The Lexicon Group Limited

2011 Annual Report

Contents

This Annual Report has been reviewed by the Company's Sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST 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 announcement.

The details of the contact person for the Sponsor are:

Name: Mr. Thomas Lam, Registered Professional
Address: 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624
Tel: (65) 6238 3377

Corporate Information

BOARD OF DIRECTORS

HH Prince Hakeem Jefri Bolkiah
Non-Executive Chairman & Independent Director

Ricky Ang Gee Hing
Executive Vice-Chairman & Managing Director

Tan Choon Wee
Executive Director

Francis Xavier
Independent Director

Timothy Teo Lai Wah
Independent Director

Bob Low Siew Sie
Independent Director

NOMINATING COMMITTEE

Francis Xavier, Chairman
Timothy Teo Lai Wah, Member
Bob Low Siew Sie, Member

REMUNERATION COMMITTEE

Bob Low Siew Sie, Chairman
Francis Xavier, Member
Timothy Teo Lai Wah, Member

AUDIT COMMITTEE

Timothy Teo Lai Wah, Chairman
Francis Xavier, Member
Bob Low Siew Sie, Member

COMPANY SECRETARIES

Abdul Jabbar Bin Karam Din
Chan Poh Kuan

REGISTERED OFFICE

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

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
8 Cross Street #11-00
PWC Building
Singapore 048424

AUDITORS

Nexia TS Public Accounting Corporation
5 Shenton Way #16-00
UIC Building
Singapore 068808
Director-in-charge: Chin Chee Choon
(Appointed since finanical year ended 31 March 2009)

SOLICITORS

Rajah & Tann LLP
9 Battery Road #15-01
Straits Trading Building
Singapore 049910

SPONSOR

KW Capital Pte. Ltd.
80 Raffles Place
#25-01 UOB Plaza 1
Singapore 048624
Contact Person: Thomas Lam
Tel: (65) 6238 3377

PRINCIPAL BANKERS

DBS Bank Limited
Malayan Banking Limited

» Managing Director's Statement

Dear Shareholders,

FY 2011 was a challenging and exciting year for the Group, as we continued strenuously to seek opportunities to restore its financial well being

YEAR IN REVIEW

PUBLISHING DIVISION

Operating environment for the publishing industry remained challenging duing the year. Opportunities for expansion were limited amidst a less than conducive environment. For the financial year ended 31 March 2011, the Group ceased publicaiton of Smart Investor. The Group will monitor underperforming publications and continue to rationalize the publishing operations.

FOOD & BEVERAGE DIVISION

During the financial year, the Area Master Franchise Agreement ("AMFA") with Tom N Toms Limited and KTNT Holdings Limited was terminated. This is now a subject of arbitration between the parties and the Company. The Group has since launched our own F&B brands Romulus and Most Orginal Burgers ("MOB").

During the year, we closed the Tom N Toms outlet located at FEP following the termination of the AMFA, and as a result of its poor performance since the beginning of 2010. The early termination of the FEP lease is currently the subject of litigation between Far East Organisation and the Group. Meantime, without admitting liability for the early termination of the lease, claims by Far East have been fully provided in our financial statements in the year under review.

Romulus is a cafe or a haven for people seeking a comfortable setting to enjoy a light meal or to simply catch up with an old friend – The Café where it all comes together. The Group secured franchisees for multiple outlets in Singapore and Malaysia. However, given the difficult operating environment in both Singapore and Malaysia, especially for a new brand like Romulus, and the difficulty in securing suitable outlet locations both franchises are currently under review.

Currently, The Group operates one Romulus and one MOB restaurant, at Vivocity. MOB is a fast-casual restaurant that offers all-day dining.

PERFORMANCE HIGHLIGHTS

Total revenue for FY 2011 increased by 5.3% to $5.53 million from $5.26 million in FY 2010. The increase in revenue was the result of a full year revenue from our F&B operations. This was offset partly by decrease in our advertising sales.

The operating loss for the Group's publishing division is relatively constant, S$1.03 million in FY 2011 as compared to S$1.02 million in FY 2010.

F&B division incurred a loss of S$2.79 million in its first full year of operations as compared to S$0.48 million in FY 2010. Included in the loss is an amount of S$1.8 million relating to discontinued operations of our Far East Plaza outlet and the joint venture company, Tom N Toms International Pte Ltd.

Operating loss for HQ costs and investments stood at S$2.00 million in FY2011 as compared to S$2.51 million in the previous corresponding period.

As a result, the Group recorded a loss of S$5.38 million in FY 2011 as compared to a profit of S$5.64 million in FY 2010. This was also due the the following which was recorded in FY 2010:- a gain of $0.82 million arising from the disposal of Shareinvestor.com Holdings Pte Ltd, a gain of S$0.21 arising from the disposal of Delta Digital Limited, a write-back of accrued operating expenses of S$0.76 million and a write-back of S$7.6 million for impairment loss relating to Sandz.

FUTURE PLANS

During the current financial year, the Company entered into a Sale and Purchase Agreement to acquire a 51% stake in Elektromotive Limited ("Elektromotive") for an aggregate consideration of between S$12.75 million to S$15.3 million.

Elektromotive is a limited liability company incorporated in the United Kingdom on 24 February 2003 and has at the date hereof, an issued and paid-up share capital of £100 comprising 100 issued and fully paid-up ordinary shares of £1 each.

It is a leading provider of technology and engineering solutions for electric vehicle recharging stations. Based in the South Coast of the United Kingdom, in the City of Brighton and Hove, Elektromotive is dedicated to designing and installing leading edge technology for recharging electric and plug-in hybrid electric vehicles.

During 2003 to 2007, Elektromotive developed the "Elektrobay", a recharging station for on-street or multistorey car park installations, which offers a safe and user friendly means of charging electric and plug-in hybrid vehicles. In 2008, Elektromotive expanded its electric vehicle refuelling network of Elektrobays rolled out over seven London Boroughs in 21 locations. Currently, Elektromotive has a continually expanding network of Elektrobays being installed throughout the United Kingdom, Europe and the United States of America.

Elektromotive's Elektrobays in the United Kingdom are installed in shopping centres, car parks and other locations in cities and borough councils such as Westminster, Hammersmith & Fulham, Richmond Upon Thames, Sutton, Wandsworth, Kingston, Hillingdon, Hounslow, Camden, Islington and Haringey.

Shareholders have approved the proposed acquisition of Elektromotive during the meeting held on July 4, 2011. We hope to complete the acquisition before end July 2011.

As stated in the circular, we firmly believe that the acquisition would be in the benefit the Group, and its shareholders in the long run, as it would provide the Group with the entry into one of the fastest growing industries on a global scale.

ACKNOWLEDGEMENTS

Mr Bob Low is retiring at the upcoming AGM and is not seeking re-election. We would like to express our thanks to Mr Bob Low for his contributions to the Group during his appointment.

In addition, on behalf of my colleagues on the Board, I would like to express my gratitude to our business partners and shareholders for their continuing support, while we strenuously continue our search for opportunities that would transform the Group into a great enterprise.

Ricky Ang Gee Hing
Executive Vice-Chairman and Managing Director

Board of Directors

HH Prince Hakeem Jefri Bolkiah

Non-Executive Chairman & Independent Director

HH Prince Hakeem is the Non-Executive Chairman and Independent Director of the Company. In his late 30's, Prince Hakeem is the eldest son of Prince Jefri Bolkiah. Prince Hakeem brings a unique perspective as Chairman into the Board of the Company and with his networking and unique business experience, will guide the Company in its pursuit of creating value in today's corporations. Prince Hakeem was Chairman of one of Asia's largest corporations in the 1990's which included a diverse property portfolio. He was also CEO of GSM Telecommunication DST COM for five years and has had extensive experience in the media and sports industries. As a seasoned investor he has recently channeled his energies on clean technology projects globally.

Ricky Ang

Executive Vice-Chairman & Managing Director

Mr. Ricky Ang is the Executive Vice-Chairman and Managing Director of the Company. Prior to founding the Company, Mr. Ang was CEO of HB Media Holdings,a media company he helped established in early 1993. Before that, he was Senior Vice President at Times Publishing Limited, where he was head of its printing division and was instrumental in expanding its printing business worldwide, with manufacturing facilities in Malaysia, Hong Kong, and the United Kingdom and sales offices in New York, San Francisco, London and Sydney. A graduate of London's College of Printing, Mr. Ang has been in the printing and publishing industry for more than three decades, and was for several years Chairman of the TDB-sponsored, Printing and Publishing Advisory Council.

Tan Choon Wee

Executive Director and Chairman of Investment Committee

Mr. Tan Choon Wee, Non-Executive Director of the Group, has been re-designated as Executive Director of the Group and Chairman of the Investment Committee since 2 July 2007. Mr. Tan will oversee the Group's investment and merger and acquisition activities. Mr. Tan serves as a Director of Advance Capital Partners. Prior to that, Mr. Tan is the Head of Institutional Sales and Dealing in RHB Securities Sdn Bhd, Malaysia from 2004 to 2005. Mr. Tan has held several management positions in Banking and Stock broking industry since 1991. Mr. Tan graduated from the National University of Singapore with a Second Class Honours (Upper Division) Degree in Engineering (Mechanical). Mr. Tan also holds a Diploma in Marketing from the Marketing Institute of Singapore.

Francis Xavier

Independent Director

Mr Xavier is the Head of the Commercial Litigation Practice Group in Rajah & Tann LLP, one of the largest law firms in Singapore. Mr Xavier has been practicing for more than 20 years. Mr Xavier also specialises in aviation law and advised in the class-action suit resulting from the crash of the SilkAir flight in Indonesia in 1997 and the Taiwan SIA crash. Mr Xavier has also handled several international arbitration cases involving aviation, oil production, power generation and toxic wastes industries. Mr Xavier has been recognised as a leading lawyer by Asia Pacific Legal 500 (2001/2002, 2002/2003, 2003/2004, 2004/2005, 2008/2009) and by AsiaLaw Profiles (2007) and was appointed Senior Counsel in January 2009.

Timothy Teo Lai Wah

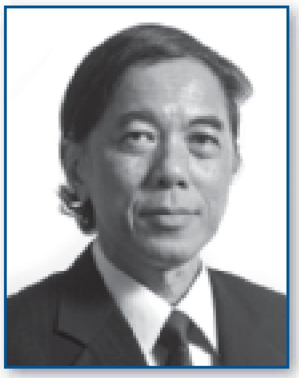
Independent Director

Mr. Teo served as Director in charge of foreign exchange, money market, gold and commodities management in Government of Singapore Investment Corp, Singapore from 1998 to 2007. Prior to this, he was the Director of Nuri Holdings (S) Pte Ltd, Singapore as consultant for risk management in Jakarta and Los Angeles from 1994 to 1998. Mr. Teo worked for JP Morgan for 20 years in various locations at senior management level (Managing Director) in Global Markets. Between 1980 to 1993, Mr Teo was based in Hong Kong, Taipei and New York. Mr. Teo holds a Masters Degree in Business Administration from Macquarie University. Mr. Teo is an Independent Director of Guoco Land Limited.

Bob Low Siew Sie

Independent Director

Mr. Low is currently the Principal Consultant of Bob Low & Co. CPA and his area of expertise includes corporate assurance, corporate recovery and restructuring, judicial management, acting as receiver and manager, and as scheme manager, due diligence, liquidation and project evaluation. Mr. Low is also an Independent Director of Sino Construction Limited, Liang Huat Aluminium Limited, China Hongcheng Holdings Limited and Interra Resources Limited. Mr. Low qualified as a UK Chartered Certified Accountant in 1974 and holds a Bachelor of Laws with Second Class Lower Division Honours from the University of London in 1985. Mr. Low is a fellow of the Association of Chartered Certified Accountants UK, the Institute of Certified Public Accountants of Singapore, the Certified Public Accountants Australia, the Insolvency Practitioners Association of Singapore Limited and a member of the Chartered Institute of Arbitrators of Hong Kong and UK branches, and the Singapore Academy of Law.



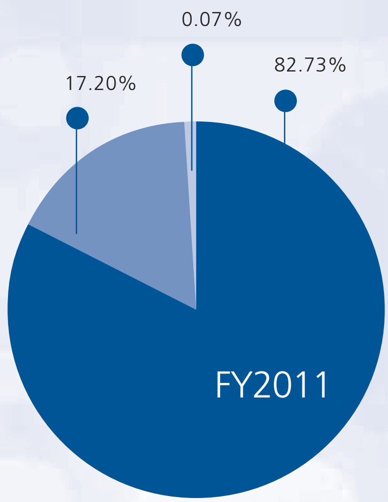
Financial Highlights

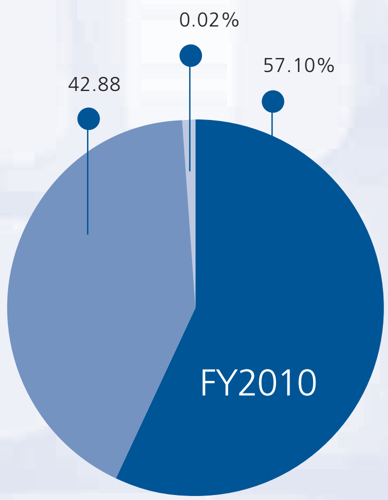
Year	Revenue* S$'000	Profit/(Loss) Attributable to Shareholders S$'000	Earning/(Loss) Per Share Cents
FY2007	9,026	(102,244)	(10.53)
FY2008	6,456	(42,673)	(5.08)
FY2009	11,144	(3,067)	(0.40)
FY2010	14,905	5,614	0.60
FY2011	**5,919**	**(5,381)**	**(0.51)**

* Including other income and excluding discontinued operations

Share Price & Total Monthly Volume

Revenue* by Geographical Region





Singapore Malaysia Other

Revenue* by Business Division

	March 2011# S$million	March 2010# S$million
Publishing & Events Management	4.6	5.3
Food & Beverage	0.9	0.1
HQ Costs & Investments	0.4	9.5

* Including other income
# Refer to Note 27

Operating Loss by Business Division

	March 2011 S$million	March 2010 S$million
Publishing & Events Management	(1.0)	(1.0)
Food & Beverage	(2.8)	(0.5)
HQ Costs & Investments	(2.0)	(2.5)

Staff Strength

	March 2011	March 2010
HQ	4	4
Publishing & Events Management	54	68
Greater China	-	5
Singapore & Malaysia	54	63
Food & Beverage	20	9
TOTAL	78	81

Management Team

Ms. Alison Ang

General Manager, F&B operations

Ms. Alison Ang, as General Manager of Lexicon F&B, is responsible for the day-to-day management of the company's F&B operations in Singapore. Prior to joining the group, she was the Operations Manager of a manufacturer and retailer or premium desserts in Singapore. A graduate of the University of Exeter, Ms. Ang started her career as a Product/Process Engineer in a global contract manufacturing company. Within 2 years, Ms. Ang had been promoted to a Compliance Manager for the group and she also held the position of Operations Manager in their China and Australia facilities.

Ms. Chong Chye Wan

President, Publishing Malaysia

Ms. Chong Chye Wan is President, Malaysia Publishing 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. Lynnette Lim

President, Publishing Singapore and International

Ms. Lynnette Lim is the President, Singapore and International Publishing. She is in charge of the launching of several TLG titles in key cities in China. WINE & DINE magazine was launched in Shanghai in 2005. REAL TIME annual was launched in 2006 and CALIBRE HAUTE HORLOGERIE magazine in mid 2007. Ms. Lim holds a Bachelor of Commerce (Marketing) degree from the Curtin University of Technology, Western Australia. Upon graduation in 1998, Ms. Lim started her career in publishing, and joined Panpac Media (TLG) as the Marketing and Sales Manager of SMART INVESTOR magazine.

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 Certified Public Accountant and holds a Bachelor of Accountancy degree (Hons) from the Nanyang Technological University, Singapore.

The Board of Directors ("the Board") of The Lexicon Group Limited 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.

The main corporate governance practices adopted by the Company and the Group are outlined below.

BOARD MATTERS

(1) Board's Conduct of its Affairs

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

Attendance at Meetings

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Prince Hakeem Jefri Bolkiah [(1)]	7	1	-	-	-	-	-	-
Ricky Ang Gee Hing	7	7	-	-	-	-	-	-
Tan Choon Wee	7	6	-	-	-	-	-	-
Francis Xavier	7	4	2	2	1	1	2	2
Timothy Teo Lai Wah	7	7	2	2	1	1	2	2
Bob Low Siew Sie	7	7	2	2	1	1	2	2

Notes:

(1) Prince Hakeem was appointed as a Non-Executive Chairman and Independent Director on 28 October 2010.

All the Directors are updated regularly on changes in company policies, Board processes, corporate governance and best practices.

(2) Board Composition and Balance

The Board comprises two Executive Directors and four Independent Directors. Key information regarding the directors can be found under the "Board of Directors" section of this annual report. The Nominating Committee reviews the independence of each director annually.

The Nominating Committee is of the view that the current Board, with more than half of its composition made up of Independent Directors, 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 is of the view that the size of the current board, comprising six directors is appropriate, with reference to the scope and extent of the Group's operations. The Board also considers that its composition of Independent Directors provide an effective Board with a mix of knowledge, business contacts and successful 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.

(3) Role of Chairman and Managing Director

The positions of Chairman and Managing Director are kept separate to ensure an appropriate balance of power and authority.

The Managing Director, Mr Ricky Ang Gee Hing, who is also the Executive Vice-Chairman of the Company, has full executive responsibilities over business directions and operational decisions of the Group. The Audit Committee reviews all major decisions made by the Managing Director. The Nominating Committee periodically reviews his performance and his appointment to the Board and the Remuneration Committee periodically reviews his remuneration package.

Prince Hakeem, an Independent Director of the Company, is the Non-Executive Chairman of the Company. Prince Hakeem is primarily responsible for the effective working of the Board and ensures (with the help of the Company Secretary) that board meetings are held when necessary. The agenda of board meetings is set by the Managing Director and approved by the Non-Executive Chairman. The Non-Executive Chairman and Managing Director reviews the Board papers before they are presented to the Board and ensures that the Board members are provided with complete, adequate and timely information.

(4) Board Membership

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. Our Articles of Association require one-third of our Directors (excluding the Managing Director) to retire and subject themselves to re-election by shareholders at every Annual General Meeting ("AGM") such that no director stays in office for more than three years without being re-elected by shareholders.

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 the candidate is suitable, the Nominating Committee then recommends its choice to the Board of Directors.

The Nominating Committee comprises Messrs Francis Xavier (an Independent Director), Timothy Teo Lai Wah (an Independent Director) and Bob Low Siew Sie (an Independent Director). Mr Francis Xavier, an Independent Director, is the Chairman of the Nominating Committee. The Nominating Committee is responsible for (i) re-nomination of the Directors having regard to the Directors' contribution and performance, (ii) determining annually whether or not a Director is independent and (iii) deciding on whether or not a Director is able to and has been adequately carrying out his duties as a director.

(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.

Directors, collectively and individually, undertake a formal review of the Board's performance collectively and individually on an annual basis. The Nominating Committee also reviews the Board's performance informally with inputs from the other Board members and the Managing Director.

(6) Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, management is required to provide adequate and timely information to the Board on Board affairs and issues that require the Board's decision as well as ongoing reports relating to operational and financial performance of the Company and the Group. Whenever appropriate, senior managers who can provide additional insight in the matters to be discussed are invited to attend during the Board meeting. Generally, the Company Secretary attends board meetings.

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

Please refer to the "Corporate Information" section of the annual report for the composition of the Company's Board of Directors and Board committees.

Remuneration Matters
(7) Procedures for Developing Remuneration Policies
(8) Level and Mix of Remuneration
(9) Disclosure on Remuneration

The function of the Remuneration Committee is to review the remuneration of the Executive Directors of the Company and to provide a greater degree of objectivity and transparency in the setting of remuneration.

The Remuneration Committee comprises Messrs Francis Xavier (an Independent Director), Timothy Teo Lai Wah (an Independent Director) and Bob Low Siew Sie (an Independent Director). Mr Bob Low Siew Sie is Chairman of the Remuneration Committee.

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

The Remuneration Committee has access to expert professional advice on human resource 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 Director will be involved in deciding his own remuneration.

The Executive Directors have entered into service agreements with the Company. The service agreements cover the terms of employment, specifically salary and other benefits.

Directors' Remuneration

Our Executive Director's remuneration consists of salary, allowances and bonuses. Directors' fees for independent Directors and Executive Directors are subject to approval of shareholders at the AGM.

The band of remuneration of each individual Director for the financial year under review are as follows:-

Name	Director's Fees (S$)	Exceeding S$500,000	S$250,000 to S$500,000	Up to S$250,000
Prince Hakeem Jefri Bolkiah	14,500			√
Ricky Ang Gee Hing	12,000		√	
Tan Choon Wee	12,000			√
Francis Xavier	35,000			√
Timothy Teo Lai Wah	40,000			√
Bob Low Siew Sie	35,000			√

The level and mix of the annual remuneration of Executive Directors are set out below:

Name	Salaries %	Bonuses %	CPF %	Allowances & Others %
Ricky Ang Gee Hing	77.26	6.44	1.44	14.86
Tan Choon Wee	93.74	-	-	6.26

Remuneration of Key Employees

Details of remuneration paid to the top five executives, in terms of remuneration (who are not Directors of the Company) for the financial year are set out below. For competitive reasons, the Company is only disclosing the band of remuneration of each executive for the financial period under review: -

Name	Exceeding S$500,000	S$250,000 to S$500,000	Up to S$250,000
Alison Ang Wern Ling			√
Brandoi Choi			√
Chong Chye Wan			√
Lynnette Lim Kitt Ping			√
Ng Hwee Ling			√

For the financial year ended 31 March 2011, Alison Ang Wern Ling, the General Manager of Lexicon F&B Pte Ltd whose remuneration was S$80,688, is related to and is the daughter of Executive Vice-Chairman and Managing Director Mr Ricky Ang Gee Hing.

Other than the foregoing, there are not other employees who are immediate family member of any Director, Managing Director or controlling shareholder of the Company and whose remuneration exceeds S$150,000 during the financial year ended 31 March 2011.

Accountability and Audit

(10) Accountability

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

(11) Audit Committee

The Audit Committee is made up of three Independent Directors who possess appropriate accounting experience and/or related financial management expertise. Mr Timothy Teo Lai Wah an independent Director, chairs the Audit Committee. The other members of the Audit Committee are Mr Francis Xavier and Mr Bob Low Siew Sie.

The Audit Committee holds periodic meetings and primarily carries out the following functions together with the Executive Directors and external auditors:-

(a) Reviews the audit plans set forth by the external auditors, evaluates the report issued by the external auditors from their examination of the Company's internal and accounting controls system;
(b) Reviews the operating results of the Group and Company, accounting policies and assistance given by the management to external auditors;

(c) Reviews the financial statements of the Group and Company before submission to the Board;
(d) Reviews all interested persons' transactions; and
(e) Nominates the external auditors for reappointment.

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

The Board and Audit Committee are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

There were no non-audit services fees paid to the external auditor for the financial year ended 31 March 2011.

The Audit Committee recognizes the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration.

(12) Internal Controls

The Board is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. During the year, the Audit Committee, on behalf of the Board, has reviewed the effectiveness of the internal control system put in place by the management and is satisfied that there are adequate internal controls in the Company. The Directors regularly review the effectiveness of all internal controls, including operational controls.

(13) Internal Audits

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

During the financial year, the Company did not conduct an internal audit review for reasons that it is deemed not necessary in view of the commercial context of the business activity.

Communication with Shareholders
(14) Communication with Shareholders
(15) Greater Shareholder Participation

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

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

Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the AGM is circulated to all shareholders of the Company, together with explanatory notes or a circular on items of special business (if necessary), at least 14 working days before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM. The Chairman of the Audit, Remuneration and Nominating Committees are normally available at the meeting to answer those questions relating to the work of these committees.

Material Contracts

There are no material contracts entered into by the Company and its subsidiaries involving the interest of the Managing Director, 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.

The Material Contracts entered into by the Company during the financial year in review are as follows:

(1) On 15 September 2010, the Company entered into a subscription agreement (the "Subscription Agreement") with several investors pursuant to which the Company agreed to issue in aggregate 100,000,000 new ordinary shares in the capital of the Company (the "Subscription Shares") with 50,000,000 free attached warrants (the "Warrants"), each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company. The Warrants are not listed or traded on the Catalist of the Singapore Exchange Securities Trading Limited. The Subscribers have agreed to subscribe for 100,000,000 Subscription Shares in aggregate, at an issue price of S$0.012 per Subscription Share, amounting to an aggregate consideration of S$1,200,000, and on the terms and conditions of the Subscription Agreement.

(2) On 6 December 2010, the Company entered into a Sale and Purchase Agreement (the "SPA") with Pengiran Muda Abdul Hakeem, Gregory Carlyon Simmons, Michael Earle, Calypso Holdings & Investments Ltd, Rehan Velmi and Eileen Ong Ching Yi (collectively the "Vendors") to acquire from the Vendors an aggregate of 51 ordinary shares of £1 each in the capital of Elektromotive Limited, a limited liability company incorporated in the United Kingdom ("Elektromotive", and such proposed acquisition being referred to as the "Acquisition"), which constitutes 51% of the entire issued and paid-up shares in the capital of Elektromotive. The aggregate consideration for the Acquisition ranges from S$12.75 million to S$15.3 million.

    On 2 March 2011, the Company entered into a Supplemental Agreement (the "Supplemental Agreement") in relation to the SPA.

(3) On 30 December 2010, the Company entered into a subscription agreement (the "Subscription Agreement") with several investors (the "Subscribers") pursuant to which the Company has agreed to issue in aggregate 180,000,000 new ordinary shares in the capital of the Company (the "Subscription Shares") with 90,000,000 free attached warrants (the "Warrants"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company. The Warrants are not listed or traded on the Catalist of the Singapore Exchange Securities Trading Limited. The Subscribers have agreed to subscribe for 180,000,000 Subscription Shares in aggregate, at an issue price of S$0.014 per Subscription Share, amounting to an aggregate consideration of S$2,520,000, and on the terms and conditions of the Subscription Agreement.

Dealings in Securities

The Company and its officers are not allowed to deal in the Company's shares during the period commencing two weeks or one month before the announcement of the Company's financial statements for one month before half year or financial year, as the case may be, and ending on the date of the announcements of the relevant results.

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

The Board confirms that for the financial year ended 31 March 2011, the Company has complied with Listing Rule 1204 (18).

Interested Persons Transactions

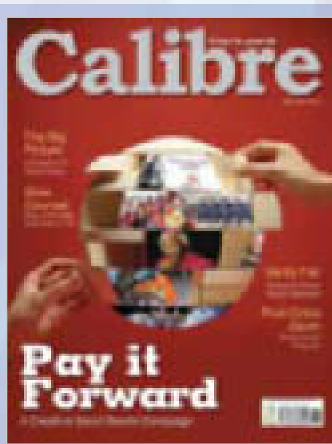
There were no interested person transactions for the financial year ended 31 March 2011.

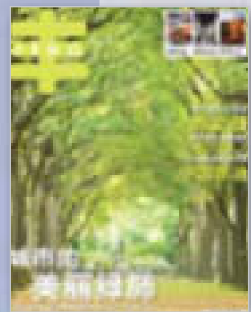
Whistle Blowing

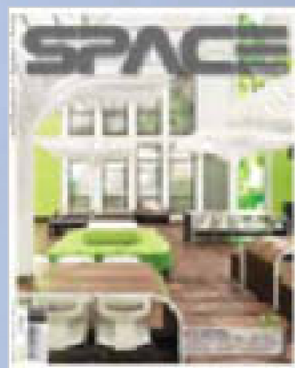
The Company has in place whistle-blowing policies and arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and appropriate follow up action, all whistle blowing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

Publishing Division <<

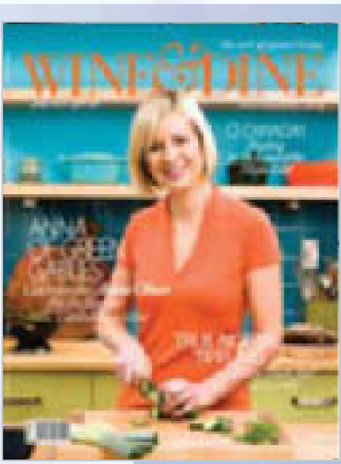
Malaysia

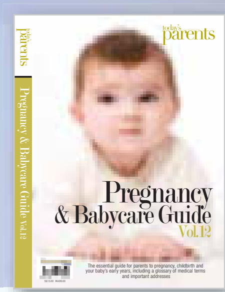




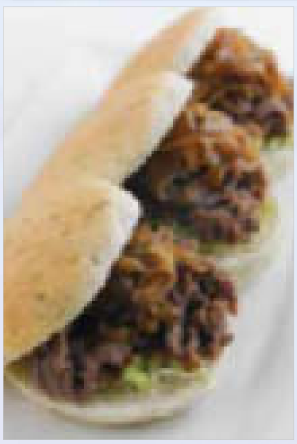


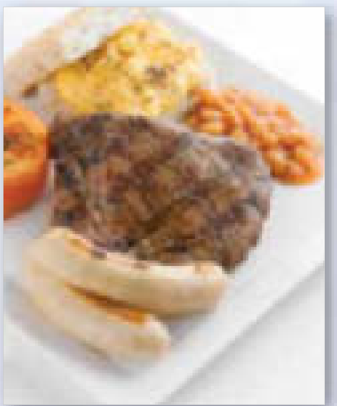
Singapore





Food & Beverage Division

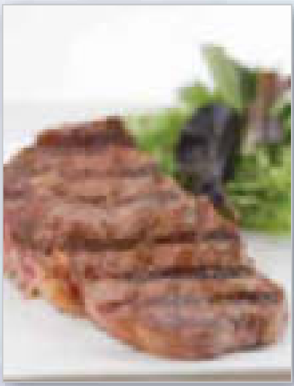




Most Original Burgers (MOB) is a fast-casual restaurant that offers all-day dining. It made its debut in May 2010 with the goal of using the freshest ingredients and offering quality, quantity and affordability.

Wholly conceptualised and developed in Singapore, MOB has created a refreshing way for people to enjoy the "perfect" burger in a cozy setting of friendly and accommodating staff so that diners can enjoy great quality food without having to pay the exorbitant price of a fancy restaurant.

Attractively designed with a mobster-themed décor and menu, MOB is named for its first-of-its-kind 'The Goodfellas' burger, which comprise of three 60-gramme 'mini burgers' cooked on a flat grill to sear in the juicy flavour linked together. Burger lovers have the choice of sampling three different types of burgers at the same time without having to order full portions of each.



With the customisable burgers, diners can select from a range of 12 types of patties—the Classic Beef, The Sloppy Joe, Grilled Chicken, Grilled Salmon, Philly Cheese Steak, Beef Bulgogi, Ebi Fry, Teriyaki Chicken, Smoked Duck, Roast Vegetable and Protobello Mushroom.

To further the "better burger" experience, MOB's burgers are served on toasted artisan bun and topped with a selection of the freshest produce and top-quality condiments. Burger lovers can pair their meals with side dishes, such as Sweet Potato Fries, Taro Fries, Goma Spaghetti, Baked Mac & Cheese or old fashioned Thick Cut Fries or Sweet Potato Mash.

MOB is known for its trademark savoury burgers, but the restaurant also serves up light meals such as Shepherd's Pie, Fisherman's Pie, Wasabi Ebi and Korean Fried Chicken coated in garlic or spicy sauce, with sides like Goma Spaghetti, Butter Rice or Kimchi Spaghetti Aglio Olio, among others. The menu also includes all-day-breakfast comfort food for any time of the day—chicken chipolata, grilled salmon or minute steak with eggs served on toasted foccacia.

For something a little more fancy, diners can choose from MOB's specialty platters straight from the grill—USA ribeye steak, rack of lamb and chicken—or classic deep-fried battered or breaded fish fillets. If you are looking for healthier food selections , the Pan-Fried Salmon Fillet is straight up your alley.

To accompany the meal, MOB offers a variety of alcoholic and non-alcoholic cocktails and a plethora of delicious desserts from waffles with ice cream to Korean Strawberries and Cream.

From the thick juicy burgers to the smart casual interiors, diners will be hit by a new dining experience at MOB.

>> Food & Beverage Division

According to legend, **Romulus** and Remus were the sons of Mars, the Roman God of War, and the Vestal Virgin, Rhea Silvia. The infant twins were set adrift in a small boat on the flooded Tiber river, but they were rescued by a she-wolf, that instead of killing them, suckled them to health. When they were grown to man's estate, the brothers eventually restored their regal birthright, acquired many followers and founded the city of Rome. Romulus became the first King of Rome and the she wolf had been the symbol of nationality since the establishment of the Republic in 510 BC.

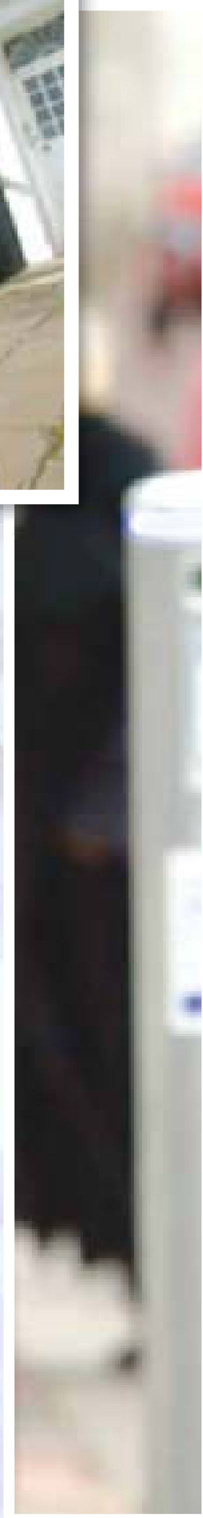
Under the reign of Romulus, Rome rapidly expanded to become a dominant force, due to divine favour and the inspired administrative, military and political leadership of the King. After ruling for 40 years, Romulus mysteriously vanished and became deified as the god Quirinus, the divine persona of the Roman people.

Fast forward into the 21st century, Romulus is now a café or a haven for people seeking a comfortable setting to enjoy a light meal or to simply catch up with an old friend – The Café where it all comes together.

Matching the uplifting atmosphere the café brings, the food and beverages served at Romulus is enough to persuade you to unleash your appetite. Boasting a wide variety of easy gourmet meals and fine coffee, find your cravings here at Romulus and enjoy life as the Romans do!

elektromotive
electric vehicle recharging stations

Elektrobays installed across Europe



Elektromotive Partners

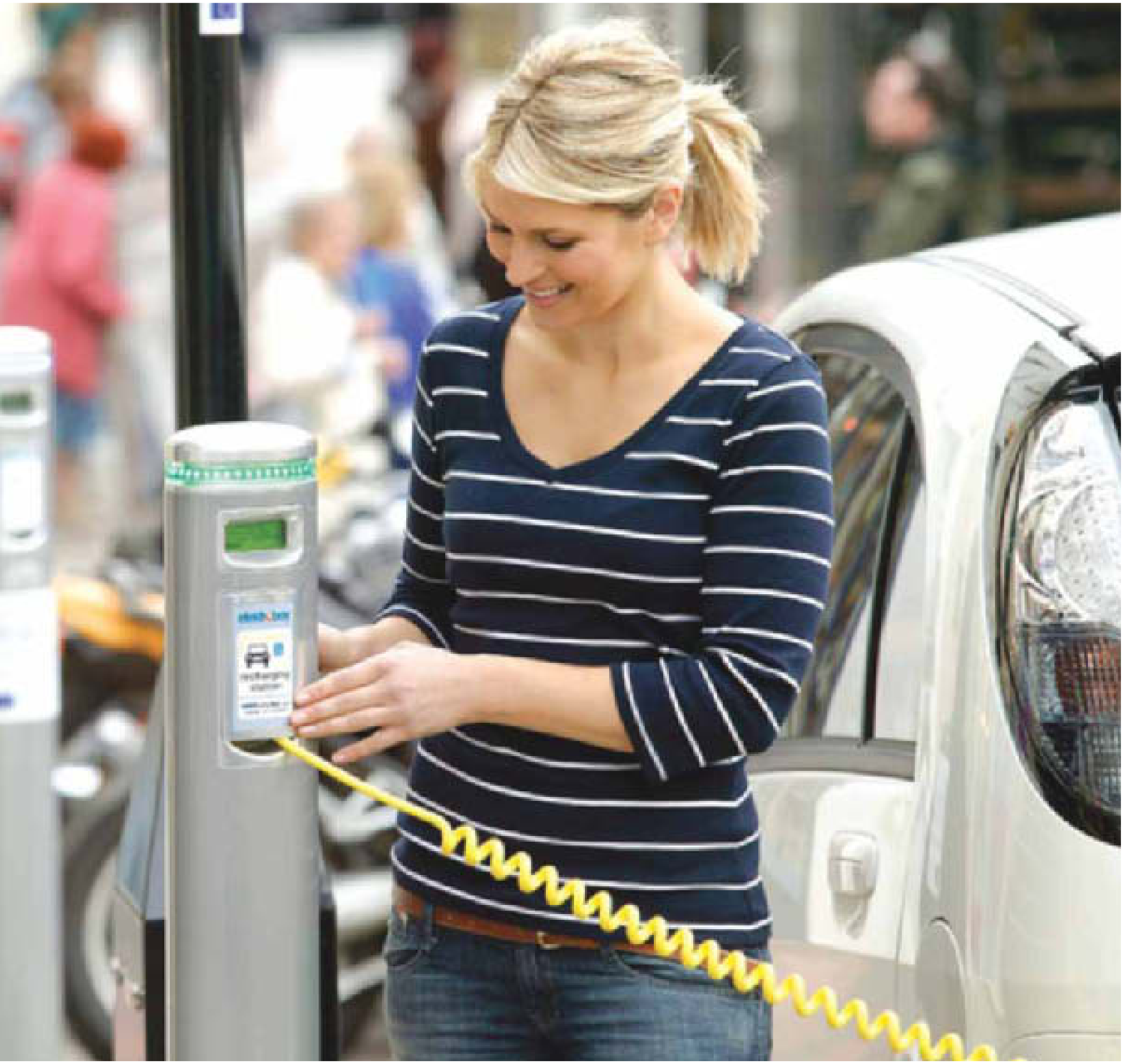
Mercedes-Benz

eDF

中華電力
CLP Power

RENAULT NISSAN

CITROËN



>> Elektromotive

Elektrobays installation footprint

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2011 and the balance sheet of the Company as at 31 March 2011.

Directors

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

Pengiran Muda Abdul Hakeem (Appointed on 28 October 2010)
Ricky Ang Gee Hing
Tan Choon Wee
Francis Xavier
Timothy Teo Lai Wah
Bob Low Siew Sie

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

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

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
The Company (No. of Ordinary shares)	31.3.2011	1.4.2010	31.3.2011	01.4.2010
Ricky Ang Gee Hing	12,901,617	12,901,617	14,098,647	14,098,647
Tan Choon Wee	2,500,000	2,500,000	12,500,000	12,500,000
Warrants to subscribe for ordinary shares at $0.08 each				
Ricky Ang Gee Hing	-	3,450,808	-	7,049,323
Tan Choon Wee	-	1,250,000	-	6,250,000

The directors' interests in the ordinary shares of the Company as at 21 April 2011 were the same as those as at 31 March 2011.

By virtue of Section 7 of the Singapore Companies Act (Cap. 50) (the "Act"), Ricky Ang Gee Hing is deemed to have interests in the shares of all the subsidiaries, at the beginning and at the end of the financial year and as at 21 April 2011.

Directors' contractual benefits

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

The Lexicon Group Limited Performance Share Plan

The Lexicon Group Limited Performance Share Plan ("the "Performance Share Plan") was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 7 September 2007.

The Performance Share Plan is intended to recruit, attract and retain participants to higher standards of performance and encourage greater dedication and loyalty by enabling the Company to give recognition to past contributions and services; as well as motivating participants to contribute to the long-term prosperity of the Group.

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

The Performance Share Plan is administered by the Remuneration Committee.

	Performance shares granted during the financial year	Aggregate performance shares granted since commencement of plan to end of financial year	Aggregate performance shares released since commencement of plan to end of financial year	Aggregate performance shares not released at end of financial year
Key executives of the Group	-	4,500,000	(4,500,000)	-

There were no unissued shares of the Company under Performance Share Plan at end of the financial year.

Share options

There were:

- no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.
- no shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries; and
- no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Warrants

The Company issued 50,000,000 free attached unlisted warrants upon issuance of 100,000,000 new ordinary shares to certain investors on 15 October 2010. Each warrant entitles the holder to subscribe for one new ordinary share in the Company at an exercise price of S$0.015 per share, subject to the terms and conditions as stated in the Deed

Warrant (Cont'd)

Poll of the Company. The warrants shall be exercised at any time from 15 October 2010 to the date immediately preceding the third anniversary of the date of the issuance of the warrants. The new shares into which the warrants can be converted will rank paripassu in all respects with the existing ordinary shares of the Company.

The Company issued 90,000,000 free attached unlisted warrants upon issuance of 180,000,000 new ordinary shares to certain investors on 18 January 2011. Each warrant entitles the holder to subscribe for one new ordinary share in the Company at an exercise price of S$0.02 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 18 January 2011 to the date immediately preceding the third anniversary of the date of the issuance of the warrants. The new shares into which the warrants can be converted will rank paripassu in all respects with the existing ordinary shares of the Company.

Number of warrants at beginning of the financial year	-
Issued during the financial year	140,000,000
Exercised during the financial year	(5,000,000)
Number of warrants at end of the financial year	135,000,000

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:
Timothy Teo Lai Wah (Chairman)
Francis Xavier
Bob Low Siew Sie

All members of the Audit Committee were independent.

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

- the audit plan of the Company's independent auditor and its report on the weaknesses of 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 2011 before their submission to the Board for approval;

The Audit Committee met 2 times in FY2011. The Audit Committee has met with the independent auditor without the presence of Management, to discuss issues of concern to them.

In addition, the Audit Committee has, in accordance with Chapter 9 of the Singapore Exchange Securities Trading Listing Manual, reviewed the requirements for approval and disclosure of interested party transactions, reviewed the internal procedures set up by the Company to identify and report and, where necessary, seek approval for interested person transactions and, with the assistance of the independent auditor, reviewed interested person transactions.

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

Non-Sponsorship fees

There were no non-sponsorship fees paid to our sponsor, KW Capital Pte. Ltd. or any of its affiliates for the financial year ended 31 March 2011.

Independent auditor

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

On behalf of the directors

....	....
Ricky Ang Gee Hing	**Tan Choon Wee**
Director	Director

30 June 2011

Statement by Directors <<

For the financial year ended 31 March 2011

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 32 to 81 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011, and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; 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.

The Board of directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the directors

....
Ricky Ang Gee Hing
Director

....
Tan Choon Wee
Director

30 June 2011

Independent Auditor's Report to the Members of The Lexicon Group Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Lexicon Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 32 to 81, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provision of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011, and the results, changes in equity and cash flow of the Group for financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Nexia TS Public Accounting Corporation
Public Accountants and Certified Public Accountants

Director-in-charge: Chin Chee Choon

Appointed from financial year ended 31 March 2009

Singapore

30 June 2011

>> Consolidated Balance Sheets

As at 31 March 2011

	Note	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
ASSETS					
Current assets					
Cash and cash equivalents	4	2,245	2,339	1,215	931
Financial assets, at fair value through profit or loss	5	-	43	-	43
Trade and other receivables	6	1,209	2,251	224	914
Inventories	7	166	204	-	-
Other current assets	8	321	325	205	196
		3,941	5,162	1,644	2,084
Non-current assets					
Financial assets, available-for-sale	9	853	853	853	853
Investment in joint venture company	10	-	-	-	1,500
Investments in subsidiaries	11	-	-	751	-
Property, plant and equipment	12	1,977	536	41	20
Intangible assets	13	-	750	-	-
		2,830	2,139	1,645	2,373
Total assets		6,771	7,301	3,289	4,457
LIABILITIES					
Current liabilities					
Trade and other payables	14	3,276	2,800	3,593	3,154
Borrowings	15	722	980	688	963
		3,998	3,780	4,281	4,117
Non-current liabilities					
Borrowings	15	774	3	-	-
Total liabilities		4,772	3,783	4,281	4,117
NET ASSETS/ (LIABILITIES)		1,999	3,518	(992)	340
EQUITY					
Capital and reserve attributable to equity holders of the Company					
Share capital	17	113,557	109,761	113,557	109,761
Treasury shares	17	-	-	-	-
Accumulated losses		(114,967)	(109,586)	(114,549)	(109,421)
Currency translation reserve		2,613	2,547	-	-
		1,203	2,722	(992)	340
Non-controlling interests		**796**	**796**	**-**	**-**
Total equity		**1,999**	**3,518**	**(992)**	**340**

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2011

	Note	2011	2010
		$'000	$'000
Revenue	18	5,533	5,257
Other income	19	386	9,648
Expenses			
- Direct costs:			
Publications		(2,314)	(2,584)
Exhibition and events		(224)	(78)
Food & beverage		(1,438)	(200)
- Depreciation of property plant and equipment		(355)	(178)
- Employee compensation	20	(3,453)	(3,161)
- Operating lease		(520)	(581)
- Finance	21	(10)	(11)
- Other		(3,042)	(2,474)
Total expenses		(11,356)	(9,267)
(Loss)/ profits before income tax		(5,437)	5,638
Income tax	22	56	-
Net (loss)/ profit		(5,381)	5,638
Other comprehensive income/ (loss)			
- Currency translation differences arising from consolidation		66	(156)
Total comprehensive (losses) / income for the year		(5,315)	5,482
(Loss)/ profit attributable to:			
- Equity holders of the Company		(5,381)	5,614
- Non-controlling interests		-	24
		(5,381)	5,638
Total comprehensive (losses) / income attributable to:		(5,315)	5,458
- Equity holders of the Company		-	24
- Non-controlling interests		(5,315)	5,482
(Loss)/ earnings per share attributable to the equity holders of the Company (cents per share)	23		
- Basic		(0.51)	0.60
- Diluted		(0.51)	0.60

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2011

	Note	Share capital	Treasury shares	Currency translation difference	Accumulated losses	Total	Non-controlling Interests	Total Equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2011								
Beginning of financial year		109,761	-	2,547	(109,586)	2,722	796	3,518
Issue of shares	17	3,796	-	-	-	3,796	-	3,796
Total comprehensive income / (losses) for the year		-	-	66	(5,381)	(5,315)	-	(5,315)
End of financial year		113,557	-	2,613	(114,967)	1,203	796	1,999
2010								
Beginning of financial year		112,679	(51)	2,703	(115,200)	131	772	903
Issue of shares	17	4,243	-	-	-	4,243	-	4,243
Capital reduction		(7,125)	-	-	-	(7,125)	-	(7,125)
Treasury shares re-issued as employees' performance shares	17	(36)	51	-	-	15	-	15
Total comprehensive income for the year		-	-	(156)	5,614	5,458	24	5,482
End of financial year		109,761	-	2,547	(109,586)	2,722	796	3,518

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

Consolidated Cash Flow Statement

For the financial year ended 31 March 2011

	Note	Group 2011 $'000	Group 2010 $'000
Cash flows from operating activities			
Net (loss)/ profit		(5,381)	5,638
Adjustments for:			
- Income tax recovered	22	(56)	-
- Issue of employees' performance shares		-	15
- Depreciation of property, plant and equipment	12	355	178
- Gain on disposal of financial assets, at fair value through profit or loss		(120)	-
- Property, plant and equipment written off		68	4
- Gain on disposal of subsidiaries	19	-	(280)
- Gain on disposal of associated company	19	-	(831)
- Allowance for impairment of investment in Sandz written back	19	-	(7,125)
- Allowance for impairment of loan to Sandz written back	19	-	(500)
- Write-back of accrued operating expenses	19	-	(757)
- Impairment loss on financial assets, available-for-sale		5	-
- Write-off of other receivables		85	-
- Allowance for impairment of investment of intangible asset	13	750	-
- Interest income		(40)	(20)
- Finance expenses	21	10	11
		(4,324)	(3,667)
Change in working capital, net of effects from acquisition and disposal of subsidiaries			
- Inventories		38	23
- Trade and other receivables		961	1,692
- Trade and other payables		476	(734)
Cash used in operations		(2,939)	(2,686)
Interest received		40	20
Income tax refund		56	-
Net cash used in operating activities		(2,843)	(2,666)
Cash flows from investing activities			
Proceeds from disposal of associated company		-	831
Proceeds from disposal of subsidiaries, net of cash disposed		-	280
Proceeds from sale of financial assets, at fair value through profit or loss		163	-
Proceeds from sale of property, plant and equipment		19	-
Purchases of property, plant and equipment	12	(1,082)	(495)
Purchases of financial assets, available-for-sale		(5)	-
Investment in joint venture company		-	(750)
Placement of short-term bank deposits pledged to bank		(183)	(15)
Net cash used in investing activities		(1,088)	(149)

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

Consolidated Cash Flow Statement

For the financial year ended 31 March 2011

	Note	Group 2011 $'000	Group 2010 $'000
Cash flows from financing activities			
Proceeds from issuance of unsecured convertible notes		-	4,043
Repayment of expired convertible notes		(150)	-
Proceeds from issue of new shares		3,796	-
Repayment of hire purchase/finance lease liabilities		(17)	(102)
Repayment of borrowings		(125)	-
Interest paid		(10)	(11)
Net cash provided by financing activities		3,494	3,930
Net (decrease)/ increase in cash and cash equivalents		(347)	1,115
Cash and cash equivalents at beginning of financial year		2,314	1,357
Effects of currency translation on cash and cash equivalents		70	(158)
Cash and cash equivalents at end of financial year	4	2,037	2,314

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

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

1 General information

The Lexicon Group Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 9 Battery Road #15-01 Straits Trading Building Singapore 049910. The address of its principal place of business was at 371 Beach Road, #03-18 Keypoint, Singapore 199597. On 3 May 2011, the Company changed its principal place of office to 18 Boon Lay Way, #10-96/97, Tradehub 21, Singapore 609966.

The principal activities of the Company are the provision of management services and investment holding. The principal activities of its subsidiaries are shown in Note 11.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Lexicon Group Limited on 30 June 2011.

2 Significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The 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.

Interpretations and amendments to published standards effective in 2010

On 1 April 2010, the Group adopted the new or amended FRS and interpretations to FRS ("INT FRS") that are mandatory for application from the date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except as disclosed as below :-

(a) <u>FRS 27 (revised) Consolidated and Separate Financial Statements</u> (effective for annual periods beginning on or after 1 July 2009)

The revisions to FRS 27 principally change the accounting for transaction with non-controlling interests. Please refer to Note 2.2(a) (iii) for the revised accounting policy on changes in ownership interest in the current financial year.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements. There were no transactions with non-controlling interests in the current financial year. Accordingly, these changes do not have any impact on the financial statements for the current financial year.

2 Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

(b) Amendment to FRS 7 Cash Flow Statements (effective for annual periods beginning on or after 1 January 2010)

Under the amendment, only expenditures that result in recognised assets in the balance sheet can be classified as investing activities in the statement of cash flows. Previously, such expenditures could be classified as investing activities in the statement of cash flows.

(c) FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

2.2 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to the majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated 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 subsidiaries have been charged where necessary to ensure consistency with the policies adopted by the Group.

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

(ii) Acquisition of business

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

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

2.2 Group accounting (Cont'd)

(a) Subsidiaries (Cont'd)

(ii) Acquisition of business (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 recognised 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 net identifiable assets.

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

(iii) Disposals of subsidiaries or businesses

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

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

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

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

2 Significant accounting policies (Cont'd)

2.2 Group accounting (Cont'd)

(c) Joint Ventures

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the consolidated financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Group's share of the joint ventures' income and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements.

When the Group sells assets to a joint venture, the Group recognises only the portion of gains or losses on the sale of assets that is attributable to the interest of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in joint ventures in the separate financial statements of the Company.

2.3 Investment in subsidiaries and joint ventures

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

2.4 Property, plant and equipment

(i) Measurement

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

<u>Components of costs</u>

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.

(ii) Depreciation

Depreciation of 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
Leasehold property	53 years
Furniture and fittings	5 to 20 years
Office equipment	5 to 10 years
Computers	3 years
Renovation	5 to 10 years
Kitchen equipment	5 years

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.

(iii) 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 Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

(iv) 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.

2 Significant accounting policies (Cont'd)

2.5 Intangibles assets

(a) Goodwill on acquisition

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

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

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

(b) Acquired magazine mastheads

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

(d) Brand

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

2.6 Impairment of non-financial assets

(i) 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. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

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

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

2 Significant accounting policies (Cont'd)

2.6 Impairment of non-financial assets (Cont'd)

(ii) Intangible assets
Property, plant & equipment
Investments in subsidiaries and joint ventures

Intangible assets, property, plant and equipment, investments in subsidiaries and joints ventures company is 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 flows 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.

An impairment loss for an asset other than goodwill is reversed if, and 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 an asset other than goodwill 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.

2.7 Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

(a) Financial assets, at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with no fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. The loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

2 Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

(i) Classification (Cont'd)

(c) Financial assets, available-for-sale

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

(ii) Recognition and derecognition

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

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

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately in profit or loss.

(iv) Subsequent measurement

Financial assets, at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets, at fair value through profit or loss including the effects of currency translation, interest and dividend, are recognised in profit or loss when the changes arise.

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

(v) Impairment

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

2 Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

(v) Impairment (Cont'd)

(a) Loans and receivables

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

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

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

(b) Financial assets, available-for-sale

A significant or prolonged decline in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

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

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

2 Significant accounting policies (Cont'd)

2.10 Trade and other payables

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

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

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

2.13 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.

2.14 Fair value estimation of financial assets and liabilities

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

2.15 Revenue recognition

Revenue from the circulation of magazines and periodicals is recognised upon delivery of goods and acceptance by customers. Subscription income is amortised over the period of the subscription.

Revenue from advertisements is recognised based on the date of publication.

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

Revenue from food and beverage operations is recognised upon the billing of food and beverage to customers. Revenue represents the invoiced value of food and beverage.

Revenue from license fee is recognised on a straight-line basis over the period where the license is granted to the licensee.

2 Significant accounting policies (Cont'd)

2.15 Revenue recognition (Cont'd)

Royalty fee is derived based on the percentage agreed with the franchisees multiplied by the net sales of the franchisees.

Interest income is recognised using the effective interest method.

2.16 Employee compensation

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

Defined contribution plans

Defined contributions plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

2.17 Leases

When the Group is the lessee:

The Group leases plant and machinery under finance leases and office building under operating lease from non-related parties.

(a) Lessee - Finance leases

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

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

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

(b) Lessee – Operating leases

Leases of equipment, office premises and other facilities where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net off any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

2.18 Income taxes

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

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

2 Significant accounting policies (Cont'd)

2.18 Income taxes (Cont'd)

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

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

Deferred income tax is measured:

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

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

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

2.19 Segments reporting

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

2.20 Currency translation

(i) 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.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences 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.

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.

2 Significant accounting policies (Cont'd)

2.20 Currency translation (Cont'd)

(iii) 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 date of the balance sheet;

(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 the currency translation reserve.

2.21 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

2.22 Government grant

Government grant relating to expenses is deducted directly from the related expense.

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.

(a) Estimated impairment of non-financial assets

Intangible assets: goodwill and brand are tested for impairment annually and whenever there is indication that these assets may be impaired. Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The carrying amounts of the intangible assets and property, plant and equipment at the balance sheet date are disclosed in Note 13 and Note 12 to the financial statements respectively.

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

(b) ***Impairment of investments***

The Company assesses at each balance sheet date whether there is any objective evidence that the investment in subsidiaries and joint ventures are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the operational and financing cash flow. Management will exercise significant judgement to evaluate the financial conditions and business prospects of the investment.

Where there is objective of impairment the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiaries and joint ventures. The carrying amounts of the Company's investments in subsidiary companies and joint ventures at the balance sheet date are disclosed in Note 11 and Note 10 to the financial statements respectively.

(c) ***Uncertain tax positions***

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

(d) ***Impairment of loans and receivables***

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

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

(e) ***Impairment of financial assets, available-for-sale***

The Group follows the guidance of FRS 39 in determining when an available-for-sale financial asset is considered impaired. This determination requires significant judgment. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

4. Cash and cash equivalents

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Cash at bank and on hand	2,037	2,314	1,205	921
Short-term bank deposits	208	25	10	10
Cash and cash balances	2,245	2,339	1,215	931

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

	Group	
	2011 $'000	2010 $'000
Cash and bank balances (as above)	2,245	2,339
Less: short-term bank deposits pledged	(208)	(25)
Cash and cash equivalents per consolidated cash flow statement	2,037	2,314

Short-term bank deposits are pledged as security for letter of guarantee.

5. **Financial assets at fair value through profit or loss**

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Held for trading				
Listed securities:				
- Equity securities - Singapore	-	43	-	43
- Equity securities - US	-	-	-	-
- Equity securities - London	-	-	-	-
	-	43	-	43

The loan from a financial institution is secured on the financial assets at fair value through profit or loss with carrying amounts of Nil (2010: Nil) (Note 15 (a)).

6. **Trade and other receivables**

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Trade receivables				
- Non-related parties	1,364	1,590	-	-
- Subsidiaries	-	-	875	1,017
- Joint venture company	-	26	-	-
	1,364	1,616	875	1,017
Less: Allowance for impairment of trade receivables	(222)	(278)	(875)	(1,017)
Trade receivables – net	1,142	1,338	-	-
Non-trade receivables				
- Non-related parties	70	180	22	34
- Loan to Zenna	-	606	-	606
- Subsidiaries	-	-	35,278	33,284
- Joint venture partners	30	148	-	-
- Joint venture company	-	-	223	295
- Related party	220	-	-	-
	320	934	35,523	34,219
Less: Allowance for impairment of non-trade receivables	(253)	(21)	(35,299)	(33,305)
Non-trade receivables - net	67	913	224	914
	1,209	2,251	224	914

The loan to Zenna was fully repaid during the current financial year.

The non-trade amounts due from subsidiaries and joint venture partners are unsecured, interest-free and repayable on demand.

7. Inventories

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Food and beverages	18	33	-	-
Work–in-progress	148	171	-	-
	166	204	-	-

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

The cost of inventories recognised as and expense included in "cost of sales" amounts to $512,000 (2010: $56,000).

8. Other current assets

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Prepayments	77	97	46	42
Deposits	239	225	159	154
Other	5	3	-	-
	321	325	205	196

9. Financial assets, available-for-sale

	Group and Company	
	2011	2010
	$'000	$'000
Beginning of financial year	853	853
Additions	5	-
Impairment losses	(5)	-
End of financial year	853	853

Financial assets, available-for-sale are analysed as follows:

	Group and Company	
	2011	2010
	$'000	$'000
Unlisted securities		
Grandview Financial Limited	853	853

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

10. Investment in joint venture company

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Equity investments at cost	-	-	1,500	1,500
Less: Impairment loss	-	-	(1,500)	-
	-	-	-	1,500

On 3 November 2009, the Group has incorporated a joint venture company, Tom N Toms International Pte Ltd ("TNTI) with Tom N Toms Ltd and KTNT Holdings Limited ("JV Partners") of which the Company holds a 50% stake. The purpose of the joint-venture company is to increase market shareholdings through franchising "Tom and Toms" brand (Note 13).

TNTI is incorporated in the Republic of Singapore, and has an issued and paid-up share capital of $3 million.

There are disputes between the Company and the JV Partners regarding use of trade marks as well as the establishment of a competing outlet without a proper franchise agreement.

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

Under the terms of the JVA, the parties to the JVA are to refer and resolve all disputes by arbitration in Singapore in accordance with the Arbitration Rules of the SIAC.

As at 31 March 2011, impairment loss of $1,500,000 was provided.

The following amounts represent the Group's 50% share of the assets and liabilities and income and expenses of the joint venture which are included in the consolidated balance sheet and statement of comprehensive income using the line-by-line format of proportionate consolidation:

10. **Investment in joint venture company (Cont'd)**

	Group 2011 $'000	Group 2010 $'000
Assets		
- Current assets	27	719
- Non-current assets	-	751
	27	1,470
Liabilities		
- Current liabilities	45	208
Net (liabilities) / assets	(18)	1,262
Revenue	16	6
Expenses	(1,296)	(244)
Net loss before income tax	(1,280)	(238)
Income tax	-	-
Net loss after income tax	(1,280)	(238)

	Group 2011 $'000	Group 2011 $'000
Operating cash outflows	(669)	(32)
Investing cash outflows	-	(1)
Financing cash inflows	-	750
Total cash (outflows) / inflows	(669)	717

Details of the Group's joint venture company are as follows:

Name of joint venture company	Country of incorporation and place of business	Effective equity held by the Group 2011	Effective equity held by the Group 2010
		%	%
Held by the Company			
Tom N Toms International Pte Ltd [1]	Singapore	50	50
Held by joint venture			
Tom N Toms Retail Pte Ltd [1]	Singapore	50	-

[1] Audited by Nexia TS Public Accounting Corporation, Singapore, member firm of Nexia International.

11. Investments in subsidiaries

	Company 2011 $'000	Company 2010 $'000
Equity investment at cost		
Beginning of financial year	70,483	70,483
Additions	1,092	-
End of financial year	71,575	70,483
Accumulated impairment		
Beginning of financial year	70,483	70,483
Impairment charge	341	-
End of financial year	70,824	70,483
Net book value		
End of financial year	751	-

The details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective equity held by the Group 2011 %	Effective equity held by the Group 2010 %
Held by Company				
Panpac Marketing & Circulation Pte Ltd (1)	Publishing and sale of periodicals and magazines	Singapore	100	100
Lexicon F&B Pte Ltd (1)	Operating of cafes and restaurants	Singapore	100	100
TLG Specialist Magazines Pte Ltd (1)	Publishing and sale of periodicals and magazines	Singapore	100	100
Wine and Dine Experience Pte Ltd (1)	Publishing and sale of periodicals and magazines	Singapore	100	100
SmartInvestor Pte Ltd (1)	Publishing and sale of periodicals and magazines	Singapore	100	100
Panpac Media.com (Australia) Pty Ltd (3)	Investment holding - currently dormant	Australia	100	100
Panpac Media Sdn. Bhd.(2)	Publishing and sale of periodicals and magazines	Malaysia	100	100
Panpac Tech Strategic Ltd (3)	Investment holding	British Virgin Islands	100	100

11. Investments in subsidiaries (Cont'd)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective equity held by the Group	
			2011 %	2010 %
Held by Company				
Grierson Pte Ltd [5]	Provision of e-business consultancy and marketing services to real estates and related industries - currently dormant	Singapore	-	85
Auston Technology Group Pte Ltd [1]	Investment holding	Singapore	78.2	78.2
AsiaStockWatch.com (Australia) Pty Ltd[3]	Provision of internet database services and information - currently dormant	Australia	100	100
Inovatif Media Asia Sdn. Bhd [2]	Media Publishing	Malaysia	100	100
Lifestyle Magazines Publishing Pte Ltd [1]	Publishing and sale of periodicals and magazines	Singapore	100	100
Sun China Media (BJ) Culture Distribution Ltd[4]	Media Publishing	China	100	100
MOB Holdings Pte Ltd [1]	Investment holding	Singapore	100	-
Romulus Holdings Pte Ltd [1]	Investment holding	Singapore	60	-
TLG Properties Pte Ltd [1]	Investment holding	Singapore	100	-

11. Investments in subsidiaries (Cont'd)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective equity held by the Group	
			2011 %	2010 %
Held by subsidiaries				
Panpac Specialist Magazines (Malaysia) Sdn. Bhd. (2)	Letting of property - currently dormant	Malaysia	100	100
Panpac Business Media (M) Sdn.Bhd. (2)	Media publishing - currently dormant	Malaysia	100	100
WDE (Malaysia) Sdn. Bhd. (2)	Media publishing - currently dormant	Malaysia	100	100
Panpac Lifestyle Magazines (M) Sdn. Bhd. (2)	Media publishing - currently dormant	Malaysia	100	100
Golf Times (Malaysia) Sdn. Bhd. (2)	Media advertising contractors and agents - currently dormant	Malaysia	100	100
Juzlaw Solutions Pte Ltd (5)	Trading in computer hardware and accessories	Singapore	-	80

(1) Audited by Nexia TS Public Accounting Corporation, Singapore, member firm of Nexia International.
(2) Audited by Monteiro & Heng, Malaysia, a member firm of Baker Tilly International.
(3) Not required to be audited by the laws of their countries of incorporation.
(4) In the process of deregistration.
(5) Deregistered during the financial year.

12. Property, plant and equipment

Group	Kitchen Equipment	Furniture and fittings	Office equipment	Computers	Renovation	Leasehold Property	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2011							
Cost							
Beginning of financial year	60	67	314	920	479	-	1,840
Currency translation differences	-	(1)	(4)	(12)	(2)	-	(19)
Additions	85	40	7	88	387	1,280	1,887
Disposals	(11)	-	-	(14)	-	-	(25)
Written-off	-	-	-	-	(148)	-	(148)
End of financial year	134	106	317	982	716	1,280	3,535
Accumulated depreciation							
Beginning of financial year	3	52	290	828	131	-	1,304
Currency translation differences	-	(1)	(3)	(10)	(1)	-	(15)
Depreciation charge	28	11	12	51	253	-	355
Disposals	(2)	-	-	(4)	-	-	(6)
Written-off	-	-	-	-	(80)	-	(80)
End of financial year	29	62	299	865	303	-	1,558
Net book value							
End of financial year	105	44	18	117	413	1,280	1,977

12. Property, plant and equipment (Cont'd)

Group	Kitchen Equipment	Furniture and fittings	Office equipment	Computers	Renovation	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2010						
Cost						
Beginning of financial year	-	56	315	849	115	1,335
Currency translation differences	-	1	3	11	2	17
Additions	60	10	3	60	362	495
Disposals	-	-	(7)	-	-	(7)
End of financial year	60	67	314	920	479	1,840
Accumulated depreciation						
Beginning of financial year	-	48	279	696	93	1,116
Currency translation differences	-	1	1	9	1	12
Depreciation charge	3	3	12	123	37	178
Disposals	-	-	(2)	-	-	(2)
End of financial year	3	52	290	828	131	1,304
Net book value						
End of financial year	57	15	24	92	348	536

12. **Property, plant and equipment (Cont'd)**

Company	Computers	Renovation	Total
	$'000	$'000	$'000
2011			
Cost			
Beginning of financial year	306	63	369
Additions	36	-	36
End of financial year	342	63	405
Accumulated depreciation			
Beginning of financial year	289	60	349
Depreciation charge	14	1	15
End of financial year	303	61	364
Net book value			
End of financial year	39	2	41
2010			
Cost			
Beginning of financial year	286	63	349
Additions	20	-	20
End of financial year	306	63	369
Accumulated depreciation			
Beginning of financial year	194	59	253
Depreciation charge	95	1	96
End of financial year	289	60	349
Net book value			
End of financial year	17	3	20

(a) The carrying amounts of computers and office equipment under finance leases are $15,042 (2010: $35,159) at the balance sheet date.

(b) Bank borrowings are secured on leasehold property of the Group with carrying amounts of $1,280,000 (Note 15).

13. Intangible assets

	Group 2011	Group 2010
	$'000	$'000
Goodwill arising on consolidation	-	-
Magazines mastheads	-	-
Brand (Note 10)	-	750
	-	750

Group	Goodwill arising on consolidation	Magazines mastheads	Brand	Total
	$'000	$'000	$'000	$'000
2011				
Cost				
Beginning and end of financial year	7,949	4,088	750	12,787
Accumulated impairment				
Beginning of financial year	7,949	4,088	-	12,037
Impairment charge	-	-	750	750
End of financial year	7,949	4,088	750	12,787
Net book value				
End of financial year	**-**	**-**	**-**	**-**

Group	Goodwill arising on consolidation	Magazines mastheads	Consultancy services agreement	Brand	Total
	$'000	$'000	$'000	$'000	$'000
2010					
Cost					
Beginning of financial year	7,949	4,088	1,793	-	13,830
Additions	-	-	-	750	750
Disposals	-	-	(1,793)	-	(1,793)
End of financial year	7,949	4,088	-	750	12,787
Accumulated impairment					
Beginning of financial year	7,949	4,088	1,793	-	13,830
Disposals	-	-	(1,793)	-	(1,793)
End of financial year	7,949	4,088	-	-	12,037
Net book value					
End of financial year	-	-	-	750	750

14. Trade and other payables

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Trade payables				
- Non-related parties	1,431	1,681	429	594
- Subsidiaries	-	-	613	442
	1,431	1,681	1,042	1,036
Non-trade payables				
- Non-related parties	399	171	2	-
- Subsidiaries	-	-	2,322	1,926
	399	171	2,324	1,926
Deferred revenue	409	248	-	-
Accrued operating expenses	1,037	700	227	192
	3,276	2,800	3,593	3,154

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

15. Borrowings

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Current				
Loan from a financial institution [Note (a)]	688	813	688	813
Convertible notes [Note (b)]	-	150	-	150
Finance lease liabilities [Note (c) & Note 16]	3	17		
Bank borrowing [Note (d)]	31	-	-	-
	722	980	688	963
Non-Current				
Finance lease liabilities [Note (c) & Note 16]	-	3	-	-
Bank borrowing [Note (d)]	774	-	-	-
Total borrowing	1,496	983	688	963

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Less than 1 year	722	980	688	963
1 – 5 years	121	3	-	-
Over 5 years	653	-	-	-
	1,496	983	688	963

15. Borrowings (Cont'd)

(a) Loan from a financial institution

The loan from a financial institution bears interest at 8% (2010: 8%) per annum and is repayable on demand. The loan is secured by the financial assets at fair value through profit or loss (Note 5).

(b) Convertible notes

In 2007, the Company entered into a subscription agreement with Value Capital Asset Management Limited ("VCAM") whereby the Company agrees to issue up to $20,000,000, 3% unsecured convertible notes (the "Notes") comprising four equal tranches of a principal sum of $5,000,000 each to VCAM. On 21 June 2010, the Group has fully repaid the outstanding of $150,000 in cash.

(c) Finance leases

Finance lease liabilities of the Group are effectively secured over the leased computer and office equipment (Note 12), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

(d) Bank borrowing

The bank borrowings bears interest at 1.81% to 5.00% (2010: Nil) per annum and is repayable over 20 years commencing on 3 May 2011. The loan is secured by corporate guarantees of the Company and leasehold property held by one of the subsidiaries (Note 12).

(e) Fair value of non-current borrowings

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Finance lease liabilities (Note 16)	-	3	-	-
Bank borrowing	774	-	-	-

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group		Company	
	2011	2010	2011	2010
Finance lease liabilities	10.71% to 15.50%	10.71% to 15.50%	-	-
Bank borrowing	1.81% to 5.00%	-	-	-

16. Finance lease liabilities

The Group leases computers and office equipment from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Minimum lease payments due				
- Not later than one year	3	22	-	-
- Between one and five years	-	-	-	-
	3	22	-	-
Less: Future finance charges	-	(2)	-	-
Present value of finance lease liabilities	3	20	-	-

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

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Not later than one year	3	17	-	-
Between one and five years	-	3	-	-
Total	3	20	-	-

The finance lease liabilities bear interest ranging from 10.71% to 15.50% (2010: 10.71% to 15.50%) per annum.

17. Share capital and treasury shares

	No of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
			$'000	$'000
Group and company				
2011				
Beginning of financial year	940,919,313	-	109,761	-
Share issue	285,014,000	-	3,796	-
End of financial year	1,225,933,313	-	113,557	-
2010				
Beginning of financial year	722,924,551	(765,000)	112,679	(51)
Share issue	292,994,762	-	4,243	-
Capital reduction	(75,000,000)	-	(7,125)	-
Treasury shares re-issued as employees' performance shares	-	765,000	(36)	51
End of financial year	940,919,313	-	109,761	-

All issued ordinary shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

During the financial year, the Company issued 285,014,000 ordinary shares arising from:

– Issuance of 280,000,000 ordinary shares for a total of consideration of $3,720,000 through the placement of new shares. The proceeds from the placement were fully used to finance the operations of the Company and the Group during the financial year; and
– Issuance of 5,014,000 ordinary shares for a total consideration of $76,000 through the exercise of warrants. The proceeds from the exercise of warrants were fully used to finance the operations of the Company and the Group during the financial year.

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

18. Revenue

	Group 2011 $'000	Group 2010 $'000
Advertisement	2,789	3,474
Circulation	1,466	1,552
Exhibition and events	302	103
Food and beverage	976	128
	5,533	5,257

19. Other income

	Group 2011 $'000	Group 2010 $'000
Gain on disposal of associated company	-	831
Gain on disposal of subsidiaries	-	280
Write-back of accrued operating expenses	-	757
Allowance for impairment of investment in Sandz written back	-	7,125
Allowance for impairment of loan to Sandz written back	-	500
Gain on deregistration of subsidiaries	90	-
Gain on disposal of financial assets through profit or loss	120	-
Interest income	40	20
Management fees	113	-
Other	23	135
	386	9,648

20 Employee compensation

	Group 2011 $'000	Group 2010 $'000
Wages, salaries and bonuses	3,057	2,932
Employer's contribution to defined contribution plans, including Central Provident Fund	310	225
Other	86	71
	3,453	3,228
Government Grant – Jobs credit scheme	-	(67)
	3,453	3,161

The Jobs Credit Scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The Jobs Credit Scheme will be paid to eligible employers in 2009 in four payments and the amount an employer can receive would depends on the fulfillment of the conditions as stated in the scheme.

21 Finance expenses

	Group	
	2011	2010
	$'000	$'000
Interest expenses		
- Borrowings from related parties	9	-
- Finance lease liabilities	1	11
	10	11

22 Income taxes

	Group	
	2011	2010
	$'000	$'000
Tax expense attributable to profit is made up of:		
Over provision of current income tax in prior financial years	56	-
	56	-

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax is as explained below:

	Group	
	2011	2010
	$'000	$'000
(Loss)/ Profit before income tax:	(5,437)	5,638
Tax calculated at tax rate of 17%	(924)	958
Effects of:		
- Different tax rates in other countries	-	12
- Income not subject to tax	(36)	(1,614)
- Expenses not deductible for tax purposes	251	74
- Deferred income tax not recognised	709	570
Tax charge	-	-

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 $57,170,554 (2010: $53,002,338) 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.

23 (Loss) / earnings per share

(a) Basic (loss) / earnings per share

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

	Total	
	2011	**2010**
Net (loss) / profit attributable to equity holders of the Company ($'000)	(5,381)	5,614
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	1,052,177	929,935
Basic (loss) / earnings per share (cents)	(0.51)	0.60

(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 does not have dilutive ordinary shares from option scheme.

For the share warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. There is no dilution of loss per share from the share warrants outstanding as the Group incurs a loss in the current financial year.

24 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:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Fees paid to firms in which a director is a shareholder or partner	48	143	25	143
Loan to a company for which a director is deemed to be a shareholder	220	-	-	-

24 Related party transactions (Cont'd)

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

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
(a) Key management personnel compensation is as follows:				
Wages and salaries	959	995	644	853
Employer's contribution to defined contribution plans, including Central Provident Fund	50	37	23	24
	1,009	1,032	677	877

Included in the above is total compensation to directors of the Company amounting to $532,000 (2010: $525,000).

25 Financial Guarantees

The Company has issued corporate guarantees to banks for borrowings of a subsidiary. These bank borrowings amount to $805,000. The fair values of the corporate guarantees have not been recognised in the financial statements of the Company as the amounts involved are not material to the Company.

26 Operating lease commitments

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

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

	Group		Company	
	2010	2010	2011	2010
	$'000	$'000	$'000	$'000
- Not later than one year	485	736	101	413
- Between one and five years	577	771	3	238
	1,062	1,507	104	651

27 Financial risk management

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

(a) Market risk

(i) Currency risk

The Company operates in Asia with dominant operations in Singapore. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore Dollar ("SGD"), United States Dollar ("USD") and Malaysian Ringgit ("MYR"). Currency risk arises when transactions are denominated in foreign currencies.

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

	SGD	USD	MYR	Total
	$'000	$'000	$'000	$'000
At 31 March 2011				
Financial assets				
Cash and cash equivalents, financial assets, available for sale and financial assets, at fair value through profit or loss	1,940	895	263	3,098
Trade and other receivables	555	7	647	1,209
Other financial assets	228	-	11	239
	2,723	902	921	4,546
Financial liabilities				
Borrowings	805	688	3	1,496
Other financial liabilities	2,512	-	764	3,276
	3,317	688	767	4,772
Net financial (liabilities)/assets	(594)	207	162	(225)
Less: Net financial liabilities/(assets) denominated in the respective entities functional currencies	594	-	(162)	
Add: Net non-financial liabilities of foreign subsidiaries	-	-	-	
Currency exposure	-	207	-	

27 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

	SGD $'000	USD $'000	MYR $'000	Total $'000
At 31 March 2010				
Financial assets				
Cash and cash equivalents, financial assets, available for sale and financial assets, at fair value through profit or loss	2,165	908	162	3,235
Trade and other receivables	1,626	-	625	2,251
Other financial assets	214	-	11	225
	4,005	908	798	5,711
Financial liabilities				
Borrowings	150	813	20	983
Other financial liabilities	2,175	-	625	2,800
	2,325	813	645	3,783
Net financial (liabilities)/assets	1,680	95	153	1,928
Less: Net financial liabilities/(assets) denominated in the respective entities functional currencies	(1,680)	-	(153)	
Add: Net non-financial liabilities of foreign subsidiaries	-	-	-	
Currency exposure	-	95	-	

27 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

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

	2011			2010		
	SGD	USD	Total	SGD	USD	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash and cash equivalents and financial assets, available for sale and financial assets, at fair value through profit or loss	1,215	853	2,068	974	853	1,827
Trade and other receivables	224	-	224	914	-	914
Other financial assets	159	-	159	154	-	154
	1,598	853	2,451	2,042	853	2,895
Financial liabilities						
Borrowings	-	(688)	(688)	(150)	(813)	(963)
Other financial liabilities	(3,593)	-	(3,593)	(3,154)	-	(3,154)
	(3,593)	(688)	(4,281)	(3,304)	(813)	(4,117)
Net financial (liabilities)/ assets	(1,995)	165	(1,830)	(1,262)	40	(1,222)
Currency exposure	-	165	165	-	40	40

If the USD change against the SGD by 7% (2010: 7%) with all other variables including tax rate being held constant, the effects arising from the net financial liabilities/asset position will be as follows:

	Increase / (Decrease)	
	2011	2010
	Profit after tax	Profit after tax
	$'000	$'000
Group		
USD against SGD		
- strengthened	12	6
- weakened	(12)	(6)
Company		
USD against SGD		
- strengthened	10	2
- weakened	(10)	(2)

27 **Financial risk management (Cont'd)**

(a) <u>Market risk (Cont'd)</u>

(ii) Price risk

The Group and the Company is not exposed to 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.

The Group's and the Company exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Group and the Company borrowings at variable rate are denominated mainly in Singapore Dollars ("SGD"). If the SGD interest rates increase/decrease by 0.50% (2010: 0.50%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by $3,212 (2010: $55) as a result of higher/lower interest expense on these borrowings.

27 Financial risk management (Cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will credit default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	2011	2010
	$'000	$'000
Corporate guarantees provided to banks on subsidiaries' loans	805	-

The Group's and the Company's major classes of financial assets are trade and other receivables. The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
By geographical areas				
Singapore	483	674	-	-
Malaysia	645	613	-	-
Other countries	14	51	-	-
	1,142	1,338	-	-
By types of customers				
Non-related parties:				
- Multi-national companies	110	41	-	-
- Other companies	1,032	1,297	-	-
	1,142	1,338	-	-

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

Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

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

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

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

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Past due 0 to 3 months	927	943	-	-
Past due 3 to 6 months	208	324	-	-
Past due over 6 months	7	71	-	-
	1,142	1,338	-	-

27 Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

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

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Gross amount	475	299	36,174	34,322
Less: Allowance for impairment	(475)	(299)	(36,174)	(34,322)
	-	-	-	-
Beginning of financial year	299	408	34,322	27,139
Currency translation difference	(5)	1	-	-
Allowance made	288	50	1,852	7,345
Allowance utilised	(4)	(146)	-	(60)
Allowance written back	(103)	(14)	-	(102)
End of financial year	475	299	36,174	34,322

The impairment of trade receivables arise mainly from sales to customers which have suffered significant losses in their operations or in process of liquidation.

(c) Liquidity risk

The Group and Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities (Note 15).

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	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000	$'000
Group				
At 31 March 2011				
Trade and other payables	3,276	-	-	-
Borrowings	736	48	190	916
At 31 March 2010				
Trade and other payables	2,800	-	-	-
Borrowings	981	4	-	-

27 Financial risk management (Cont'd)

(c) Liquidity risk (Cont'd)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000	$'000
Company				
At 31 March 2011				
Trade and other payables	3,593	-	-	-
Borrowings	688	-	-	-
At 31 March 2010				
Trade and other payables	3,154	-	-	-
Borrowings	963	-	-	-

(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 a gearing ratio. The Group's and the Company's strategies are to maintain gearing ratio within 10% to 50% (2010: 10% to 50%) and 10% to 90% (2010: 10% to 90%) respectively.

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

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Net debt	2,527	1,444	3,066	3,186
Total equity	1,999	3,518	(992)	340
Total capital	4,526	4,962	2,074	3,526
Gearing ratio	56%	29%	148%	90%

27 Financial risk management (Cont'd)

(d) Capital risk (Cont'd)

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2010 and 2011

28 Segment information

Management has determined the operating segments based on the reports reviewed by the Directors that are used to make strategic decisions.

The Management considers the business from both a geographical and business segment perspective. Geographically, management manages and monitors the business in the two primary geographic areas: Singapore and Malaysia. Australia, British Virgin Island and China are included in others geographical segments column. All geographic locations are engaged in publishing, exhibition and events and HQ costs and investments. In addition, the segment in Singapore also derives revenue from food and beverage.

28 **Segment information (Cont'd)**

The segment information provided to the Directors for the reportable segments for the financial year ended 31 March 2011 are as follows:

	Malaysia	Singapore			Other		
	Publishing, exhibition and events	Publishing, exhibition and events	Food and beverage	HQ costs and investments	Publishing, exhibition and events	HQ costs and investments	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
<u>**Group**</u>							
2011							
Sales to external Parties	2,525	2,032	976	-	-	-	5,533
Segment results	29	(1,058)	(2,785)	(1,994)	-	(5)	(5,813)
Other income	13	2	4	366	-	1	386
Financial expenses – net	(1)	-	-	(9)	-	-	(10)
Profit/ (loss) before income tax	41	(1,056)	(2,781)	(1,637)	-	(4)	(5,437)
Income tax expense	-	-	-	56	-	-	56
Net profit/ (loss)	41	(1,056)	(2,781)	(1,581)	-	(4)	(5,381)
Net profit/ (loss) includes							
- Depreciation	35	3	302	15	-	-	355
Total assets	1,011	1,073	964	3,716	-	7	6,771
Total assets includes: Additions to property, plant and equipment	9	-	562	1,316	-	-	1,887
Total liabilities	767	1,021	732	2,116	131	5	4,772

28 Segment information (Cont'd)

The segment information provided to the Directors for the reportable segments for the financial year ended 31 March 2010 are as follows:

	Malaysia	Singapore			Other		
	Publishing, exhibition and events	Publishing, exhibition and events	Food and beverage	HQ costs and investments	Publishing, exhibition and events	HQ costs and investments	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
2010							
Sales to external Parties	2,452	2,667	128	-	10	-	5,257
Segment results	109	(1,031)	(476)	(2,502)	(95)	(4)	(3,999)
Other income	111	16	-	9,520	-	1	9,648
Financial expenses – net	(2)	-	-	(9)	-	-	(11)
Profit/ (loss) before income tax	218	(1,015)	(476)	7,009	(95)	(3)	5,638
Income tax expense	-	-	-	-	-	-	-
Net profit/ (loss)	218	(1,015)	(476)	7,009	(95)	(3)	5,638
Net profit/ (loss) includes							
- Depreciation	43	4	31	100	-	-	178
Total assets	927	1,319	2,127	2,920	-	8	7,301
Total assets includes: Additions to property, plant and equipment	22	-	450	20	-	-	492
Total liabilities	507	971	386	1,778	138	3	3,783

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

28 Segment information (Cont'd)

Revenue from major products and services

Revenue from external customers is derived from the publishing, exhibition and events and food and beverages. Breakdown of the revenue is as follows:

	2011	2010
	$'000	$'000
Publishing, exhibition and events	4,557	5,129
Food and beverage	976	128
	5,533	5,257

Geographical information

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

- Singapore – the company is headquartered and has operations in Singapore. The operations in this area are principally the publishing of magazines, exhibition and events, investments holdings and food and beverage;
- Malaysia – the operations in this area are principally the publishing of magazines, exhibition and events, and investments holdings
- Other countries – the operations include the publishing, exhibition and events and investment holdings.

	Sales	
	2011	2010
	$'000	$'000
Singapore	3,028	2,795
Malaysia	2,525	2,452
Other countries	-	10
	5,553	5,257

28 Segment information (Cont'd)

	Non-current assets	
	2011	2010
	$'000	$'000
Singapore	2,766	2,044
Malaysia	64	95
	2,830	2,139

29 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 after 1 April 2011 or later periods and which the Group has not early adopted:

- Amendments to FRS 24 – Related party disclosures
- Amendments to INT FRS114 – Prepayments of a minimum funding requirement
- INT FRS 119 Extinguishing financial liabilities with equity instruments

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statement of the Group and the Company in the period of their initial adoption, except for amendments to FRS 24 – Related party disclosures.

The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party. However, the revised definition of a related party will mean that some entities will have more related parties and will be required to make additional disclosures.

Management is currently considering the revised definition to determine whether any additional disclosures will be required and has yet to put systems in place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

Shareholdings Statistics

TWENTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2011

S/N	Name of shareholder	No. of Shares	% of Shares
1.	DBS Vickers Securities (Singapore) Pte Ltd	72,047,342	5.88
2.	Yeong Chun Song	64,000,000	5.22
3.	Tan Chong Chai	58,000,000	4.73
4.	OCBC Securities Private Ltd	39,557,900	3.23
5.	Low Ee Hwee	31,500,000	2.57
6.	Tan Hiap Seng Nee Low Lak Muay	30,000,000	2.45
7.	MA Builders Pte Ltd	24,000,500	1.96
8.	UOB Kay Hian Pte Ltd	21,783,500	1.78
9.	Mayban Nominees (S) Pte Ltd	19,215,000	1.57
10.	Loh Hui Goh	19,000,000	1.55
11.	Poon Wai Hing	19,000,000	1.55
12.	United Overseas Bank Nominees Pte Ltd	15,867,000	1.29
13.	Lee Thiam Seng	15,010,000	1.22
14.	Tan Ghuat Woon Mrs Ho Tan Ghuat Woon	14,140,000	1.15
15.	Kim Eng Securities Pte. Ltd.	13,161,000	1.07
16.	Alison Ang Wern Ling	12,197,000	0.99
17.	Rajesh Kumar Lodha	11,719,000	0.96
18.	Ricky Ang Gee Hing	11,316,617	0.92
19.	Kum Kam Chuen	11,100,000	0.91
20.	Ang Sek Huat	10,500,000	0.86
Total		**513,114,859**	**41.86**

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 30 JUNE 2011

Size Of Shareholdings	No. Of Shareholders	%	No. Of Shares	%
1 - 999	414	6.54	202,710	0.02
1,000 - 10,000	2,269	35.88	10,513,761	0.86
10,001 - 1,000,000	3,521	55.68	380,337,540	31.02
1,000,001 and above	120	1.90	834,879,302	68.10
Total	**6,324**	**100.00**	**1,225,933,313**	**100.00**

WARRANTHOLDERS 2012 (UNLISTED) AS AT 30 JUNE 2011

S/N	Name of warrantholder	No. of Warrants	% of Warrants
1.	Goh Toh Khiow	3,000,000	6.67
2.	Tan Chong Chai	14,500,000	32.22
3.	Yeong Chun Song	27,500,000	61.11
Total		**45,000,000**	**100.00**

DISTRIBUTION OF WARRANTHOLDERS 2012 BY SIZE OF WARRANTHOLDINGS AS AT 30 JUNE 2011

Size Of Warrantholdings	No. Of Warrantholders	%	No. Of Warrants	%
1 - 999	-	-	-	-
1,000 - 10,000	-	-	-	-
10,001 - 1,000,000	-	-	-	-
1,000,001 and above	3	100.00	45,000,000	100.00
Total	**3**	**100.00**	**45,000,000**	**100.00**

WARRANTHOLDERS 2013 (UNLISTED) AS AT 30 JUNE 2011

S/N	Name of warrantholder	No. of Warrants	% of Warrants
1.	Low Ee Hwee	20,750,000	23.06
2.	Tan Hiap Seng Nee Low Lak Muay	15,000,000	16.67
3.	Tan Ghuat Woon	13,000,000	14.44
4.	Lim Chye Huat @ Bobby Lim Chye Huat	12,500,000	13.89
5.	Poon Wai Hing	5,000,000	5.56
6.	Natureland Limited	5,000,000	5.56
7.	Chiang Ngee Fun	5,000,000	5.56
8.	Teo Yong Ping	2,500,000	2.78
9.	Tan Sze Seng	2,500,000	2.78
10.	Joyce E-Ming Ng	2,500,000	2.78
11.	Lee Freddie	2,500,000	2.78
12.	Tong Kin Leong	2,500,000	2.78
13.	Tan Wang Cheow	1,250,000	1.39
Total		**90,000,000**	**100.00**

DISTRIBUTION OF WARRANTHOLDERS 2013 BY SIZE OF WARRANTHOLDINGS AS AT 30 JUNE 2011

Size Of Warrantholdings	No. Of Warrantholders	%	No. Of Warrants	%
1 - 999	-	-	-	-
1,000 - 10,000	-	-	-	-
10,001 - 1,000,000	-	-	-	-
1,000,001 and above	13	100.00	90,000,000	100.00
Total	**13**	**100.00**	**90,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2011

Name	Direct Interest	%	Deemed Interest	%
Yeong Chun Song	64,000,000	5.22	24,000,500	1.96

Rule 723 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST (the "Rules of Catalist")

As at 30 June 2011, there were 1,095,932,549 shares in the hands of the public as defined in the Rules of Catalist representing approximately 89.40% of the issued share capital of the Company. The Company confirms that Rule 723 is complied with.

SHARE CAPITAL

Number of shares issued and fully paid:	1,225,933,313 ordinary shares (including treasury shares)
Number of treasury shares:	Nil
Voting rights:	One vote per share (excluding treasury shares)

Notice Of Annual General Meeting

THE LEXICON GROUP LIMITED
(Registration No. 199407135Z)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Lexicon Group Limited will be held at 1 Harbourfront Walk #01-52 VivoCity Singapore 098585 on Friday, 29 July 2011 at 11.00 a.m., for the following purposes:

AS ROUTINE BUSINESS:

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31 March 2011 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$148,500/- for the financial year ended 31 March 2011 (2010: S$134,000). **(Resolution 2)**

3. To re-elect Mr Teo Lai Wah, Timothy, a Director retiring under Article 107 of the Company's Articles of Association. [See Additional Information (i)] **(Resolution 3)**

4. To note the retirement of Mr Bob Low Siew Sie as a Director of the Company who has decided not to seek re-election. [See Additional Information (ii)] **(Resolution 4)**

5. To re-elect HH Prince Hakeem Jefri Bolkiah, a Director retiring under Article 117 of the Company's Articles of Association. [See Additional Information (iii)] **(Resolution 5)**

6. To appoint Messrs Nexia TS Public Accounting Corporation as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

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

AS SPECIAL BUSINESS:

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

8. "SHARE ISSUE MANDATE

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

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

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

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

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

provided that:

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

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

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

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

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

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

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (a)]" **(Resolution 7)**

9. "THE LEXICON GROUP LIMITED PERFORMANCE SHARE PLAN

That the Directors of the Company be and are hereby authorised to offer and grant awards in accordance with the provisions of The Lexicon Group Limited Performance Share Plan (the "Performance Share Plan") and to deliver existing shares (including treasury shares) and pursuant to Section 161 of the Companies Act, Chapter 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, provided that the aggregate number of shares to be allotted and issued pursuant to the Performance Share Plan and any other share option and/or share incentive schemes of the Company then in force shall not exceed fifteen per cent. (15%) of the total number of issued shares of the Company from time to time." [See Explanatory Note (b)]

(Resolution 8)

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

Singapore, 14 July 2011

Additional Information relating to the Notice of the Annual General Meeting

(i) Item 3 – Re-election of Mr Teo Lai Wah, Timothy, a Director retiring under Article 107 of the Company's Articles of Association.

Mr Teo Lai Wah, Timothy is an Independent Non-Executive Director, upon re-election as a Director of the Company, will remain as the Chairman of the Audit Committee as well as a member of the Nominating and Remuneration Committees.

(ii) Item 4 – Retirement of Mr Bob Low Siew Sie as a Director of the Company who has decided not to seek re-election.

Mr Bob Low Siew Sie is an Independent Non-Executive Director. Upon his retirement, he will cease as a Director of the Company, as well as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

(iii) Item 5 – Re-election of HH Prince Hakeem Jefri Bolkiah, a Director retiring under Article 107 of the Company's Articles of Association.

HH Prince Hakeem Jefri Bolkiah is a Independent Director and the Non-Executive Chairman of the Company. Upon re-election as a Director of the Company, will remain as the Non-Executive Chairman of the Company.

Notes:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

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

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

(a) **Resolution 7** is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 7 (including shares to be issued in pursuance of instruments made or granted) shall not exceed hundred per cent (100%) of the total number of issued shares excluding treasury shares of the Company, with a sub-limit of fifty per cent (50%) for shares issued other than on a pro rata basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares of the Company will be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of Resolution 7, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 7, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of the Catalist of the SGX-ST; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

(b) **Resolution 8** is to authorise the Directors to offer and grant awards in accordance with the provisions of The Lexicon Group Limited Performance Share Plan (the "Performance Share Plan") and pursuant to Section 161 of the Companies Act, Chapter 50 to allot and issue shares under the Performance Share Plan. The size of the Performance Share Plan is limited to fifteen per cent (15%) of the total number of issued shares excluding treasury shares of the Company for the time being.

Please glue and seal along edge

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THE LEXICON GROUP LIMITED

(Registration No. 199407135Z)

PROXY FORM

– Annual General Meeting

IMPORTANT:

1. For Investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____ (Name)

of ____ (Address)

being a member/members of the above Company, hereby appoint:

Name	Address	NRIC or Passport No.	Percentage of Shareholdings (%)

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

Name	Address	NRIC or Passport No.	Percentage of Shareholdings (%)

or failing him/her the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 1 Harbourfront Walk #01-52 VivoCity Singapore 098585 on Friday, 29 July 2011 at 11.00 a.m. and at any adjournment thereof.

The proxy shall vote on the Resolutions set out in the notice of meeting in accordance with my/our directions as indicated with an "x" in the appropriate space below. Where no such direction is given, the proxy may vote or abstain from voting on any matter at the Meeting or at any adjournment thereof.

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1.	Adoption of Reports and the Audited Accounts (Resolution 1)		
2.	Approval of Directors' Fees (Resolution 2)		
3.	Re-election of Mr Teo Lai Wah, Timothy as a Director under Article 107 of the Company's Articles of Association (Resolution 3)		
4.	To note the retirement of Mr Bob Low Siew Sie as a Director of the Company. (Resolution 4)		
5.	Re-election of HH Prince Hakeem Jefri Bolkiah as a Director under Article 117 of the Company's Articles of Association (Resolution 5)		
6.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as auditors (Resolution 6)		
7.	Any other ordinary business		
	SPECIAL BUSINESS		
8.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 (Resolution 7)		
9.	Authority for Directors to offer and grant awards and issue shares in accordance with the provisions of the The Lexicon Group Limited Performance Share Plan (Resolution 8)		

Dated this ____________ day of ____________ 2011

Total number of Shares in:	
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
Or Common Seal of Corporate Shareholder
IMPORTANT: Please read notes overleaf.

Please glue and seal along edge

Please Affix
Postage Stamp
Here

The Company Secretary
THE LEXICON GROUP LIMITED
9 Battery Road
#15-01 Straits Trading Building
Singapore 049910

1st Fold

IMPORTANT : PLEASE READ NOTES OVERLEAF

2nd Fold

Notes:-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and where there is more than one proxy, the proportion of Shares to be represented by each proxy must be stated.

2. Where a member appoints two proxies, the appointment shall be invalid unless he/she specified the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first-named proxy may be treated as representing 100 per cent of the shareholding and any second-named proxy as alternate to the first-named.

3. This instrument of proxy must be executed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate or limited liability partnership, signed by a duly authorised attorney or an officer or affixed with its common seal thereto.

4. A body corporate or limited liability partnership which is a member may also appoint by resolution of its directors or other governing body, an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore to attend and vote for and on behalf of such body corporate or limited liability partnership.

5. This instrument appointing a proxy or proxies (together with the power of attorney of other authority (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 9 Battery Road #15-01 Straits Trading Building, Singapore 049910 not less than 48 hours before the time fixed for holding the Annual General Meeting or adjourned meeting, at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

6. Please insert the total number of shares held by you. If you have shares entered against your name on the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, 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, this instrument of proxy will be deemed to relate to all the shares held by you.

7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for the holding of the Annual General Meeting as certified by CDP to the Company.


MOB
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FIVE
FIVE DOLLARS


MOB
5
FIVE
FIVE DOLLARS


ROMULUS
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ROMULU
5 FIVE DOLLARS


ROMULUS
5
ROMULU
5 FIVE DOLLARS

Terms & Conditions:

- Not valid with other promotions, vouchers, discounts or privileges.
- Not valid on eve of and on Public Holidays and special occasions.
- Voucher cannot be combined, not redeemable for cash and is non refundable.
- Strictly no extension of the voucher is allowed.
- Voucher may only be used on next visit and original voucher must be presented before ordering.
- No splitting of bills and tables allowed.
- Valid for dine-in only.
- MOB reserves the right to amend the terms and conditions without prior notice.

Valid till: 31st October 2011

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Valid till: 31st October 2011

VivoCity #01-52 Tel: (65) 6376 9110 • **Ngee Ann Poly Clubhouse** Tel: (65) 6469 9883
The Lumiere Condo #01-01, No. 2 Mohd Road (Off Anson Road)

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