03	0.1
HQ Costs & Investments	(0.7)	(1.1)

STAFF STRENGTH

	March 2021	March 2020
Publishing & Events Management	8	9
HQ Costs & Investments	2	2
TOTAL	10	11



MANAGEMENT TEAM

MS CHONG CHYE WAN

President, Publishing Malaysia

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

MS NG HWEE LING

Chief Financial Officer

Ms Ng Hwee Ling is the Chief Financial Officer of the 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 2021 (“**FY2021**”), 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 Catalist of the SGX-ST (the “**Catalist Rules**”). Where applicable, deviations from the Code, Code 2012 and the Guide are explained.

The Company did not adopt any alternative corporate governance policies in FY2021.

BOARD MATTERS

(1) The Board’s Conduct of 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 and ensures compliance with all laws and regulations relevant to the Group’s business. 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 FY2021 are as follows:

Name	Attendance at Meetings							
	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. The agenda and materials for Board meetings are circulated to the Board at least one week before the meeting date. 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.



CORPORATE GOVERNANCE

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 and full year 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, nomination of directors to the Board and any interested person transactions above S\$100,000.

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 2021, the Audit Committee, the Remuneration Committee and the Nominating Committee each comprises entirely 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. In addition, as required under the Catalist Rules, a new Director who has no prior experience as a director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training will be completed within one year of the appointment.

The Board values on-going professional development and recognises that it is important that all Directors receive regular training to serve effectively on and contribute to the Board, encouraging all Directors to attend any courses or seminars that would be beneficial. Annually, the Company allocates a budget for such purposes. During FY2021, the Directors had received updates on the regulatory changes to the Catalist Rules, 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.

(2) **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 who 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 who have served on the Board beyond nine years from the date of his first appointment, save for Mr. Kesavan Nair (“**Mr Nair**”) and Mr Chou Kong Seng (“**Mr Chou**”). Mr Nair and Mr Chou were appointed as Independent Non-Executive Directors of the Company on 14 February 2013 and 14 August 2012 respectively. The Nominating Committee has conducted a rigorous review of Mr Nair’s and Mr Chou’s contributions to the Board to determine if they have maintained their independence. The Nominating Committee and Board are satisfied with Mr Nair’s and Mr Chou’s continued independence in character and judgment in discharging their responsibilities as a director of the Company and have found no evidence to indicate that the length of service has in any way affected their independence. With the concurrence of the Nominating Committee, the Board is of the view that Mr Nair and Mr Chou have demonstrated strong independent character and judgment over the years in discharging their duties and responsibilities as Independent Non-Executive Directors of the Company with the utmost commitment in upholding the interests of the minority shareholders. Mr Nair and Mr Chou have expressed individual viewpoints, debated issues and objectively scrutinised and challenged the management of the Company. They have also sought clarification and amplification as deemed necessary, including through direct access to the management. Mr Nair and Mr Chou have abstained from deliberations in respect of the assessment of their own independence.

Under Rule 406(3)(d)(iii) of the Catalist Rules which will take effect from 1 January 2022, an Independent Director will not be considered independent if he has served on the Board for an aggregate period of more than nine years unless prior to 1 January 2022 he has obtained approval from shareholders to continue in office under a two-tier voting by (a) all shareholders; and (b) shareholders, excluding the directors and the chief executive officer and their associates (the “**Two-Tier Voting**”). For the purpose of the resolution referred to in (b), the directors and the CEO, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions approved by a Two-Tier Voting may remain in force for three years from the conclusion of the forthcoming annual general meeting (“**AGM**”) of the Company following the passing of the resolutions or the retirement or resignation of the Director, whichever is the earlier. Accordingly, the Company will be tabling such resolutions for approval at the forthcoming AGM of the Company in respect of the re-election of Mr Nair and Mr Chou and their continued appointment as Independent Non-Executive Directors.

If such resolutions are not passed at the forthcoming AGM, Mr Nair and Mr Chou will no longer be considered independent with effect from 1 January 2022 and they shall continue as Non-Independent Directors of the Company. Rule 406(3)(c) of the Catalist Rules (effective from 1 January 2022), states that Independent Directors must comprise at least one-third of the Board. In the event such resolutions are not passed, the Company shall endeavour to fill the vacancy in the Board within two months, but in any case not later than three months from the date of the forthcoming AGM, to comply with Rules 406(3) and 704(7) of the Catalist Rules.

Information regarding the Independent Directors seeking Two-Tier Voting, including the information required under Appendix 7F of the Catalist Rules is given in the Appendix A to this corporate governance report and on pages 24 to 31 of the Annual Report.

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.



CORPORATE GOVERNANCE

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.

On the basis of the aforesaid, and notwithstanding that a formal diversity policy has yet to be adopted, the Board acknowledges and embraces the benefits of diversity on the Board and has endeavoured to achieve diversity of skills, knowledge, experience and age as described above, so as to avoid group-think and to foster constructive debate. The Board would look into setting Board diversity objectives 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 met twice during FY2021 without the presence of management.

(3) **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.

(4) **Board Membership**

The Nominating Committee comprises entirely Independent Non-Executive Directors, namely Mr Nair, Mr Lee Keng Mun and Mr Chou. 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 annually; (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 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, with Mr Chou Kong Seng abstaining from the deliberation, has recommended to the Board the re-election of Mr Ng and Mr Chou, who are retiring by rotation pursuant to Article 107 of the Constitution at the forthcoming AGM. Mr Ng will, upon re-appointment as a Director of the Company remain as an Executive Director. Mr Chou will, upon re-appointment as a Director of the Company, remain as an Independent Non-Executive Director, the Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee. In addition, pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, the Company will be tabling separate resolutions for the continued appointment of Mr Chou and Mr Nair as Independent Non-Executive Directors of the Company at the 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. The Board considers Mr Chou and Mr Nair to be independent for the purpose of Rule 704(7) of the Rules of Catalist, subject to the Two-Tier Voting requirement. 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. Mr Ng, Mr Nair and Mr Chou have abstained from deliberations in respect of their respective nominations.

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. 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 for FY2021. 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. The Board is of the view that this maximum limit to board representations in listed companies would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge on board matters without affecting their time commitment to the Company, hence ultimately benefitting the Company. All Directors have complied with this requirement.

(5) 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.



CORPORATE GOVERNANCE

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 FY2021, the evaluation of the contribution by the individual Director to the Board is done through self-assessment, and in each case through a confidential questionnaire completed by the Directors individually. The assessment parameters for such individual evaluation include both qualitative and quantitative factors such as attendance records, contributions during Board meetings, as well as individual performance of principal functions and fiduciary duties.

The completed questionnaires are collated by the Company Secretary for the Nominating Committee's deliberation. The Nominating Committee then presents the results, conclusions and its recommendations to the Board. The Directors acts on the results of the performance evaluation, and where appropriate and in consultation with the Nominating Committee, proposes new members to be appointed to the Board, or seeks the resignation of a Director. 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 Nominating Committee would review the criteria periodically to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, and thereafter propose amendments if any, to the Board for approval. The Nominating Committee did not propose any changes to the performance criteria for FY2021 as compared to the previous financial year, as the Board composition and the Group's principal business activities remained the same.

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 in FY2021. 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 Board has not engaged any external facilitator in conducting the assessment of Board performance for FY2021. Where relevant, the Nominating Committee will consider such engagement.

REMUNERATION MATTERS

- (6) **Procedures for Developing Remuneration Policies**
- (7) **Level and Mix of Remuneration**
- (8) **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 and Mr Nair. Mr Lee is the Chairman of the Remuneration Committee.

The remuneration packages for the Executive Director and the key management personnel mainly comprise a fixed component as the introduction of a variable component is not feasible considering the nature and scope of the Group's current operations. The introduction of a variable component for remuneration packages will be reviewed when the current Group's operations expand.

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 FY2021 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, benefits-in-kind and termination terms are covered by the Remuneration Committee to ensure they are fair. The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders.

Each Remuneration Committee member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package.

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 FY2021.

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 Nominating Committee to the Board and are subject to the approval of shareholders at the AGM. The Remuneration Committee reviewed and assessed that the remuneration of the Independent Non-Executive Directors for FY2021 is appropriate after considering the aforementioned factors.

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 and below</u>					
Ng Kai Man	85%	7%	-	8%	100%
Chou Kong Seng	-	-	-	100%	100%
Kesavan Nair	-	-	-	100%	100%
Lee Keng Mun	-	-	-	100%	100%

The Board is of the view that the information disclosed above 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 allows Directors and key management staff to maintain some degree of their personal confidentiality on remuneration matters.

CORPORATE GOVERNANCE

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 FY2021 amounted to S\$118,034 (FY2020: S\$118,034).

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 FY2021 is below \$250,000 in each case.

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

The total remuneration paid to or accrued for the two key management personnel (who are not Directors or the CEO) for FY2021 was S\$0.25 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 FY2021.

As disclosed in the Annual Report for the financial year ended 31 March 2020, if the service agreement (the "SA") of Mr Ng 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 top two key management personnel.

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 and Mr 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 AES ESOS can be found on pages 33 to 35 of the Annual Report.

ACCOUNTABILITY AND AUDIT

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.

(9) Risk Management and Internal Controls

The Board with the assistance of the Audit Committee 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. The Audit Committee and the Board ensures that any improvements to the internal control system that are to be implemented are completed by the management within a specific timeframe.



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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, effective and appropriate manner. The Group's financial risk management objectives and policies are discussed under Note 22 of the Financial Statements.

In FY2021, 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. The Company currently does not have any whistleblowing policy for stakeholders, customers or suppliers and will look into establishing such policy during the financial year ending 31 March 2022.

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 FY2021 were adequate and effective.

Internal Audit

During the financial year, the Company has appointed Crowe Governance Sdn Bhd as the Group's internal auditor. The internal audit function covers the audits of subsidiary corporations 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 will follow up with management to ensure that all recommendations made by the internal auditor are implemented within the timeline as committed by management.

The Audit Committee has met up once with the internal auditor in FY2021, without the presence of management to discuss about the results of their audit.

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.

(10) 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 chairs the Audit Committee. The other members of the Audit Committee are Mr Lee Keng Mun and Mr 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 twice 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 45 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 FY2021 was S\$5,000.

CORPORATE GOVERNANCE

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 Catalist Rules.

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 2022.

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

- (11) **Shareholder Rights and Engagement**
- (12) **Engagement with Shareholders**
- (13) **Managing Stakeholders Relationships**

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.

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).

In line with continuous obligations of the Company pursuant to the Catalist Rules 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 AGMs and EGMs; 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 present 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 prior to such meetings and addresses them during the respective 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 on issues pertaining to the proposed resolutions through submission of questions in advance of the meetings, 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 FY2021 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 the 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 FY2021, 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 FY2020, all the Directors were present at the AGM held on 29 September 2020 and addressed shareholders' questions.

The minutes of the AGM will be published on the SGXNet within one month from the date of the AGM.

CORPORATE GOVERNANCE

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 FY2021 as the Group was loss-making.

SUSTAINABILITY REPORTING

The Group's fourth sustainability report which covers the period from 1 April 2020 to 31 March 2021 will be prepared with reference to the Global Reporting Initiative Standards and is in line with the requirements of the Catalist Rules. 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 31 August 2021 and such report will be made available to shareholders on the SGXNET.

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 the SGXNET 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 Catalist.

INTERESTED PERSONS TRANSACTIONS

The Company has established a procedure for recording and reporting interested person transactions ("IPT"). There were no IPTs with value of S\$100,000 and above for FY2021.

USE OF PROCEEDS

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	1,011	366
- Wages and staff related costs	-	441	-
- Creditors	-	452	-
- Directors' fees	-	118	-
Total	1,877	1,011	866

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

The following relates to the net proceeds of S\$1.61 million raised from the Proposed Subscription of 311 million shares that was completed in September 2020:

Purpose	Net proceeds allocated (S\$'000)	Net proceeds utilised as at the date of Annual Report (S\$'000)	Balance unutilised (S\$'000)
General working capital	1,290	-	1,290
Future corporate developments and new business opportunities (if any)	322	-	322
Total	1,612	-	1,612

As at the date of the Annual Report, there was no utilisation of the net proceeds raised from the Proposed Subscription. The Company will make periodic announcements via SGXNet on the utilisation of the Proposed Subscription proceeds as and when such proceeds are materially disbursed.

SPONSORSHIP

No non-sponsor fees were paid/ payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY 2021.

CORPORATE GOVERNANCE - APPENDIX A

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

Name of Director	Chou Kong Seng	Ng Kai Man	Kesavan Nair
Date of first appointment	14 August 2012	9 March 2016	14 February 2013
Date of last re-appointment (if applicable)	30 July 2019	30 July 2019	29 September 2020
Age	66	66	57
Country Of Principal Residence	Singapore	Hong Kong	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Chou Kong Seng's contribution as Independent Non-Executive Director, Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee of the Company, and has recommended that Mr Chou Kong Seng be re-elected as Director of the Company.</p> <p>The Board considers Mr. Chou Kong Seng to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>	<p>The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Ng Kai Man's contribution as Executive Director of the Company, and has recommended that Mr Ng Kai Man be re-elected as Director of the Company.</p>	<p>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.</p> <p>The Board considers Mr. Kesavan Nair to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Mr Ng Kai Man is responsible for the Company's business development and sets the strategic directions of the Company.	Non-Executive

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man	Kesavan Nair
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director. Chairman of Audit Committee and member of Nominating Committee and Remuneration Committee	Executive Director	Non-Executive Independent Director. Chairman of Nominating Committee and member of Audit Committee and Remuneration Committee
Professional Qualifications	Mr Chou Kong Seng was an associate member of the Institute of Chartered Accountants in England and a member of the Institute of Certified Public Accountants in Singapore. These memberships have since lapsed.	Master Degree of Science in Economics, University of London.	Bachelor of Law (Honours) from The University College of Wales, Aberystwyth.
Working experience and occupation(s) during the past 10 years	Mr Chou Kong Seng is presently the Chief Financial Officer of Acma Ltd. Mr Chou Kong Seng 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.	Mr Ng Kai Man founded Century 21 Hong Kong Limited and has continued to served as its CEO. Mr Ng Kai Man 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 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.
Shareholding interest in the listed issuer and its subsidiaries	600,000 ordinary shares in the Company (Direct Interest)	92,700,000 ordinary shares in the Company (Direct Interest)	300,000 ordinary shares in the Company (Direct interest)
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	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man	Kesavan Nair
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
<p>Other Principal Commitments* including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code.</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 Directorships</u></p> <ol style="list-style-type: none"> Xenon Manufacturing Pte Ltd Acot Holdings Pte Ltd Acot Plastics (M) Sdn Bhd Pivot Tech Sdn Bhd Ray Tech Acot Singapore Pte Ltd Acma Investments Pte Ltd Lityan Systems (S) Pte Ltd Acma Strategics Holdings Ltd Acma ICCL Pte Ltd Spageddies Pte Ltd A L&W Ltd Acma Engineers Private Limited Global Tech Pte Ltd Magnatech Pte Ltd <p><u>Past 5 years Directorships</u></p> <p>N.A.</p>	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> 21 Group Limited Kingswick Strategy Limited Smart Arrow Limited Century 21 Hong Kong Limited Precheer Limited China Perfect Limited Menkin Limited Hilyard Pacific Limited Century 21 Surveyors Limited Century 21 Property Agency Limited New Leader Limited Century 21 Apac Limited One Culture Limited Grand Rich Resources Limited Richy Fame International Limited Kingbox Investments Limited Asset Expert Limited Vigour Well Limited Century 21 Limitada / Century 21 Limited Century 21 Holdings Pte Ltd <p><u>Past 5 years Directorships</u></p> <p>Huanxi Media Group Ltd (formerly known as 21 Holdings Limited)</p>	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> Medi Lifestyle Limited (formerly known as IEV Holdings Limited) HG Metal Manufacturing Limited M C Payment Limited (formerly known as Artivision Technologies Ltd) <p><u>Past 5 years Directorships</u></p> <p>Kitchen Culture Holdings Ltd</p>

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man	Kesavan Nair
<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	No
(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	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man	Kesavan Nair
(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	No
(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	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	No



CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man	Kesavan Nair
(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	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	No
(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	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	No

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man	Kesavan Nair
(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	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	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	No
(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	No



CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man	Kesavan Nair
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.	N.A. as this relates to the re-appointment of Director.
If Yes, please provide details of prior experience.			
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. 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).			

Note:

N.A. - Not Applicable

DIRECTORS' STATEMENT

For the financial year ended 31 March 2021

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2021 and the balance sheet of the Company as at 31 March 2021.

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 43 to 86 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2021 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	
	At 31.03.2021	At 01.04.2020
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 2021

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

Number of unissued ordinary shares under option held by director

At 31.03.2021 At 01.04.2020

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 2021 were the same as those as at 31 March 2021.

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 2021

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 1.4.2020 '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.03.2021 '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 31.03.2021 '000	Aggregate options exercised since commencement of AES ESOS to 31.03.2021 '000	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2021 '000	Aggregate options outstanding as at 31.03.2021 '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 2021

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 under options 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 '000	Aggregate options granted since commencement of AES ESOS to 31.03.2021 '000	Aggregate options exercised since commencement of AES ESOS to 31.03.2021 '000	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2021 '000	Aggregate options outstanding as at 31.03.2021 '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

During the financial year, the Company did not issue any options.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2021

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 Warrants 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 2021, 11,051 Warrants 2015 were exercised at the exercise price of S\$0.05 per share on 5 May 2020. The Warrants 2015 have expired on 5 May 2020.

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 2021 before their submission to the Board of Directors.

The Audit Committee met twice during the financial year ended 31 March 2021. The Audit Committee has met 2 times 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 is satisfied with the independence and objectivity of the independent auditor and 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.

In appointing the independent auditor, the Company has complied with Rules 712, 715 and 716 of the Catalist Rules.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2021

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

14 July 2021



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 2021, 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 43 to 86.

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 2021 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 \$699,000 for the financial year ended 31 March 2021 and as at that date, total cash and cash equivalents decreased by \$689,000 from outflows of cash from operating activities. Management has prepared the financial statements on a going concern basis after taken into consideration the following:</p> <ul style="list-style-type: none"> 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 extended to forecast effects from the global COVID-19 pandemic which have impacted the Group's operations; on 16 February 2021, the Company has obtained shareholders' approval for the proposed diversification and expansion of the Group's business into property business and moneylending business ("Intended Businesses"); and on 14 May 2021, the Company acquired 100% of the issued and paid up share capital of a shelf company, Fame Harvest Limited, from a non-related service provider, for a cash consideration of approximately S\$440 (equivalent to HK\$2,600) for the purpose of being the holding corporation for the Group's Intended Businesses in Hong Kong. <p>We focused on this area because of the inherent uncertainties in the outcome of the Intended Businesses and the assumptions used in the preparation of the cash flows projection.</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 Company's statutory records on the shareholders' approval obtained for the proposed diversification and acquisition of the shelf company; and Reviewed the adequacy and appropriateness of the disclosures made in Note 4 to the financial statements.

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>Revenue recognition</p> <p>For the financial year ended 31 March 2021, the Group's recognised a total revenue of \$857,000. 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>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:</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; • 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.

INDEPENDENT AUDITOR'S REPORT

to the Members of Arion Entertainment Singapore Limited

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

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.

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.



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)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

14 July 2021

BALANCE SHEET - GROUP

As at 31 March 2021

	Note	2021 \$'000	2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	3,050	2,099
Trade and other receivables	6	83	95
Other current assets	7	79	81
		3,212	2,275
Non-current assets			
Property, plant and equipment	10	8	11
Total assets		3,220	2,286
LIABILITIES			
Current liabilities			
Trade and other payables	12	375	385
Provision for taxation		3	-
Total liabilities		378	385
NET ASSETS		2,842	1,901
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	146,309	144,676
Accumulated losses		(143,685)	(142,986)
Other reserves	15	218	211
Total equity		2,842	1,901

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

BALANCE SHEET - COMPANY

As at 31 March 2021

	Note	2021 \$'000	2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	2,690	1,813
Other receivables	6	1	-
Other current assets	7	38	40
Total assets		2,729	1,853
LIABILITIES			
Current liabilities			
Trade and other payables	12	233	259
Provision for taxation		2	-
Total liabilities		235	259
NET ASSETS		2,494	1,594
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	146,309	144,676
Accumulated losses	14	(144,074)	(143,341)
Other reserves	15	259	259
Total equity		2,494	1,594

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

	Note	2021 \$'000	2020 \$'000
Revenue	16	857	869
Other gains	17	24	28
Expenses			
- Printing and editorial costs		(488)	(452)
- Audit fees paid/payable			
- Auditor of the Company		(32)	(38)
- Other auditor		(5)	(5)
- Non-audit fees paid/payable to auditor of the Company		(5)	(5)
- Depreciation of property, plant and equipment	10	(3)	(4)
- Employee compensation	18	(577)	(854)
- Rental expense		(42)	(37)
- Professional fees		(196)	(233)
- Other		(226)	(299)
Total expenses		(1,574)	(1,927)
Loss before income tax		(693)	(1,030)
Income tax expense	19	(6)	(6)
Net loss		(699)	(1,036)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains		7	7
Other comprehensive income, net of tax		7	7
Total comprehensive loss		(692)	(1,029)
Loss attributable to:			
- Equity holders of the Company		(699)	(1,036)
Total comprehensive loss attributable to:			
- Equity holders of the Company		(692)	(1,029)
Loss per share for loss attributable to the equity holders of the Company (cents per share)			
Basic and diluted loss per share	20	(0.09)	(0.17)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2021

	Note	← Attributable to the Company →				Total \$'000
		Share capital \$'000	Currency translation reserve \$'000	Share options reserve \$'000	Accumulated losses \$'000	
2021						
Balance as at 1 April 2020		144,676	(48)	259	(142,986)	1,901
Total comprehensive income/ (loss) for the financial year		-	7	-	(699)	(692)
Issuance of ordinary shares	13	1,633	-	-	-	1,633
Balance as at 31 March 2021		146,309	(41)	259	(143,685)	2,842
2020						
Balance as at 1 April 2019		144,676	(55)	259	(141,950)	2,930
Total comprehensive income/(loss) for the financial year		-	7	-	(1,036)	(1,029)
Balance as at 31 March 2020		144,676	(48)	259	(142,986)	1,901

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Cash flows from operating activities			
Net loss		(699)	(1,036)
Adjustments for:			
- Income tax expense	19	6	6
- Depreciation of property, plant and equipment	10	3	4
- Property, plant and equipment written off		-	1
- Interest income	17	-	(8)
		(690)	(1,033)
Change in working capital			
- Trade and other receivables		14	59
- Trade and other payables		(10)	(96)
Cash used in operations		(686)	(1,070)
Income tax paid		(3)	(6)
Net cash used in operating activities		(689)	(1,076)
Cash flows from investing activities			
Additions to property, plant and equipment		-*	-
Interest income	17	-	8
Net cash provided by investing activities		-	8
Cash flows from financing activity			
Proceeds from issue of new shares	13	1,633	-
Net cash provided by financing activity		1,633	-
Net increase/(decrease) in cash and cash equivalents		944	(1,068)
Cash and cash equivalents			
Beginning of financial year		2,099	3,160
Effects of currency translation on cash and cash equivalents		7	7
End of financial year	5	3,050	2,099

* Less than S\$1,000

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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 ("S\$") and all values are rounded to the nearest thousand ("S\$'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. Despite the restrictions, the Group's financial performance has not been significantly affected by the closure of businesses enforced by the governments of the countries.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2022.

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 2021

2. Significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Interpretations and amendments to published standards effective in 2021

On 1 April 2020, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.3 Government grants

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

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

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

2.4 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

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

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.4 Group accounting

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

(ii) *Acquisitions (cont'd)*

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.4 Group accounting (cont'd)

(c) Joint ventures (cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.5 Property, plant and equipment (cont'd)

(a) Measurement (cont'd)

(ii) Components of costs

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

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

(b) Depreciation

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

	Useful lives
Furniture and fittings	5 - 10 years
Office equipment	5 - 10 years
Computers	3 years
Renovation	5 - 10 years

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".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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 2021

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.

The Group's and the Company's financial assets were classified as amortised costs as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.9 Financial assets (cont'd)

(a) Classification and measurement (cont'd)

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 2021

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 22(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 2021

2. Significant accounting policies (cont'd)

2.12 Leases

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.12 Leases (cont'd)

When the Group is the lessee: (cont'd)

- 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.14 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.

2.15 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.16 Currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

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.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (cont'd)

2.18 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.

2.19 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 2021, the Group's trade receivables amounted to \$83,000 (2020: \$95,000), 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. The Group's and the Company's credit risk exposure for trade receivables are set out in Note 22(b) (ii) to the financial statements.

4. Going concern

The Group reported net loss of \$699,000 (2020: \$1,036,000) for the financial year ended 31 March 2021 and as at that date, total cash and cash equivalents decreased by \$689,000 (2020: \$1,076,000) 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, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 March 2021 is appropriate after taking into consideration the following actions and measures:

- 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 extended 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 2021

4. Going concern (cont'd)

Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 March 2021 is appropriate after taking into consideration the following actions and measures: (cont'd)

- on 16 February 2021, the Company has obtained shareholders' approval for the proposed diversification and expansion of the Group's business into property business and moneylending business ("Intended Businesses");
- on 14 May 2021, the Company acquired 100% of the issued and paid up share capital of a shelf company, Fame Harvest Limited, from a non-related service provider, for the purpose of being the holding corporation for the Group's Intended Businesses in Hong Kong; and

The abilities of the Group and of the Company to continue in operational existence in the foreseeable future and to meet their financial obligations as and when they fall due are dependent on the positive outcome of the actions and measures under taken as disclosed above.

5. Cash and cash equivalents

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	3,050	2,099	2,690	1,813

6. Trade and other receivables

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables				
- Non-related parties	82	95	-	-
Non-trade receivables				
- Non-related parties	1	-*	1	-
- Subsidiary corporations	-	-	900	26,278
	1	-	901	26,278
Less: Loss allowance [Note 22(b)(iii)]	-	-	(900)	(26,278)
	83	95	1	-

* Less than \$1,000

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

7. Other current assets

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Contract assets [Note 16(b)]	34	34	-	-
Prepayments	36	37	35	35
Deposits	9	10	3	5
	79	81	38	40

8. Investment in a joint venture

	Group	
	2021 \$'000	2020 \$'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 2021 and 2020. 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	
		2021 %	2020 %
Held by Company			
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	
	2021 \$'000	2020 \$'000
Assets	-	-*
Liabilities	(380)	(380)
Net (loss)/profit	(2)	17

* Less than S\$1,000

The Group has not recognised its share of (loss)/profit of the joint venture amounted to \$950 (2020: \$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 \$199,491 (2020: \$198,541) at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

9. Investments in subsidiary corporations

	Group	
	2021 \$'000	2020 \$'000
<i>Equity investment at cost</i>		
Beginning of financial year	42,470	42,470
Disposal of subsidiary corporations ^(a)	(41,333)	-
End of financial year	<u>1,137</u>	<u>42,470</u>
<i>Accumulated impairment</i>		
Beginning of financial year	42,470	42,470
Disposals of subsidiary corporations ^(a)	(41,333)	-
End of financial year	<u>1,137</u>	<u>42,470</u>
<i>Carrying amount</i>		
End of financial year	<u>-</u>	<u>-</u>

^(a) On 6 May 2020, the Company completed the struck off of Panpac Tech Strategic Ltd., a wholly-owned subsidiary corporation of the Company. Consequently, Panpac Tech Strategic Ltd. ceased to be a subsidiary corporation of the Company.

On 17 July 2020, the Company completed the struck off of TLG Properties Pte.Ltd. and Auston Technology Group Pte. Ltd., wholly-owned subsidiary corporations of the Company. Consequently, TLG Properties Pte.Ltd. and Auston Technology Group Pte. Ltd. ceased to be subsidiary corporations of the Company.

The Group has the following subsidiary corporations as at 31 March 2021 and 2020.

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group	
			2021 %	2020 %	2021 %	2020 %
Panpac Tech Strategic Ltd ⁽¹⁾	Investment holding - currently dormant	British Virgin Islands	-	100	-	100
Auston Technology Group Pte Ltd ⁽¹⁾	Investment holding - currently dormant	Singapore	-	100	-	100
Inovatif Media Asia Sdn. Bhd. ⁽²⁾	Media Publishing	Malaysia	100	100	100	100
TLG Properties Pte Ltd ⁽¹⁾	Investment holding	Singapore	-	100	-	100

⁽¹⁾ These entities completed struck off during the financial year ended 31 March 2021.

⁽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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

9. Investments in subsidiary corporations (cont'd)

In accordance with the requirements of Rule 715 of the Singapore Exchange Securities Trading Limited – Listing Manual Section B: Rules of Catalyst, 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.

10. Property, plant and equipment

Group	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Renovation \$'000	Total \$'000
2021					
<i>Cost</i>					
<i>Beginning of financial year</i>	10	52	92	41	195
Currency translation differences	-	-	(2)	-	(2)
Additions	-	-*	-	-	-*
End of financial year	10	52	90	41	193
<i>Accumulated depreciation</i>					
<i>Beginning of financial year</i>	8	52	83	41	184
Currency translation differences	-	-	(2)	-	(2)
Depreciation charge	-*	-*	3	-	3
End of financial year	8	52	84	41	185
<i>Net book value</i>					
End of financial year	2	-	6	-	8
2020					
<i>Cost</i>					
<i>Beginning of financial year</i>	17	63	158	41	279
Currency translation differences	-*	(1)	(2)	-*	(3)
Additions	-*	-	-	-	-*
Disposals	(7)	(10)	(64)	-	(81)
End of financial year	10	52	92	41	195
<i>Accumulated depreciation</i>					
<i>Beginning of financial year</i>	15	62	145	41	263
Currency translation differences	-*	(1)	(2)	-*	(3)
Depreciation charge	-*	-*	4	-	4
Disposals	(7)	(9)	(64)	-	(80)
End of financial year	8	52	83	41	184
<i>Net book value</i>					
End of financial year	2	-	9	-	11

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

Company	2021 \$'000	2020 \$'000
Computers		
<i>Cost</i>		
Beginning and end of financial year	1	1
<i>Accumulated depreciation</i>		
Beginning and 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 2021 and 2020.

Group	Goodwill on consolidation \$'000
31 March 2021	
<i>Cost</i>	
Beginning of financial year	178
Written off*	(134)
End of financial year	44
<i>Accumulated amortisation and impairment</i>	
Beginning of financial year	178
Written off*	(134)
End of financial year	44
Net book value	
End of financial year	-
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	-

* Amounts written off relate to subsidiary corporations struck off during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

12. Trade and other payables

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables				
- Non-related parties	75	98	-	-
Non-trade payables				
- Non-related parties	58	57	56	53
	133	155	56	53
Contract liabilities [Note 16(b)]	20	12	-	-
Accrual for operating expenses	222	218	177	206
	375	385	233	259

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		
2021		
Beginning of financial year	622,940,542	144,676
Issue of shares pursuant to Warrant 2015 ^(a)	11,051	-*
Issue of shares pursuant to shares placement ^(b)	311,000,000	1,633
	933,951,593	146,309
2020		
Beginning and end of financial year	622,940,542	144,676

* Less than S\$1,000

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 5 May 2020, the Company issued and allotted 11,051 ordinary shares at the exercise price of S\$0.05 per share pursuant to the exercise of Warrant 2015.

^(b) On 14 September 2020, the Company issued and allotted 311,000,000 ordinary shares for a total consideration of \$1,632,750 pursuant to a shares placement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Share capital (cont'd)

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.

Share options

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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:

31 March 2021

Date of grant	Balance as at 1.4.2020 '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.03.2021 '000	Exercise price per share	Exercisable period
13.07.2015	7,846	-	-	7,846	\$0.03 *	13.07.2017-13.07.2025

31 March 2020

Date of grant	Balance as at 1.4.2020 '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.03.2021 '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.

	Options granted during the financial year '000	Aggregate options granted since commencement of AES ESOS '000	Aggregate options exercised since commencement of AES ESOS '000	Aggregate options cancelled or lapsed since commencement of AES ESOS '000	Aggregate options outstanding '000
31 March 2021					
Non-executive directors	-	1,345	-	-	1,345
Directors (ceased office)	-	4,932	-	-	4,932
Employees	-	1,569	-	-	1,569
	-	7,846	-	-	7,846

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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: (cont'd)

	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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Share capital (cont'd)

Share options (cont'd)

(ii) Size and duration (cont'd)

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

14. Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company	
	2021	2020
	\$'000	\$'000
Beginning of financial year	(143,341)	(142,539)
Net loss	(733)	(802)
End of financial year	<u>(144,074)</u>	<u>(143,341)</u>

15. Other reserves

(a) Composition:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Share option reserve	259	259	259	259
Currency translation reserve	(41)	(48)	-	-
	<u>218</u>	<u>211</u>	<u>259</u>	<u>259</u>

(b) Movements:

(i) Share option reserve

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Beginning and end of financial year	<u>259</u>	<u>259</u>	<u>259</u>	<u>259</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. Other reserves (cont'd)

(b) Movements: (cont'd)

(ii) Currency translation reserve

	Company	
	2021 \$'000	2020 \$'000
Beginning of financial year	(48)	(55)
Net currency translation differences of financial statements of foreign subsidiary corporations	7	7
End of financial year	(41)	(48)

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.

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
2021			
<i>Malaysia</i>			
Circulation of magazines and periodicals	800	-	800
Advertisements	-	57	57
	800	57	857
2020			
<i>Malaysia</i>			
Circulation of magazines and periodicals	769	-	769
Advertisements	-	100	100
	769	100	869

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. Revenue (cont'd)

(b) Contract assets and liabilities

	Group	
	2021	2020
	\$'000	\$'000
<i>Contract assets</i>		
- Advertisements (Note 7)	34	34
<i>Contract liabilities</i>		
- Advertisements (Note 12)	20	12

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.

(i) Revenue recognised in relation to contract liabilities

	Group	
	2021	2020
	\$'000	\$'000
Revenue recognised in current year that was included in the contract liabilities balance at the beginning of the year		
- Advertisements	12	19

(ii) Unsatisfied performance obligations

	Group	
	2021	2020
	\$'000	\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March		
- Advertisements	20	12

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. Revenue (cont'd)

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

(ii) Unsatisfied performance obligations (cont'd)

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 March 2021 and 2020 may be recognised as revenue in the next reporting periods as follows:

	Group	
	2021	2020
	\$'000	\$'000
Partial and fully unsatisfied performance obligations as at:		
31 March 2021	20	-
31 March 2020	-	12

(c) Trade receivables from contracts with customers

	Group	
	2021	2020
	\$'000	\$'000
Trade receivables from contracts with customers	82	95

17. Other gains

	Group	
	2021	2020
	\$'000	\$'000
Write off of trade creditors	-	13
Publishing related income	6	6
Interest income – bank deposits	-	8
Government grants – Jobs Support Scheme ^(a)	18	-
Other	-	1
	24	28

- (a) The Jobs Support Scheme (“JSS”) is a temporary scheme introduced in the Singapore Budget 2020 to provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

18. Employee compensation

	Group	
	2021	2020
	\$'000	\$'000
Wages, salaries and bonuses	531	798
Employer's contribution to defined contribution plans, including Central Provident Fund	42	50
Other short-term benefits	4	6
	577	854

19. Income taxes

	Group	
	2021	2020
	\$'000	\$'000
Tax expense attributable to loss is made up of:		
Loss for the financial year:		
- Current income tax	(3)	-
Under provision in prior financial year		
- Current income tax	(3)	(6)
	(6)	-

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	
	2021	2020
	\$'000	\$'000
Loss before tax	(693)	(1,030)
Tax calculated at tax rate of 17% (2020: 17%)	(118)	(175)
Effects of:		
- Expenses not deductible for tax purposes	1	24
- Deferred income tax assets not recognised	120	153
- Income not subject to tax	(3)	(2)
- Utilisation of previously unrecognised tax losses	(3)	-
- Under provision in prior financial year	(3)	(6)
Tax charge	(6)	(6)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

19. Income taxes (cont'd)

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 \$23,605,000 (2020: \$22,898,000) 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.

	2021	2020
Net loss attributable to equity holders of the Company (\$'000)	(699)	(1,036)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	804,367	622,941
Basic loss per share (cents)	(0.09)	(0.17)

(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 2021 and 2020. 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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Purchase of goods and/or service from				
- Related parties	-	3	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

21. Related party transactions (cont'd)

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Wages and salaries	365	568	289	502
Employer's contribution to defined contribution plans, including Central Provident Fund	22	22	14	14
	387	590	303	516

Included in the above is total compensation to directors of the Company amounting to \$130,000 (2020: \$333,000).

22. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate 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 2021 and 2020.

(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 2021

22. Financial risk management (cont'd)

Financial risk factors (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 (2020: 1 debtor) 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 2021

22. Financial risk management (cont'd)

Financial risk factors (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 2021, 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 \$900,000 (2020: \$26,278,000) 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.

	Less than 1 year \$'000
<hr/>	
Group	
At 31 March 2021	
Trade and other payables	<u>355</u>
At 31 March 2020	
Trade and other payables	<u>373</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

22. Financial risk management (cont'd)

Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year \$'000
Company	
At 31 March 2021	
Trade and other payables	<u>233</u>
At 31 March 2020	
Trade and other payables	<u>259</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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Total liabilities	<u>378</u>	385	<u>235</u>	259
Total equity	<u>2,842</u>	1,901	<u>2,494</u>	1,594
Liabilities-equity ratio	<u>13%</u>	20%	<u>9%</u>	16%

The Group and the Company are not required to comply with any externally imposed capital requirements for the financial years ended 31 March 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

22. 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:

	2021 \$'000	2020 \$'000
Group		
Financial assets at amortised cost	3,142	2,204
Financial liabilities at amortised cost	<u>355</u>	<u>373</u>
Company		
Financial assets at amortised cost	2,694	1,818
Financial liabilities at amortised cost	<u>233</u>	<u>259</u>

(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 2021			
Non-trade receivables	190	(190)	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

22. Financial risk management (cont'd)

(f) *Offsetting financial assets and financial liabilities (cont'd)*

(i) Financial assets (cont'd)

The Company has the following financial instruments subject to enforceable master netting arrangements or similar agreement as follows: (cont'd)

	← 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

	← 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 2021			
Trade and other payables	190	(190)	-
As at 31 March 2020			
Trade and other payables	196	(196)	-

23. Segment information

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

23. Segment information (cont'd)

The segment information provided to the CODM for the reportable segments for the financial year ended 31 March 2021 and 2020 are as follows:

	Malaysia	Singapore	
	Publishing, exhibition and events	HQ costs and investments	Total
	\$'000	\$'000	\$'000
Group			
2021			
Sales to external parties	857	-	857
Segment results	26	(743)	(717)
Other gains	6	18	24
Profit/(loss) before income tax	32	(725)	(693)
Income tax expense	(1)	(5)	(6)
Net profit/(loss)	31	(730)	(699)
Net profit/(loss) includes depreciation	3	-	3
Segment assets	491	2,729	3,220
Segment assets includes:			
Additions to property, plant and equipment	-*	-	-
Segment liabilities	142	236	378
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

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

23. 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	
	2021	2020
	\$'000	\$'000
Publishing, exhibition and events	857	869

(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	
	2021	2020
	\$'000	\$'000
Malaysia	857	869

	Non-current assets	
	2021	2020
	\$'000	\$'000
Malaysia	8	11

There are 2 customer (2020: 2) contributing more than 10% to the revenue to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. 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 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements:

Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

25. 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 14 July 2021.

SHAREHOLDINGS STATISTICS

TWENTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2021

S/N	Names of shareholder	No. of shares	% of shares
1.	DBS Vickers Securities (Singapore) Pte Ltd	256,843,395	27.50
2.	Ng Kai Man	92,700,000	9.93
3.	Chan Shui Sheung Ivy	88,620,900	9.49
4.	Chung Yuen Yee Kathy	34,302,800	3.67
5.	Lee Ka Chung @ William Lee	31,500,000	3.37
6.	DBS Nominees Pte Ltd	30,140,006	3.23
7.	Century Greenland (Hong Kong) Limited	30,000,000	3.21
8.	Interlims (HK) Co., Limited	30,000,000	3.21
9.	L127 Co., Ltd.	30,000,000	3.21
10.	Phuah Kin Huat	14,852,200	1.59
11.	Gao Huazhu	13,557,000	1.45
12.	Li Dandan	10,201,500	1.09
13.	Tan Chun Meng Vincent	10,040,800	1.08
14.	Citibank Nominees Singapore Pte Ltd	7,674,335	0.82
15.	Maybank Kim Eng Securities Pte Ltd	7,299,580	0.78
16.	Phillip Securities Pte Ltd	6,952,221	0.74
17.	iFast Financial Pte Ltd	5,630,020	0.60
18.	Chen HongGeng	5,511,000	0.59
19.	Lim Tze Kern (Lim SiGen)	5,000,000	0.54
20.	Han Jee Juan	4,999,900	0.54
Total		715,825,657	75.61

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 30 JUNE 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	2,116	32.49	57,253	0.01
100 - 1,000	2,613	40.12	1,001,756	0.11
1,001 - 10,000	1,010	15.51	4,160,596	0.44
10,001 - 1,000,000	702	10.78	98,097,427	10.50
1,000,001 and above	72	1.10	830,634,561	88.94
Total	6,513	100.00	933,951,593	100.00

SHAREHOLDINGS STATISTICS

SUBSTANTIAL SHAREHOLDER AS AT 30 JUNE 2021

S/N	Name of Substantial Shareholder	Direct Interest		Deemed Interest	
		Number of Shares	%	Number of Shares	%
1.	Ng Kai Man	92,700,000	9.93	-	-
2.	Hung Hon Mo	90,000,000	9.00	-	-
3.	Lee Chun Ming	75,000,000	8.03	-	-
4.	Lam Kwok Hing Wilfred	73,000,000	7.82	-	-
5.	Chan Shui Sheung Ivy	88,620,900	9.49	-	-

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

As at 30 June 2021, there were 513,730,693 shares in the hands of the public as defined in the Rules of Catalist representing approximately 55.01% of the issued share capital of the Company. The Company confirms that Rule 723 of the Catalist Rules is complied with.

SHARE CAPITAL

Issued and fully paid-up capital	:	S\$146,309,501.56
Number of shares issued and fully paid (excluding treasury shares and subsidiary holdings)	:	933,951,593 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 30 July 2021, Friday 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 2021 (“**FY2021**”), 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 2021 (FY2020: S\$118,034). **(Resolution 2)**
3. To re-elect the following directors of the Company who are retiring pursuant to Article 107 of the constitution of the Company (“**Constitution**”):
 - (i) Mr Ng Kai Man **(Resolution 3)**

Mr Ng Kai Man will, upon re-election as a Director, continue as an Executive Director of the Company. Detailed information on Mr Ng Kai Man can be found under the sections “Board of Directors” and “Corporate Governance – Appendix A” of the Company’s Annual Report 2021.
 - (ii) Mr Chou Kong Seng **(Resolution 4)**

Mr Chou Kong Seng will, upon re-election as a Director, continue as an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. The Board considers Mr Chou Kong Seng to be independent for the purposes of Rule 704(7) of the Catalist Rules, subject to the two-tier voting described below. Detailed information on Mr Chou Kong Seng can be found under the sections “Board of Directors” and “Corporate Governance – Appendix A” of the Company’s Annual Report 2021.
4. That, contingent upon the passing of Resolution 6 below, shareholders to approve Mr Chou Kong Seng’s continued appointment as an independent non-executive director in accordance with Rule 406(3)(d)(iii)(A) of the Catalist Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”) (which will take effect from 1 January 2022), and such Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Chou Kong Seng as a director, or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution. **(Resolution 5)**

[See Explanatory Note (i)]
5. That, contingent upon the passing of Resolution 5 above, shareholders (with Directors of the Company and their associates abstaining from voting on Resolution 6) to approve Mr Chou Kong Seng’s continued appointment as an independent non-executive director in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022), and such Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Chou Kong Seng as a director, or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution, provided that this Resolution shall only be proposed and voted upon if Resolution 5 is passed by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM. **(Resolution 6)**

[See Explanatory Note (i)]

NOTICE OF ANNUAL GENERAL MEETING

Mr Chou Kong Seng will, upon re-election as a Director, pursuant to Article 107 of the Constitution and as an Independent Director pursuant to the two-tier voting described above, continue as an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. The Board considers Mr Chou Kong Seng to be independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Chou Kong Seng can be found under the sections "Board of Directors" and "Corporate Governance – Appendix A" of the Company's Annual Report 2021.

6. That, contingent upon the passing of Resolution 8 below, shareholders to approve Mr Kesavan Nair's continued appointment as an independent non-executive director in accordance with Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022), and such Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Kesavan Nair as a director, or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution. **(Resolution 7)**

[See Explanatory Note (i)]

7. That, contingent upon the passing of Resolution 7 above, shareholders (with Directors of the Company and their associates abstaining from voting on Resolution 8) to approve Mr Kesavan Nair's continued appointment as an independent non-executive director in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022), and such Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Kesavan Nair as a director, or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution, provided that this Resolution shall only be proposed and voted upon if Resolution 7 is passed by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM. **(Resolution 8)**

[See Explanatory Note (i)]

Mr Kesavan Nair will, upon re-election as an Independent Director pursuant to the two-tier voting described above, continue as an Independent Non-Executive Director of the Company and the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. The Board considers Mr Kesavan Nair to be independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Chou Kong Seng can be found under the sections "Board of Directors" and "Corporate Governance – Appendix A" of the Company's Annual Report 2021.

8. 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 9)**
9. 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:

10. Authority to allot and issue shares in the capital of the Company **(Resolution 10)**

"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 "**Catalist Rules**"), 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

NOTICE OF ANNUAL GENERAL MEETING

- (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
- (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 Catalist; 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 10.

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 Catalist Rules (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)]

11. Authority to issue shares under the Arion Entertainment Singapore Employees' Share Option Scheme 2014 **(Resolution 11)**

"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 AES ESOS provided always that the aggregate number of shares to be issued pursuant to the AES ESOS 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, 15 July 2021

Explanatory Notes:

- i) Resolutions 5 to 8 are to re-elect Mr Chou Seng Kong and Mr Kesavan Nair respectively as Independent Non-Executive Directors of the Company for a three-year term, with effect from the passing of these resolutions proposed at the forthcoming AGM, until the conclusion of the third AGM of the Company following the passing of these resolutions.

If any of the above Independent Directors pass the Two-Tier Vote, he will, upon re-election, remain as Independent Non-Executive Director of the Company until the earlier of the retirement or resignation of the respective Independent Director or the conclusion of the third AGM.

Should any of the above Independent Non-Executive Directors fail the Two-Tier Vote, he will be deemed to be independent up to 31 December 2021 and be re-designated as a Non-Independent and Non-Executive Director from 1 January 2022 onwards. Should Mr Chou's re-election pursuant to Article 107 of the Constitution not be passed, Mr Chou shall cease to be a Director of the Company. The Company shall then endeavor to search for suitable candidate(s) and fill the vacancies of the Independent Director(s) within two months, but no later than three months from the date of the forthcoming AGM to fulfill the requirements of the Catalist Rules and Code of Corporate Governance 2018, where applicable.

- ii) The Ordinary Resolution 10 proposed in item 10 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 10 (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

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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 10, 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 10; (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 10, 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 11 proposed in item 11 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 30 July 2021, Friday at 10.00 a.m. (the “**Meeting**”) are set out in the Company’s announcement dated 15 July 2021 (the “**Announcement**”), which has been uploaded together with this Notice of AGM on SGXNET on 15 July 2021. 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 27 July 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting), at the URL <https://complete-corp.com/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 29 July 2021.

Members, who have pre-registered for the LIVE WEBCAST or AUDIO ONLY MEANS but who have not received the email instruction by 12.00 p.m. on 29 July 2021, should contact the Company’s Polling Agent, Complete Corporate Services Pte Ltd by email to arion-agm@complete-corp.com.

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 25 July 2021 by email to arion-agm@complete-corp.com; 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.

The Company will endeavour to address all substantial and relevant questions received from members prior to the Meeting by publishing the responses to those questions on the Company’s website at the URL <http://egl.com.sg/press/html> and on SGXNET.

- 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.
- 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 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,

NOTICE OF ANNUAL GENERAL MEETING

in either case, by 10.00 a.m. on 28 July 2021 (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 Meeting, amongst others, Annual Report, proxy forms and other relevant corporate information, which has been uploaded together with the Notice of AGM dated 15 July 2021 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 15 July 2021 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 10.00 a.m. on 19 July 2021 (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 15 July 2021 (the "Announcement"), which has been uploaded together with the Notice of AGM dated 15 July 2021 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 15 July 2021 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 10.00 a.m. on 19 July 2021. This proxy form is not valid for CPF/SRS Investors to use and shall be ineffective for all intents and purposes if used or purported to be used by them.
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 15 July 2021.

*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 Friday, 30 July 2021 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 2021 ("FY2021"), together with the Auditor's Report thereon			
2.	Approval of Directors' Fees of S\$118,034 for the financial year ended 31 March 2021			
3.	Re-election of Mr Ng Kai Man as a Director retiring under Article 107 of the Company's Constitution			
4.	Re-election of Mr Chou Kong Seng as a Director retiring under Article 107 of the Company's Constitution			
5.	Approval for the continued appointment of Mr Chou Kong Seng as an independent non-executive director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022)			
6.	Approval for the continued appointment of Mr Chou Kong Seng as an independent non-executive director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022)			
7.	Approval for the continued appointment of Mr Kesavan Nair as an independent non-executive director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022)			
8.	Approval for the continued appointment of Mr Kesavan Nair as an independent non-executive director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST (which will take effect from 1 January 2022)			
9.	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			
AS SPECIAL BUSINESS				
10.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50			
11.	Authority to allot and issue shares under the Arion Entertainment Singapore Employees' Share Option Scheme 2014			

Dated this _____ day of _____ 2021

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

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

* Delete as appropriate

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 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,

in either case, by 10.00 a.m. on 28 July 2021 (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 10.00 a.m. on 19 July 2021 (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 15 July 2021.

ARION ENTERTAINMENT SINGAPORE LIMITED

SINGAPORE

350 ORCHARD ROAD SHAW HOUSE
#11-08
SINGAPORE 238868

MALAYSIA

NO G-1-26
JALAN PJU 1/45
AMAN SURIA
47301 PETRALING JAYA
SELANG, MALAYSIA
TEL: +603 7803 9892
FAX: +603 7803 9810