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

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



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Ng Kai Man  
*Executive Director*

Chou Kong Seng  
*Independent Non-Executive Director*

Kesavan Nair  
*Independent Non-Executive Director*

Lee Keng Mun  
*Independent Non-Executive Director*

## NOMINATING COMMITTEE

Kesavan Nair, *Chairman*

Chou Kong Seng, *Member*

Lee Keng Mun, *Member*

## REMUNERATION COMMITTEE

Lee Keng Mun, *Chairman*

Chou Kong Seng, *Member*

Kesavan Nair, *Member*

## AUDIT COMMITTEE

Chou Kong Seng, *Chairman*

Kesavan Nair, *Member*

Lee Keng Mun, *Member*

## COMPANY SECRETARY

Chua Kern

## REGISTERED OFFICE

138 Robinson Road #26-03 Oxley Tower  
Singapore 068906  
Tel: (65) 6236 9353  
Registration No. 199407135Z

## SHARE REGISTRAR

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

## AUDITOR

Nexia TS Public Accounting Corporation  
80 Robinson Road #25-00 Singapore 068898  
Partner-in-charge: Lee Look Ling  
(Appointed since financial year ended 31 March 2018)

## SPONSOR

PrimePartners Corporate Finance Pte. Ltd.  
16 Collyer Quay #10-00 Income at Raffles  
Singapore 049318

## PRINCIPAL BANKERS

DBS Bank Limited  
Malayan Banking Berhad



# EXECUTIVE DIRECTOR'S STATEMENT

## Dear Shareholders,

On behalf of the Board of Directors of Arion Entertainment Singapore Limited, (the “**Company**”), I am pleased to present the annual report of the Company and its subsidiary corporations (the “**Group**”) for the financial year ended 31 March 2022 (“**FY2022**”).

## FINANCIAL PERFORMANCE FY2022

### Income statement review

Revenue from Malaysia’s publishing operations for FY2022 increased by 5.1% to S\$0.90 million as compared to S\$0.86 million in the previous corresponding period attributable to an increase in circulation revenue for Calibre and Feng due to the gradual lifting of Covid-19 movement restrictions.

### Other gains

Other gains decreased by S\$17,000 largely due to a decrease in the grants received by the Company under the Singapore Government’s Jobs Support Scheme during FY2022.

### Direct costs

Printing and editorial costs increased to S\$0.53 million as compared to S\$0.49 million in the financial year ended 31 March 2021 (“**FY2021**”) due to higher costs imposed by the new printer vendor which our Malaysia operations started using in July 2020 and a 9% increase in printing costs for Calibre and Feng from February 2022.

Employee compensation increased by 29.3% to S\$0.75 million as compared to S\$0.58 million in FY2021 due to (a) the revision of remuneration of the Executive Director in October 2021 resulting to an increase amounting to S\$0.14 million; and (b) the employment of personnel in Hong Kong for Smart Investor for which the Group commenced publishing operations during the second half of the financial year ended 31 March 2022 (“**2HFY22**”) and cost incurred from the moneylending business of about S\$36,000.

Amortisation, depreciation and impairment increased to S\$10,000 as compared to S\$3,000 in FY2021 due to additions of property, plant and equipment for the new office premises in the Hong Kong division.

Professional fees decreased by 21.0% to S\$0.19 million as compared to S\$0.24 million in FY2021 due to:

- (a) non-recurring fees incurred in FY2021 in relation to the placement of new shares which was completed in September 2020; and
- (b) costs incurred relating to the extraordinary general meeting held on 16 February 2021 to obtain shareholders’ approval for the diversification of the Group’s business to include the property business and the moneylending business.

Operating lease expenses increased by 7.1% to S\$45,000 as compared to S\$42,000 in FY2021 due to the new office premises in Hong Kong for the publishing and money lending operations.

Other operating expenses increased by 40.7% to S\$0.32 million as compared to S\$0.23 million in FY2021 due to:

- (a) an increase in the business development expenses incurred by the Executive Director of about S\$36,000;
- (b) expenses incurred by our Hong Kong operations with the commencement of the publishing and moneylending business of about S\$47,000; and
- (c) the over accrual of S\$29,000 for the costs related to the preparation of the Company’s annual report for FY2020 which was written back during FY2021.

### Loss attributable to shareholders

Loss attributable to shareholders for FY2022 was S\$0.93 million as compared to a loss of S\$0.70 million in the previous corresponding period.

The higher loss was largely due to an increase in employee compensation and other operating expenses as explained above. In addition, our Hong Kong division commenced operations in FY2022 and incurred a loss of S\$0.10 million.

# EXECUTIVE DIRECTOR'S STATEMENT

## Financial position and cash flow review

As at 31 March 2022, the Group's Net Asset Value ("**NAV**") decreased to S\$1.92 million as compared to S\$2.84 million as at 31 March 2021. NAV per share as at 31 March 2022 was 0.21 cents as compared to 0.30 cents as at 31 March 2021.

The increase in trade and other receivables is mainly due to the longer period required to collect payments from the customers of our Malaysia's publishing operations in view of the difficult market situation amidst the Covid-19 pandemic. Our Malaysian subsidiary has subsequently collected S\$82,000 of the amounts outstanding as at 31 March 2022.

The increase in property, plant and equipment is due to purchases of computers, office equipment and furniture and fittings by our publishing and money lending operations in Hong Kong which commenced in FY2022.

Goodwill on consolidation is attributable to the acquisition of Win Win Finance Limited ("**WWFL**"). As the purchase price allocation ("**PPA**") is not completed as at 31 March 2022, this is a provisional amount and will be adjusted accordingly upon the completion of the PPA.

The increase in trade and other payables is mainly due to accruals for the payments to the Executive Director relating to his remuneration package amounting to S\$0.14 million, as well as accrued expenses for our new Hong Kong operations of about S\$40,000.

Cash and cash equivalents decreased by S\$0.75 million due to the utilisation of cash for operating activities and S\$0.23 million for investing activities.

Cash and cash equivalents as at 31 March 2022 was S\$2.08 million as compared to S\$3.05 million as at 31 March 2021.

Cash used in operating activities was S\$0.75 million in FY2022. The net operating cash outflow was due to operating loss before working capital changes of S\$0.92 million adjusted for working capital inflows of S\$0.17 million which were mainly attributable to an

increase in trade and other payables during the period.

Cash used in investing activities was S\$0.23 million in FY2022 due to purchases of property, plant and equipment of S\$0.14 million mainly for our Hong Kong operations and S\$85,000 utilised in the acquisition of WWFL.

The Group had positive working capital of S\$1.69 million as at 31 March 2022 as compared to S\$2.83 million as at 31 March 2021.

## THE YEAR AHEAD

Our Malaysian operation's plans to shift towards digital and online publishing has yet to be initiated as at 31 March 2022 due to challenging economic conditions in Malaysia. In FY2022, the Group has launched a website, [www.smartinvestor.hk](http://www.smartinvestor.hk), for Smart Investor in Hong Kong, a website with articles on property, stock market and investments which is freely accessible by the public.

The Group has also commenced its moneylending operations in Hong Kong in March 2022 and will continue to grow the operations taking into account the financial resources available.

## ACKNOWLEDGEMENTS AND APPRECIATION

On behalf of the Board, I would like to thank and express my appreciation to our shareholders, customers, business associates and suppliers for their steadfast confidence and unwavering support.

I would also like to thank the Board, staff and management for their perseverance and hard work during the past year.

**Ng Kai Man**

*Executive Director*

# BOARD OF DIRECTORS



## NG KAI MAN

### Executive Director

Date first appointed : 09-03-2016

Date last re-elected : 30-07-2021

Mr Ng serves as the Executive Director of the Company. Mr Ng founded Century 21 Hong Kong Limited and served as its CEO since 1993. Mr. Ng has worked in senior positions in Mandarin Property Consultants Limited, The Chase Manhattan Bank, N.A., World Trade Group, and The Bank of Canton (now part of Bank of America). Mr Ng served as the Executive Chairman of 21 Holdings Limited (now known as Huanxi Media Group Ltd) from 1 July 2009 to 10 April 2014 and has been its Executive Director from 23 July 2008 till 18 September 2015. Mr Ng served as Deputy Chairman of Capital Estate Ltd., (formerly known as Yoshiya International Corp. Ltd) from 25 April 2003 to 31 July 2005. Mr Ng has been Vice Chairman of HK Chamber of Professional Real Estate Property Consultants since 1994 and was a committee member of HK Franchise Association from 1994 to 2000. Mr Ng graduated from the London School of Economics & Political Sciences, University of London, the United Kingdom and holds a Master Degree of Science in Economics.

Mr Ng does not hold any directorships in other listed companies as at 31 March 2022.



## CHOU KONG SENG

### Independent Director and Chairman of the Audit Committee

Date first appointed : 14-08-2012

Date last re-elected: 30-07-2021

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

Mr Chou does not hold any directorships in other listed companies as at 31 March 2022.

## BOARD OF DIRECTORS



### KESAVAN NAIR

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

Date first appointed: 14-02-2013

Date last re-elected: 29-09-2020

Mr Nair graduated with a Bachelor of Laws (Honours) from The University College of Wales. He was admitted as a Barrister-at-Law, Middle Temple, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory and an Advocate & Solicitor of the Supreme Court of Singapore. Mr Nair is a director of Bayfront Law LLC.

#### Present Directorships (As at 31 March 2022)

- Medi Lifestyle Limited
- HG Metal Manufacturing Limited
- MC Payment Limited

#### Past Directorships

- Kitchen Culture Holdings Limited



### LEE KENG MUN

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

Date first appointed : 09-03-2016

Date last re-elected: 29-09-2020

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

Mr Lee does not hold any directorships in other listed companies as at 31 March 2022.

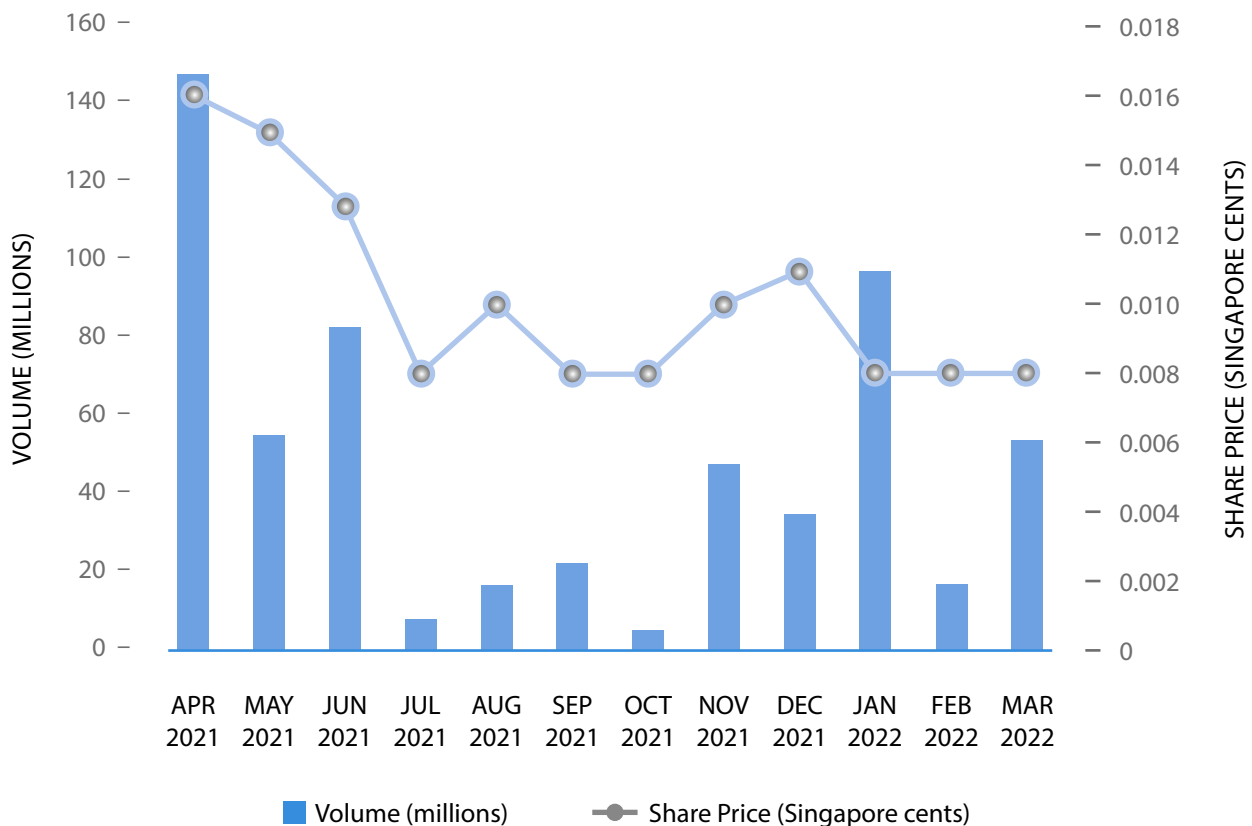
# FINANCIAL HIGHLIGHTS

Year	Revenue * \$'000	Loss Attributable to Shareholders \$'000	Loss Per Share Cents
FY2018	1,208 <sup>^</sup>	(890)	(0.02)
FY2019	1,007	(1,314)	(0.09)
FY2020	897	(1,036)	(0.17)
FY2021	881	(699)	(0.09)
<b>FY2022</b>	<b>907</b>	<b>(929)</b>	<b>(0.10)</b>

\* Including other gains

<sup>^</sup> Excluding gain on disposal of subsidiary corporations, net

## SHARE PRICE AND TOTAL VOLUME



The Share Price is the closing price at the last trading day of each month (Source: [www.shareinvestor.com](http://www.shareinvestor.com)).



# FINANCIAL HIGHLIGHTS

## REVENUE \* BY BUSINESS DIVISION

	March 2022 # \$'million	March 2021 # \$'million
Publishing & Events Management	0.9	0.9
Moneylending	- @	- @
HQ Costs & Investments	- ^	- ^

# Refer to Note 23 to the Financial Statements

^ Less than S\$0.1 million

\* Including other gains

@ Moneylending division commenced operations in March 2022

## OPERATING PROFIT/ (LOSS) BY BUSINESS DIVISION

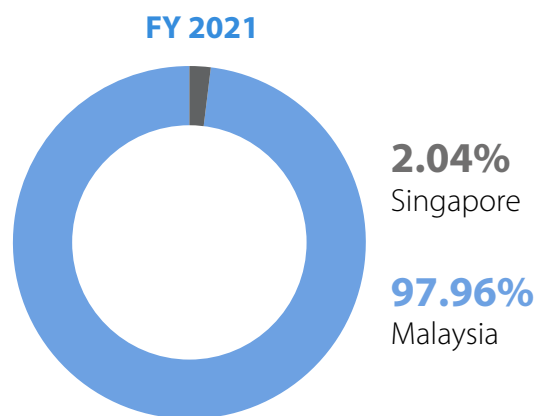
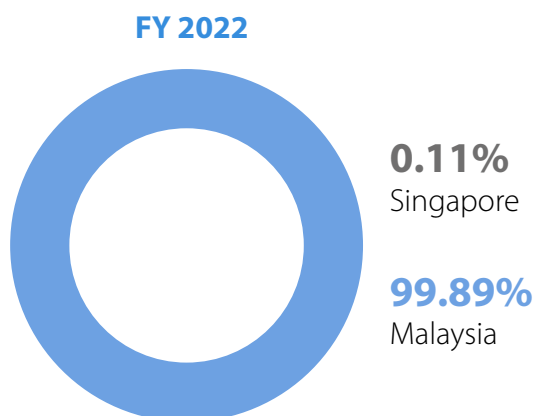
	March 2022 \$'million	March 2021 \$'million
Publishing & Events Management	- ^	0.03
Moneylending	(0.04)	-
HQ Costs & Investments	(0.89)	(0.70)

## STAFF STRENGTH

	March 2022	March 2021
Publishing and Events Management	9	8
Moneylending	3	-
HQ & Investments	2	2
<b>TOTAL</b>	<b>14</b>	<b>10</b>

## REVENUE\* BY GEOGRAPHICAL REGION

\* Including other gains





# MANAGEMENT TEAM

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## **MS. CHONG CHYE WAN**

### **President, Publishing-Malaysia**

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

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## **MS. NG HWEЕ LING**

### **Chief Financial Officer**

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

# CORPORATE GOVERNANCE

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

This report describes the Group’s corporate governance practices that were in place throughout the financial year ended 31 March 2022 (“**FY2022**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and accompanying practice guidance (“**PG**”), which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Board and the Management are pleased to confirm that for FY2022, the Group has adhered to the principles and provisions as set out in the Code and the Catalyst Rules. Where there are deviations from the Code, explanations as to how the Group’s practices were consistent with the intent of the Principle in question are provided in this report. The Company did not adopt any alternative corporate governance policies in FY2022.

## BOARD MATTERS

### (1) Board’s Conduct of its Affairs

*Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

#### Provision 1.1 – Role of the Board

The Board is primarily responsible for providing entrepreneurial leadership so as to protect and enhance long-term value and returns for the shareholders. The Board also sets the tone for the Group where ethics and values are concerned. Apart from its statutory responsibilities, the key functions of the Board include:

- provides entrepreneurial leadership and guidance on the overall business strategies, strategic direction and long-term goals of the Group (which include appropriate focus on growth, value creation, innovation and sustainability) to be implemented by Management, and ensuring that adequate resources including financial and human resources are available
- sets the values and standards (including ethical standards) of the Group and appropriate tone-from-the-top and desired organisational culture, ensuring that the Group’s policies and practices are consistent with the culture, and that there is proper accountability within the Group
- reviews the adequacy and effectiveness of the Group’s risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite to safeguard shareholders’ interests and the Group’s assets
- sets the Company’s values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met
- reviews and approves the Group’s business plan, including annual budgets, significant capital expenditure, investment and divestment proposals
- ensures good corporate governance practices to protect the interests of shareholders

# CORPORATE GOVERNANCE

- oversees the business, financial performance and affairs of the Group, and monitoring the performance of Management
- sets out policy and framework for promoting diversity on the Board
- considers sustainability issues, e.g. environmental, health and safety and social factors as part of its strategic formulation.

All Directors, in discharging their fiduciary duties, are expected to exercise objective judgement and make decisions in the best interest of the Company. A Director who is interested in a transaction or proposed transaction is required to declare if he has a conflict of interest and will abstain from deliberation and voting on the matter unless the Board is of the opinion that the participation of the conflicted Director is in the best interest of the Company.

## [Provision 1.2 – Directors’ Orientation, Induction, Trainings and Development](#)

Newly appointed Directors will be briefed by the Executive Director on the Directors’ duties and obligations, and on the Group’s organisation structure, business and governance practices. In addition, as required under the Catalist Rules, a new Director who has no prior experience as a Director of a company listed on the SGX-ST must undergo training as prescribed by SGX-ST. Such training will be completed within one year of the appointment. There was no appointment of new director in FY2022.

The Board values on-going professional development and recognizes that it is important that all Directors receive regular training to serve effectively on and contribute to the Board, encouraging all Directors to attend any courses or seminars that would be beneficial. Annually, the Company allocates a budget for such purposes. During FY2022, the Directors had received updates on the regulatory changes to the Catalist Rules, Companies Act from the Company Secretary and accounting standards from the external auditor (“EA”). The Executive Director also updates the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group.

## [Provision 1.3 – Board Reserved Matters](#)

The Board has laid out a list of matters that requires its approval, which has been clearly communicated to Management. Key matters that are specifically reserved for the Board’s consideration and decision include, but are not limited to, matters involving a conflict of interest for a substantial shareholder or Director, corporate planning, public release of periodic financial results, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, formulation of any dividend policy or the change of such dividend policy and declaration of dividends, and nomination of directors to the Board and any interested person transactions above S\$100,000.

## Provision 1.4 – Delegation of Authority

To facilitate effective management and assist in the execution of its responsibilities, the Board has delegated certain functions to the Board Committees, namely the Audit Committee (“AC”), the Remuneration Committee (“RC”) and the Nominating Committee (“NC”), to ensure that there are appropriate checks and balances. These Board Committees operate within clearly defined terms of reference (“TOR”) which are reviewed from time to time, along with the committee structures and memberships to ensure their continued relevance, taking into consideration any changes in the governance and development of the Group. Any change to the TOR for any Board Committee requires the approval of the Board. As at 31 March 2022, the AC, RC and NC each comprises entirely of Independent Non- Executive Directors.

The Board Committees will report to the Board with their decisions and/or recommendations. Notwithstanding the delegation of authority to the Board Committees and Management on specified matters, the ultimate responsibility on all matters lies with the Board.

## Provision 1.5 – Board and Board Committees Meetings and Attendance

The Board and Board Committees meet regularly and whenever necessary throughout the year to review and approve the Group’s major strategic plans as well as major investments, disposals and funding matters. When required, the Board also sets aside time at the scheduled meetings to meet without the presence of Management. Ad-hoc meetings are also held as and when the need arises. Directors who are unable to meet physically, may participate in the meeting through electronic means such as telephone or video conference or other methods of simultaneous communication.

The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings during FY2022 are as follows:

ATTENDANCE AT MEETINGS										
Name	Board		Audit Committee		Nominating Committee		Remuneration Committee		EGM* held on 16/02/2021	AGM® held on 30/07/2021
	No. of meetings held	attended	No. of meetings held	attended	No. of meetings held	attended	No. of meetings held	attended		
Ng Kai Man	2	2	-	-	-	-	-	-	1	1
Chou Kong Seng	2	2	2	2	1	1	1	1	1	1
Kesavan Nair	2	2	2	2	1	1	1	1	1	1
Lee Keng Mun	2	2	2	2	1	1	1	1	1	1

\* Extraordinary General Meeting

® Annual General Meeting

# CORPORATE GOVERNANCE

## [Provision 1.6 – Access to Information](#)

For the Board to fulfill its responsibilities, Management provides adequate and timely information to the Board on affairs and issues that require the Board's decision as well as ongoing reports relating to operational and financial performance of the Company and the Group. The agenda and materials for Board and Board Committees meetings are circulated at least one week before the meeting date to allow the Directors sufficient time to review and seek clarification or further information. Whenever appropriate, senior managers who can provide additional insight on the matters to be discussed are invited to attend the Board meetings. The Company Secretary and/or his representative(s) attends all the Board and Board Committees meetings. Minutes of the Board and Board Committees meetings are circulated to all Directors after the respective meetings so that each Director is apprised of the topics discussed and deliberated during each Board and Board Committee meeting.

## [Provision 1.7 – Access to Management and Company Secretary](#)

The Board has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary and/or his representative(s) are present at all Board and Board Committees meetings to ensure that proper procedures and applicable rules and regulations are observed and complied with, as well as to provide advice and guidance on corporate governance and regulatory compliance matters. The appointment and removal of the Company Secretary is decided by the Board as a whole. 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.

## **(2) Board Composition and Guidance**

*Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the company.*

## [Provision 2.1 to 2.3 – Board Composition and Independence of Directors](#)

Currently, the Board comprises one Executive Director and three Independent Non-Executive Directors. The Company endeavours to maintain a strong independent element on the Board. Accordingly, Independent Non-Executive Directors make up a majority of the Board. Key information regarding the Directors can be found under the "Board of Directors" section of the Annual Report.

The current composition of the Board and Board Committees is set out below:

Board	Designation	Audit Committee	Nominating Committee	Remuneration Committee
Ng Kai Man	Executive Director	-	-	-
Chou Kong Seng	Independent Non-Executive Director	Chairman	Member	Member
Lee Keng Mun	Independent Non-Executive Director	Member	Member	Chairman
Kesavan Nair	Independent Non-Executive Director	Member	Chairman	Member

The Company does not have any alternate directors.

The Independent Non-Executive Directors are independent in conduct, character and judgement and have confirmed that they do not have any relationship with the Company or its related corporations, substantial shareholders or officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company. The NC reviews annually the independence of each Director, taking into account the existence of relationships or circumstances, including those provided in the Code. Each Independent Non-Executive Director is required to complete a Confirmation of Independence form based on Principle 2 of the Code for the NC's review and recommendation to the Board.

For FY2022, the NC has reviewed and determined that the Independent Non-Executive Directors are independent, in accordance with the guidelines in the Code, PG and Catalist Rules and that there are no Directors who are deemed to be independent notwithstanding the existence of a relation in the Code that would otherwise deem him not to be independent. Each member of the NC has abstained from the deliberations of his own independence.

The Code stipulates that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. The Board noted that none of the Independent Non-Executive Directors has served on the Board beyond nine years from the date of his first appointment, save for Mr. Kesavan Nair ("**Mr Nair**") and Mr Chou Kong Seng ("**Mr Chou**").

Under Rule 406(3)(d)(iii) of the Catalist Rules which will take effect from 1 January 2022, an Independent Director will not be considered independent if he has served on the Board for an aggregate period of more than nine years unless prior to 1 January 2022 he has obtained approval from shareholders to continue in office under a two-tier voting by (a) all shareholders; and (b) shareholders, excluding the directors and the chief executive officer and their associates (the "**Two-Tier Voting**"). For the purpose of the resolution referred to in (b), the directors and the CEO, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions approved by a Two-Tier Voting may remain in force for three years from the conclusion of the AGM following the passing of the resolutions or the retirement or resignation of the director, whichever is the earlier. Mr Nair and Mr Chou's independence pursuant to Rule 406(3)(d)(iii) of the Catalist Rules were tabled and approved by the Company's shareholders at the last Annual General Meeting ("**AGM**") held on 30 July 2021. Mr Chou's independence will continue in force until the AGM to be held for financial year ending 31 March 2024. As Mr Nair is due for rotation retirement pursuant to Article 107 of the Company's Constitution, the Company will again be tabling the independence of Mr Nair pursuant to Rule 406(3)(d)(iii) of the Catalist Rules at the forthcoming AGM.

If such resolutions are not passed at the forthcoming AGM, Mr Nair will no longer be considered independent, and shall continue Non-Independent Non-Executive Director. Information regarding Mr Nair, including information required under Appendix 7F of the Catalist Rules are set out on pages 34 to 39 of the Annual Report.

The NC is of the view that in assessing the independence of any Independent Director, one should consider the substance of their professionalism, integrity and objectivity and not merely based on the number of years which they have served on the Board. The rationale for the continuation to serve as an Independent Director is that he/she over time has developed significant insights of the Group's business and operations and can significantly continue to provide noteworthy and valuable contributions to the Board. Mr Nair and Mr Chou were appointed as Independent Non-Executive Directors of the Company on 14 February 2013 and 14 August 2012 respectively. The NC has conducted a rigorous review of Mr Nair's and Mr Chou's contributions to the Board to determine if they have maintained their independence. The NC and Board are satisfied with Mr Nair's and Mr Chou's continued independence in character and judgement in discharging their responsibilities as a director of the Company

# CORPORATE GOVERNANCE

and have found no evidence to indicate that the length of service has in any way affected their independence. With the concurrence of the NC, the Board is of the view that Mr Nair and Mr Chou have demonstrated strong independent character and judgment over the years in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interests of the non-controlling shareholders. Mr Nair and Mr Chou have expressed individual viewpoints, debated issues and objectively scrutinised and challenged the management of the Company. They have also sought clarification and amplification as deemed necessary, including through direct access to the management. Accordingly, with the concurrence of the Board, the NC concluded that Mr Nair and Mr Chou continues to be considered independent, notwithstanding they have served on the Board for more than nine years from the date of their first appointment. Mr Nair and Mr Chou have abstained from deliberations in respect of the assessment of their own independence.

## [Provision 2.4 – Board to determine its appropriate size and Board Diversity](#)

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

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

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

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

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

The Board is of the view that the size of the board, comprising four Directors is appropriate, with reference to the scope and extent of the Group's operations. The Company's Independent Non-Executive Directors enhance the Board with increased knowledge, business contacts, proven business and commercial experience. This balance is important in ensuring that the strategies proposed by the executive management are fully discussed and examined, taking into account the long term interests of the Group.

On the basis of the aforesaid, and notwithstanding that a formal diversity policy has yet to be adopted. The Board acknowledges and embraces the benefits of diversity on the Board and has endeavoured to achieve diversity of skills, knowledge, experience and age as described above, so as to avoid group-think and to foster constructive debate. The Board would look into setting board diversity objective and formalising and adopting a Board diversity policy in the coming year.



## [Provision 2.5 – Meeting of Independent Non-Executive Directors without Management](#)

The Independent Non-Executive Directors meet when necessary and as appropriate for discussion without the presence of Management. The Chairman of such meetings will provide feedback to the Board. The Independent Non-Executive Directors met 2 times during FY2022 without the presence of Management.

### **(3) Chairman and Chief Executive Officer**

*Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

## [Provision 3.1 & 3.2 – Chairman and Chief Executive Officer should be separate persons](#)

The Company has not appointed any Chairman to the Board due to the size of its current operations. Mr Ng Kai Man (“**Mr Ng**”), the Executive Director of the Company, has full executive responsibilities over business directions and operational decisions of the Group. The Board reviews all major decisions made by the Executive Director. The NC periodically reviews his performance and his appointment to the Board and the RC periodically reviews his remuneration package.

## [Provision 3.3 – Appointment of Lead Independent Director](#)

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

### **(4) Board Membership**

*Principle 4: The Board has a formal and transparent process for the appointment and re-appointment, taking into account the need for progressive renewal of the Board.*

## [Provision 4.1 & 4.2 – Composition and Role of the Nominating Committee \(“NC”\)](#)

The Nominating Committee comprises the following members, all of whom are Independent Non-Executive Directors:

Mr Kesavan Nair (Chairman)  
Mr Lee Keng Mun  
Mr Chou Kong Seng

The NC held 1 meeting in FY2022. The NC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The key responsibilities of the NC as set out in its TOR are to:

- (i) evaluate and review nominations for appointment and re-appointment to the Board and the various Board Committees;
- (ii) review the size and composition of the Board and Board Committees;

# CORPORATE GOVERNANCE

- (iii) ensure that the Board has the appropriate balance of expertise, skills, knowledge, experience, attributes and abilities;
- (iv) review Directors' independence and performance;
- (v) review the training and professional development programmes for Board members;
- (vi) review the process and criteria for evaluation of the performance of the Board, Board Committees and Directors; and
- (vii) review and make recommendations to the Board on relevant matters, relating to the succession plans of the Board and senior management personnel

The Nominating Committee, upon carrying out such review as set out above, makes recommendation on the above matters for Board consideration and approval.

## [Provision 4.3 – Process for Selection, Appointment and Re-appointment of Directors](#)

Board renewal is a continuous process, to ensure good corporate governance and to maintain relevance to the business as well as changing needs of the Company. The Constitution of the Company requires one-third of the Directors to retire and subject themselves to re-election by shareholders at every AGM such that no Director stays in office for more than three years without being re-elected by shareholders. All Directors must also submit themselves for re-nomination and re-election at least once every three years under Catalist Rules 720(4).

The NC, with Mr Nair and Mr Lee Keng Mun (“**Mr Lee**”) abstaining from the deliberation, has recommended to the Board the re-election of Mr Nair and Mr Lee, (the “**Retiring Directors**”) who are retiring by rotation pursuant to Article 107 of the Company's Constitution at the forthcoming AGM. In addition, pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, the Company will be tabling separate resolutions for the continued appointment of Mr Nair as Independent Non-Executive Director at the forthcoming AGM. The Board had accepted the NC's recommendation. The Retiring Directors had consented to act and offered themselves for re-election. Each of the Retiring Directors had abstained from the discussion and recused from deliberation and voting in respect of their respective nominations.

Mr Lee will, upon re-appointment as a Director of the Company remain as an Independent Non-Executive Director, the Chairman of the RC and member of the AC and NC. Mr Nair will, upon re-appointment as a Director of the Company, remain as an Independent Non-Executive Director, the Chairman of the NC and member of the AC and RC. The Board considers Mr Lee and Mr Nair to be independent for the purpose of Rule 704(7) of the Catalist Rules, subject to the Two-Tier Voting requirement for Mr Nair. The information required under Rule 720(5) of the Catalist Rules on the Retiring Directors nominated for re-election are set out in pages 34 to 39 this corporate governance report.

The NC has put in place a process for selecting, appointing new Directors and re-appointing Directors to the Board. Where there is a need to appoint a new Director, the NC will evaluate the balance and diversity of skills, expertise, knowledge, gender, age and experience of the Board and Board Committees in order to identify the essential and desirable competencies of the candidate. The NC 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 NC will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance and business or management expertise. If the NC decides that a candidate is suitable, the NC would recommend its choice to the Board of Directors. In relation to the

re-appointment of Directors, the NC assesses the performance of the Director in accordance with the process and performance criteria approved by the Board. Upon obtaining a satisfactory conclusion of the same, the NC recommends the re-appointment of such Director to the Board for approval.

#### [Provision 4.4 – Determination of Directors’ Independence](#)

The NC is also responsible for determining annually, and as and when circumstances arise, the independence of Directors. On an annual basis, each Independent Non-Executive Director is required to complete a confirmation of independence based on the Principle 2 of the Code and the Catalyst Rules. The NC has reviewed and ascertained that Mr Chou, Mr Nair and Mr Lee continue to remain independent.

#### [Provision 4.5 – Multiple Board Representations](#)

The NC, after reviewing the respective list of directorships held by each Director as well as their attendance and time committed to Company’s affairs, is satisfied that all Directors who sit on multiple boards are able to devote adequate time and attention to the affairs of the Company and to fulfill their duties as Directors for FY2022. The Board has set the maximum number of 10 listed company board representations which any Director of the Company may hold at any one time. The Board is of the view that this maximum limit to board representations in listed companies would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge on board matters without affecting their time commitment to the Company, hence ultimately benefitting the Company. All Directors have complied with this requirement.

All Directors are required to declare their board representations. Where a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, taking into consideration of the Director’s number of listed company board representations and other principal commitments. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Group. The NC is satisfied that for FY2022 sufficient time and attention has been given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple Board representations, taking into account the attendance of the Directors at Board or Board Committee meetings, results of the assessment of the effectiveness of the Board as a whole, the Board Committees, and the respective Director’s actual conduct on the Board and its Board Committees.

# CORPORATE GOVERNANCE

The table below shows the disclosure of directorships and chairmanships held in other listed companies as well as other principal commitments of each respective Director:

Name of Director	Board Appointment	Date of First Appointment	Date of Last Re-election	Present directorships in other listed companies and other principal commitments
Ng Kai Man	Executive Director	9 March 2016	30 July 2021	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>1. 21 Group Limited</li> <li>2. Kingswick Strategy Limited</li> <li>3. Smart Arrow Limited</li> <li>4. Century 21 Hong Kong Limited</li> <li>5. Precheer Limited</li> <li>6. China Perfect Limited</li> <li>7. Menkin Limited</li> <li>8. Hilyard Pacific Limited</li> <li>9. Century 21 Surveyors Limited</li> <li>10. Century 21 Property Agency Limited</li> <li>11. New Leader Limited</li> <li>12. Century 21 Apac Limited</li> <li>13. One Culture Limited</li> <li>14. Grand Rich Resources Limited</li> <li>15. Richy Fame International Limited</li> <li>16. Kingbox Investments Limited</li> <li>17. Asset Expert Limited</li> <li>18. Vigour Well Limited</li> <li>19. Century 21 Limitada / Century 21 Limited</li> <li>20. Century 21 Holdings Pte Ltd</li> <li>21. Gaintech International Development Ltd.</li> <li>22. Somerset Profits Ltd</li> <li>23. Speedy Cloud Ltd</li> <li>24. Fame Harvest Limited</li> <li>25. Win Win Finance Limited</li> <li>26. Bless Concept Limited</li> </ol> <p><u>Other Principal Commitments</u> N.A.</p>

# CORPORATE GOVERNANCE

Name of Director	Board Appointment	Date of First Appointment	Date of Last Re-election	Present directorships in other listed companies and other principal commitments
Chou Kong Seng	Independent Non-Executive Director	14 August 2012	30 July 2021	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>Xenon Manufacturing Pte Ltd</li> <li>Acot Holdings Pte Ltd</li> <li>Acot Plastics (M) Sdn Bhd</li> <li>Pivot Tech Sdn Bhd</li> <li>Ray Tech Acot Singapore Pte Ltd</li> <li>Acma Investments Pte Ltd</li> <li>Lityan Systems (S) Pte Ltd</li> <li>Acma Strategics Holdings Ltd</li> <li>Acma ICCL Pte Ltd</li> <li>Spageddies Pte Ltd</li> <li>A L&amp;W Ltd</li> <li>Acma Engineers Private Limited</li> <li>Global Tech Pte Ltd</li> <li>Magnatech Pte Ltd</li> </ol> <p><u>Other Principal Commitments</u> Chief Financial Officer of Acma Limited</p>
Kesavan Nair	Independent Non-Executive Director	14 February 2013	29 September 2020	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>Medi Lifestyle Limited (formerly known as IEV Holdings Limited)</li> <li>HG Metal Manufacturing Limited</li> <li>M C Payment Limited (formerly known as Artivision Technologies Ltd)</li> </ol> <p><u>Other Principal Commitments</u> Director of Bayfront Law LLC</p>
Lee Keng Mun	Independent Non-Executive Director	9 March 2016	29 September 2020	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>Asia-Pacific Strategic Investments Holding Limited</li> <li>Global Alliance Property Pte Ltd</li> <li>Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd.</li> <li>Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd.</li> </ol> <p><u>Other Principal Commitments</u> Chief Operating Officer of Asia-Pacific Strategic Investments Limited</p>

# CORPORATE GOVERNANCE

## (5) Board Performance

*Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

### Provision 5.1 & 5.2 – Assessing the effectiveness of the Board, Board Committees, Individual Director

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

The Board has established a set of criteria for evaluating the effectiveness of the Board and Board Committees, as well as each individual Director. The NC has in place an annual Board Performance Evaluation exercise to evaluate the effectiveness of the Board and facilitate discussion to enable Directors to discharge their duties more effectively. The evaluations are carried out by means of a questionnaire being completed by each Director. The results of the completed questionnaires are collated and the findings are analysed and discussed by the NC, with comparatives from the previous year's results and reported to the Board.

The view on the Board's effectiveness was formed by looking at various criteria including: the composition and size of the Board, Board processes, the effectiveness of the Board Committees, the Board's access to information and how the Board tracks performance and manages risks.

In FY2022, the evaluation of the contribution by the individual Director to the Board is done through self-assessment, and in each case through a confidential questionnaire completed by the Directors individually. The assessment parameters for such individual evaluation include both qualitative and quantitative factors such as attendance records, contributions during Board meetings, as well as individual performance of principal functions and fiduciary duties.

The completed questionnaires are collated by the Company Secretary for the NC's deliberation. The NC then presents the results, conclusions and its recommendations to the Board. The Directors acts on the results of the performance evaluation, and where appropriate and in consultation with the NC, proposes new members to be appointed to the Board, or seeks the resignation of a Director. The NC has assessed the current Board's performance to date and is of the view that performance of the Board as a whole has been satisfactory. All NC members have abstained from the review process of any matters in connection with the assessment of his performance or re-appointment as a Director of the Company.

The NC would review the criteria periodically to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, and thereafter propose amendments if any, to the Board for approval. The NC did not propose any changes to the performance criteria for FY2022 as compared to the previous financial year, as the Board composition and the Group's principal business activities remained the same.

Following the review, the Board is of the view that the Board and its Board Committees operate effectively and has meet its performance objectives and each Director is contributing to the overall effectiveness of the Board in FY2022. The Board has allocated budgets for Directors to attend training and the NC will make recommendations to the Board on the training and professional development programmes for the Board members.

The Board has not engaged any external facilitator in conducting the assessment of Board performance for FY2022. Where relevant, the NC will consider such engagement.

## REMUNERATION MATTERS

### (6) Procedure for developing remuneration policies

### (7) Level and Mix of Remuneration

### (8) Disclosure on Remuneration

*Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

#### Provision 6.1 & 6.2 – Composition and Role of the Remuneration Committee (“RC”)

The RC comprises the following members, all of whom are Independent Non-Executive Directors:

Mr Lee Keng Mun (Chairman)  
Mr Chou Kong Seng  
Mr Kesavan Nair

The RC held 1 meeting in FY2022. The RC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The function of the RC is to review the remuneration of the individual Directors and key management personnel of the Company and to provide a greater degree of objectivity and transparency in the determination of their remuneration.

#### Provision 6.3 – Remuneration Framework

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

The RC, guided by its TOR, reviews and recommends to the Board, in consultation with management, a framework for all aspects of remuneration including reviewing the Company’s obligations arising in the event of termination of the Executive Director’s and key management personnel’s contracts of service. The RC also determines the specific remuneration packages and terms of employment for the Executive Director of the Company including those employees related to the Directors and substantial shareholders of the Company and whose remuneration exceeds S\$100,000 during FY2022 as well as key management personnel. The recommendations of the RC are submitted for endorsement by the Board. All aspects of remuneration, including but not limited to directors’ fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms are covered by the RC to ensure they are fair. The Company’s remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company’s business vision and create sustainable value for its stakeholders.

# CORPORATE GOVERNANCE

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

## [Provision 6.4 – RC access to expert professional advice](#)

The RC has access to expert professional advice on compensation matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry and the performance of the individual Directors. No remuneration consultants were engaged by the Company in FY2022.

*Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

## [Provision 7.1 to 7.3 – Remuneration of Executive Director, Non-Executive Directors and Key Management Personnels \("KMPs"\)](#)

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

The Independent Non-Executive Directors receive directors' fees in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent serving on the Board and Board Committees. The directors' fees are recommended by the RC to the Board and are subject to the approval of shareholders at the AGM. The RC reviewed and assessed that the remuneration of the Independent Non-Executive Directors for FY2022 is appropriate after considering the aforementioned factors.

The Executive Director's remuneration consists of salary, allowances, bonuses and director's fees for attending to board matters. No Director will be involved in deciding his own remuneration. In setting remuneration packages, the RC takes into consideration the prevailing market conditions, the pay and employment conditions within the industry and in comparable companies. The RC reviews all aspects of the remuneration packages to ensure that the level and structure of remuneration of the Executive Directors and KMPs are appropriate to the sustained performance and value creation of the Group, taking into account the strategic objectives of the Group, and are aligned with the long-term interest of the Group. The remuneration packages of the Executive Directors and KMPs are linked to the performance of the Group as a whole, as well as the individual performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group. For FY2022, the RC has reviewed the performance of the Executive Directors and KMPs and are satisfied that their remuneration commensurates with their performance, contributions and effort.

Annual reviews of the remuneration packages of the Directors and KMPs are carried out by the RC to ensure that the remuneration commensurate with their performance and that of the Company. In designing the remuneration structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximising value for shareholders.

Directors' fees for Independent Non-Executive Directors and Executive Director are subject to approval of shareholders at the AGM.



*Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

#### Provision 8.1 – Remuneration of Directors, CEO and Top Five KMP

The remuneration of the Directors for FY2022 is set out below.

Name	Salary	Bonus	Allowances & Others	Directors' Fee	Total Remuneration
<u>\$500,000 and below</u> Ng Kai Man	85%	11%	-	4%	100%
<u>\$250,000 and below</u> Chou Kong Seng	-	-	-	100%	100%
Kesavan Nair	-	-	-	100%	100%
Lee Keng Mun	-	-	-	100%	100%

The Group has only two KMPs (who are not Directors or the CEO). The remuneration received by these KMPs in FY2022 is below \$250,000 in each case and set out as follows:

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

All the Directors receive directors' fees for attending to Board matters. For chairing committees, a Director receives a small additional fee. A Director who serves for part of the financial year will receive pro-rated director's fee. Total directors' fee in FY2022 amounted to S\$118,034 (2021: S\$118,034). The total remuneration paid to or accrued for the top two KMPs (who are not Directors or the CEO) for FY2022 was S\$0.26 million (2021: S\$0.25 million).

Given the commercially sensitive and confidential nature of the remuneration and the highly competitive business in the industry, the Board believes that disclosing the remuneration of the Directors and KMPs in exact quantum is not in the best interests of the Group as it is important for the Group to retain talent for the long-term interests of the Group and its shareholders.

The Board is of the view that the information disclosed above on Directors' and KMP's remuneration would be sufficient for shareholders to have an adequate understanding of the Company's remuneration policies and practice.

No termination, retirement or post-employment benefits are granted to Directors or KMPs.

#### Provision 8.2 – Employees who are Substantial Shareholders, Immediate Family Members of a Director or the CEO or a Substantial Shareholder

The Company does not have any employee who is a substantial shareholder of the Company or an immediate family member of a Director (including the Executive Director) or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000 for FY2022.

# CORPORATE GOVERNANCE

## [Provision 8.3 – Employee Share Scheme](#)

### [Share Incentive Scheme](#)

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

On 30 July 2014, members of the Company approved and adopted the AES ESOS at an extraordinary general meeting ("EGM"). The AES ESOS is administered by the RC.

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

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

#### (a) Eligible participants

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

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

#### (b) Size and duration

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

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

Details of the share options granted can be found on pages 41 to 44 of the Annual Report.

## ACCOUNTABILITY AND AUDIT

### (9) Risk Management and Internal Controls

*Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

#### Provision 9.1 & 9.2 – Design, Implementation and Monitoring of Risk Management and Internal Control Systems

The Company does not have a separate risk committee. The Board with the assistance of the AC is responsible for the overall internal control framework. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The AC and the Board regularly review the adequacy and effectiveness of all internal controls to address the financial, operational, compliance and information technology risks and risk management controls of the Group. The Audit Committee and the Board ensures that any improvements to the internal control system that are to be implemented are completed by the management within a specific timeframe.

The Board ensures that Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is assisted by the AC which conducts the reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems. The identification and management of risks are delegated to Management, who assumes ownership and day-to-day management of these risks. Management reports to the AC on the Group's risks profile on a regular basis, evaluates results and counter measures to mitigate identified potential risks.

Relying on the reports from the IA, EA and management representation letters, the AC carried out assessments of the adequacy and effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the IA and EA to further improve the internal controls are reported to the AC. The AC in turn reports such discussions to the Board. The AC will also follow up on the actions taken by Management in response to recommendations made by the IA and EA to ensure that they are implemented in a timely and appropriate manner. The Group's financial risk management objectives and policies are discussed under Note 22 to the Financial Statements.

In FY2022, the Board has received assurances from the Executive Director and Chief Financial Officer of the Company that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the Group's risk management and internal control system were adequate and effective.

The Company also has in place a whistle-blowing policy and arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The details of the whistle-blowing policy are set out in page 31 of the Annual Report.

Based on the various management controls put in place and the reports from the IA and EA, reviews by management and the management representation letters, the Board with the concurrence of the AC, is of the opinion that the system of internal controls addressing financial, operational, compliance and information technology risks and risk management systems maintained by the Group in FY2022 were adequate and effective.

# CORPORATE GOVERNANCE

While the Board acknowledges that the system of internal controls and risk management established by Management provide reasonable, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it endeavours to achieve its business objectives, it is also mindful that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, fraud or other irregularities.

## (10) Audit Committee

*Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.*

### Provision 10.1 & 10.2 – Composition and Role of the AC

The AC comprises the following members, all of whom are Independent Non-Executive Directors:

Mr Chou Kong Seng (Chairman)  
Mr Lee Keng Mun  
Mr Kesavan Nair

The AC held 2 meetings in FY2022. The AC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. At least two members, including the AC Chairman, possess relevant accounting experience and/or related financial management expertise.

The AC has full access to and full co-operation of the Management. The AC also has the power to conduct or authorise investigations into any matters within its TOR. The EA have unrestricted access to the AC.

The AC holds periodic meetings and primarily carries out the following functions:

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

## [Provision 10.3 – Former Partner or Director of the Company's Existing Auditing Firm](#)

None of the Audit Committee members were previous partners or directors of the Company's independent audit firm within the last two years and none of the AC members hold any financial interest in the independent audit firm.

## [Provision 10.4 – Internal Audit](#)

During the financial year, the Company has appointed Crowe Horwath First Trust Risk Advisory Pte Ltd as the Group's IA. The internal audit function covers the audits of subsidiary corporations and its primary line of reporting is to the Chairman of the AC.

The IA has unfettered access to all the Group's documents, records, properties and personnel including direct access to the AC. The AC will follow up with Management to ensure that all recommendations made by the IA are implemented within the timeline as committed by Management.

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

## [Provision 10.5 – Meetings with EA and IA](#)

The EA of the Company and its Singapore-incorporated subsidiary corporations is Nexia TS Public Accounting Corporation, Singapore ("**Nexia**"). The Company's Malaysia-incorporated subsidiary corporation, Inovatif Media Asia Sdn Bhd, is audited by YTS & Associate, Malaysia. For the purpose of the consolidated financial statements, these financial statements are reviewed by Nexia. Accordingly, the Company has complied with Rules 712, 715 and 716 of the Catalist Rules of SGX-ST.

The AC has met up twice with the EA without the presence of Management, to discuss the results of their audit and their evaluation of the systems of internal accounting issues.

The AC has met up once with the IA in FY2022, without the presence of Management to discuss the results of their audit.

A breakdown of the audit fees paid to the Company's EA is disclosed in page 54 of the Annual Report. The AC has reviewed the EA's non-audit services to satisfy itself that the nature and extent of such services has not prejudiced the independence and objectivity of the independent auditor. The amount of non-audit services fees paid in FY2022 was S\$6,000.

The AC recognises the need to maintain a balance between the independence and objectivity of the independent auditor and the work carried out by the independent auditors based on value for money consideration. The AC is satisfied with the independence and objectivity of the EA and has recommended that Nexia be re-appointed as the Company's EA in respect of the financial year ending 31 March 2023.

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

# CORPORATE GOVERNANCE

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### (11) Shareholder Rights and Conduct of General Meetings

### (12) Engagement with Shareholders

### (13) Managing Stakeholders Relationships

*Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

*Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

*Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

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.

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

In line with continuous obligations of the Company pursuant to the Catalist Rules and the Companies Act 1967, it is the Board's policy that all shareholders be equally and timely informed of all major developments that will or is expected to impact the Company or the Group.

Information is disseminated to shareholders on a timely basis through:

- (a) SGXNET announcements and/or news release;
- (b) Annual Report prepared and issued to all shareholders;
- (c) Press releases on major developments of the Group;
- (d) Notices of and explanatory memoranda for AGM and EGM; and
- (e) Company's website at [www.egl.com.sg](http://www.egl.com.sg) where shareholders can access information on the Group.

While the Company does not have a dedicated investor relations team, the Company maintains a corporate website to constantly communicate with stakeholders, which is being overseen by the Chief Financial Officer of the Company. The Company welcomes any comment, feedback and query from the stakeholders through the Company's corporate website and strives to engage and manage relationships with the stakeholders. Stakeholders may find such information on the investors relation section of the Company's corporate website.

The Company's AGMs and EGMs are the principal forum for dialogue with the shareholders. The Chairman of the AC, RC and NCs are normally available at the meetings to answer any questions relating to the scope of work of these Board Committees. The EA shall also be present to assist the Directors in addressing any relevant queries by the shareholders about the conduct of the audit and the preparation and contents of the independent auditor's report.

Shareholders are encouraged to attend all general meetings to ensure a high level of interaction and to stay informed of the Company's strategy and goals. Notice of the general meetings is circulated to all shareholders of the Company, together with explanatory notes or a circular on items of special business (if necessary), at least 14 working days (for ordinary resolutions) or 21 working days (for special resolutions) before the general meeting. The Board welcomes questions from shareholders either informally or formally before or at the general meetings.

The Company has introduced the system of voting by poll and the results of each resolution put to vote at general meetings of the Company are displayed during the meetings with details of the percentage voting in favour and against. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions either before or at the general meetings before the resolutions are voted on. The results are also announced via SGXNET after the conclusion of the meeting. In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2022 will be convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 gazetted on 13 April 2020 (the "Order"), and the joint statement issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation on the same day providing additional guidance on the conduct of general meetings of listed and non-listed entities during elevated safe distancing period (the "Guidance"). Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions to the Chairman of the AGM in advance, addressing of substantial and relevant questions prior to the AGM (if any) and appointing the Chairman of the AGM as the proxy, will be put in place.

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

The Constitution of the Company allows members of the Company to appoint not more than two proxies to attend and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax, with an exception being made for the upcoming AGM for FY2022, at which shareholders shall be allowed to submit their proxy forms via electronic means pursuant to the Order and the Guidance.

All Directors and the respective Chairman of the AC, NC and RC, the Management, and the independent auditor are in attendance at general meetings to address any queries of the shareholders. For FY2021, all the Directors were present at the AGM held on 30 July 2021.

The minutes of the AGM will be published on the SGXNet within one month from the date of the AGM. Substantial and relevant comments or queries raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management will be made available to shareholders via SGXNET and the Company's corporate website in advance before the general meeting.

# CORPORATE GOVERNANCE

The Group's stakeholders play a crucial role in our business. The Group's vision and the success of its business is closely aligned with the interests and needs of its key stakeholders. Effective stakeholder engagement can help the Group to better understand the needs of its key stakeholders and incorporate these into its corporate strategy. The Group has identified three key stakeholder groups based on their relevance and influence to Group's business. They include shareholders, customers and suppliers. The Group engages with these stakeholders through various informal and formal channels of communication to learn and understand their concerns. For example, the Group maintains a corporate website to leverage on internet platforms, which enables it to communicate with key stakeholders and the public.

The other sections of the annual report set out the Group's strategy and key areas of focus in managing stakeholder relationships (for more information, please refer to the Company's Sustainability Report).

## [Dividends](#)

The Company does not have a formal dividend policy. The declaration and payment of dividends will be determined at the sole discretion of the Board and in the case of final dividends, subject to the approval of shareholders. In making their recommendation, the Board will consider the Group's cash, gearing, return on equity and retained earnings, actual and projected financial performance and working capital needs, projected level of capital expenditure and other investment plans, restriction on payment of dividends imposed by the Company's financing arrangements (if any) and the general economic and business condition in countries which the Group operates. Any proposal for the declaration of final dividends will be clearly communicated to the shareholders via SGXNET. No dividends were declared or recommended for FY2022 as the Group was loss-making.

## **MATERIAL CONTRACTS**

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

## **DEALINGS IN SECURITIES**

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

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

The Board confirms that the Company has complied with Rule 1204(19) of the Catalyst Rules.



## WHISTLE-BLOWING POLICY

The Group has in place a whistle-blowing policy to ensure independent investigations of complaints relating to fraud, corruption, possible improprieties in financial reporting, breach of law, non-compliance with the Group's code of conduct and business practices, and any wrongful acts by any employees of the Group, and for appropriate follow-up action.

The policy is aimed at encouraging the reporting of such matters in good faith and that staff of the Group and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal and detrimental or unfair treatment. The Group is also committed in ensuring that the identity of the whistleblower is kept confidential. Anonymous complaints may be considered, taking into account factors such as the merits of the issues raised. Any suspected non-compliance case and/or concern may be reported in writing and forwarded to AC Chairman by (i) post to 138 Robinson Road #26-03 Oxley Tower Singapore 0638898 and/or (ii) email to [whistleblow@egl.com.sg](mailto:whistleblow@egl.com.sg). The policy has a well-defined process which ensues independent investigation of issues/concerns raised and appropriate follow-up action.

All reported whistle-blowing incidents or concerns will be independently investigated and remedial actions will be taken to address the whistle-blowing incidents. The AC has oversight and monitoring of the policy.

No whistle-blowing reports were reported for FY2022.

## INTERESTED PERSONS TRANSACTIONS

The Company has established a procedure for recording and reporting interested person transactions ("IPT"). There were no IPTs of S\$100,000 and above for FY2022.



# CORPORATE GOVERNANCE

## USE OF PROCEEDS

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

Purpose	Net proceeds allocated (S\$'000)	Reallocation of net proceeds (S\$'000)	Net proceeds utilised as at the date of Annual Report (S\$'000)	Balance unutilised (S\$'000)
Publishing business	500	(359)	125	16
- Wages and staff related costs			41	
- Creditors			36	
- Property, plant and equipment			48	
Working capital	1,377	-	1,377	-
- Wages and staff related costs			581	
- Creditors			560	
- Directors' fees			236	
Money lending business	-	359	359	-
- Wages and staff related costs		29	29	
- Creditors		14	14	
- Property, plant and equipment		94	94	
- Acquisition of Win Win Finance Limited		216	216	
- Loan disbursed		6	6	
<b>Total</b>	<b>1,877</b>	<b>-</b>	<b>1,861</b>	<b>16</b>

In the announcement dated 29 September 2018, the intended use of the net proceeds were allocated 26.2% to publishing businesses and 73.8% to general working capital. The actual use of proceeds differs from that as stated in the announcement due mainly to a change in the Group's strategy to diversify into property and moneylending businesses. The reallocation of net proceeds for the moneylending business and the acquisition of Win Win Finance Limited is set out in the table above.

# CORPORATE GOVERNANCE

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

Purpose	Net proceeds allocated (S\$'000)	Net proceeds utilised as at the date of Annual Report (S\$'000)	Balance unutilised (S\$'000)
General working capital	1,290	328	962
- Wages and staff related costs		250	
- Creditors		78	
Future corporate developments and new business opportunities (if any)	322	-	322
<b>Total</b>	<b>1,612</b>	<b>328</b>	<b>1,284</b>

The use of proceeds raised from the placement is consistent with the Company's proposed use of funds as set out in the announcement dated 5 August 2020.

## SPONSORSHIP

No non-sponsor fees were paid/ payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY2022.

## SUSTAINABILITY REPORTING

The Group's fifth sustainability report which covers the period from 1 April 2021 to 31 March 2022 will be prepared with reference to the Global Reporting Initiative Standards and is in line with the requirements of the Catalist Rules. The report will highlight the key economic, environmental, social and compliance factors such as anti-corruption, energy, non-discrimination, local communities and customer privacy. The Company is working towards the issuance of the sustainability report by 31 August 2022 and such report will be made available to shareholders on the SGXNET.

# CORPORATE GOVERNANCE - APPENDIX A

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

Name of Director	Lee Keng Mun	Kesavan Nair
Date of first appointment	9 March 2016	14 February 2013
Date of last re-appointment (if applicable)	29 September 2020	29 September 2020
Age	50	58
Country Of Principal Residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr. Lee Keng Mun's contribution as Independent Non-Executive Director, Chairman of the Remuneration Committee and member of the Nominating Committee and Audit Committee of the Company, and has recommended that Mr. Lee Keng Mun be re-elected as Director of the Company. The Board considers Mr. Lee Keng Mun to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Kesavan Nair's contribution as Independent Non- Executive Director, Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee of the Company, and has recommended that Mr Kesavan Nair be re-elected as Director of the Company. The Board considers Mr. Kesavan Nair to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director. Chairman of Remuneration Committee and member of Nominating Committee and Audit Committee	Non-Executive Independent Director. Chairman of Nominating Committee and member of Audit Committee and Remuneration Committee
Professional Qualifications	Bachelor of Accounting from the University of Malaya  Member of the Malaysia Institute of Accountants and the Institute of Singapore Chartered Accountants	Bachelor of Law (Honours) from The University College of Wales, Aberystwyth.

# CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Lee Keng Mun	Kesavan Nair
Working experience and occupation(s) during the past 10 years	Mr Lee is presently the Chief Operating Officer of Asia-Pacific Strategic Investments Limited	Mr Kesavan Nair is presently a director of Bayfront Law LLC.  Mr Kesavan Nair was formerly a partner of Genesis Law Corporation from 2008 to 2017.
Shareholding interest in the listed issuer and its subsidiaries	Nil	300,000 ordinary shares in the Company (Direct interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<p>Other Principal Commitments* including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p> <p>Past (for the last 5 years) Present</p>	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>Asia-Pacific Strategic Investments Holding Limited</li> <li>Global Alliance Property Pte Ltd</li> <li>Huzhou Dixi Gengdu Ecological Agriculture Development Co., Ltd.</li> <li>Zhongfang Lianhe Grand Canal Cultural Tourism Group Co., Ltd.</li> </ol> <p><u>Past 5 years Directorships</u> Asia-Pacific Strategic Investments Limited</p>	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>Medi Lifestyle Limited</li> <li>HG Metal Manufacturing Limited</li> <li>M C Payment Limited</li> </ol> <p><u>Past 5 years Directorships</u> Kitchen Culture Holdings Ltd</p>
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank.</p> <p>If the answer to any question is "yes", full details must be given.</p>		

# CORPORATE GOVERNANCE - APPENDIX A

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

## CORPORATE GOVERNANCE - APPENDIX A

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

# CORPORATE GOVERNANCE - APPENDIX A

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



# CORPORATE GOVERNANCE - APPENDIX A

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

**Note:**

N.A. – Not Applicable

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2022 and the balance sheet of the Company as at 31 March 2022.

In the opinion of the directors,

- the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 52 to 105 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Ng Kai Man  
 Chou Kong Seng  
 Kesavan Nair  
 Lee Keng Mun

## Arrangements to enable directors to acquire shares and debentures

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

## Directors' interests in shares or debentures

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

Company (No. of ordinary shares)	Holdings registered in name of director or nominee	
	At 31.03.2022	At 01.04.2021
Ng Kai Man	92,700,000	92,700,000
Chou Kong Seng	600,000	600,000
Kesavan Nair	300,000	300,000

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

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

Company (No. of ordinary shares)	Number of unissued ordinary shares under option held by director	
	At 31.03.2022	At 01.04.2021
Chou Kong Seng	672,500	672,500
Kesavan Nair	672,500	672,500

The directors' interests in the ordinary shares of the Company as at 21 April 2022 were the same as those as at 31 March 2022.

## Share options

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

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

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

### (a) Eligible participants of the AES ESOS

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

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

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

## Share options (cont'd)

### (b) Size and duration

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

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

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

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

Date of grant	Balance as at 1.4.2021 '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.03.2022 '000	Exercise price per share	Exercisable period
13.07.2015	7,846	-	-	7,846	\$0.03 *	13.07.2017-13.07.2025

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

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

## Share options (cont'd)

### (b) Size and duration (cont'd)

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

Name of director	No. of unissued ordinary shares of the Company under option				
	Options granted during the financial year '000	Aggregate options granted since commencement of AES ESOS to 31.03.2022 '000	Aggregate options exercised since commencement of AES ESOS to 31.03.2022 '000	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2022 '000	Aggregate options outstanding as at 31.03.2022 '000
Chou Kong Seng	-	672.5	-	-	672.5
Kesavan Nair	-	672.5	-	-	672.5
	-	1,345	-	-	1,345

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

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

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

## Share options (cont'd)

### (b) Size and duration (cont'd)

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

Name of director	No. of unissued ordinary shares of the Company under option				
	Options granted during the financial year '000	Aggregate options granted since commencement of AES ESOS to 31.03.2022 '000	Aggregate options exercised since commencement of AES ESOS to 31.03.2022 '000	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2022 '000	Aggregate options outstanding as at 31.03.2022 '000
<b>Non-executive directors</b>					
Chou Kong Seng	-	672.5	-	-	672.5
Kesavan Nair	-	672.5	-	-	672.5
<b>Directors (ceased office)</b>					
Ang Gee Hing	-	2,690.0	-	-	2,690.0
Tan Chong Chai	-	897.0	-	-	897.0
Ling Chung Yee Roy	-	672.5	-	-	672.5
Ang Ghee Ann	-	672.5	-	-	672.5
<b>Employees</b>					
Ng Hwee Ling	-	897.0	-	-	897.0
Chong Chye Wan	-	672.0	-	-	672.0
	-	7,846.0	-	-	7,846.0

No options have been granted during the financial year ended 31 March 2022.

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

## Audit committee

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

Chou Kong Seng (Chairman)  
Kesavan Nair  
Lee Keng Mun

All members of the Audit Committee are Independent Non-Executive directors of the Company who are independent of the Group and Company's management.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, 1967. In performing those functions, the Committee reviewed:

- the scope and results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2022 before their submission to the Board of Directors.

The Audit Committee met twice during the financial year ended 31 March 2022. The Audit Committee has met 2 times with the independent auditor, without the presence of Management, to discuss issues of concern to them.

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

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming AGM of the Company.

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

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

## Independent auditor

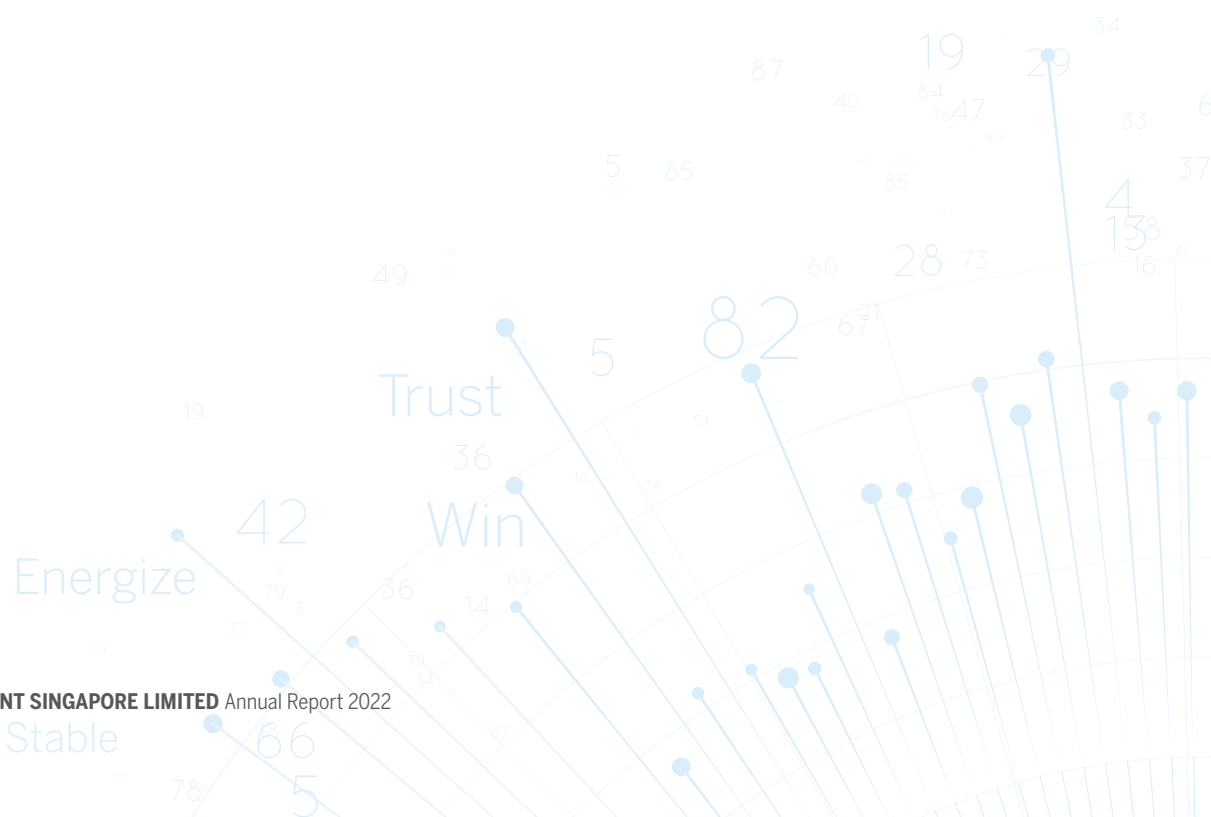
The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

.....  
**Ng Kai Man**  
Director

.....  
**Lee Keng Mun**  
Director

**8 July 2022**







# INDEPENDENT AUDITOR'S REPORT

To the Members of Arion Entertainment Singapore Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Arion Entertainment Singapore Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the balance sheets of the Group and of the Company as at 31 March 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 105.

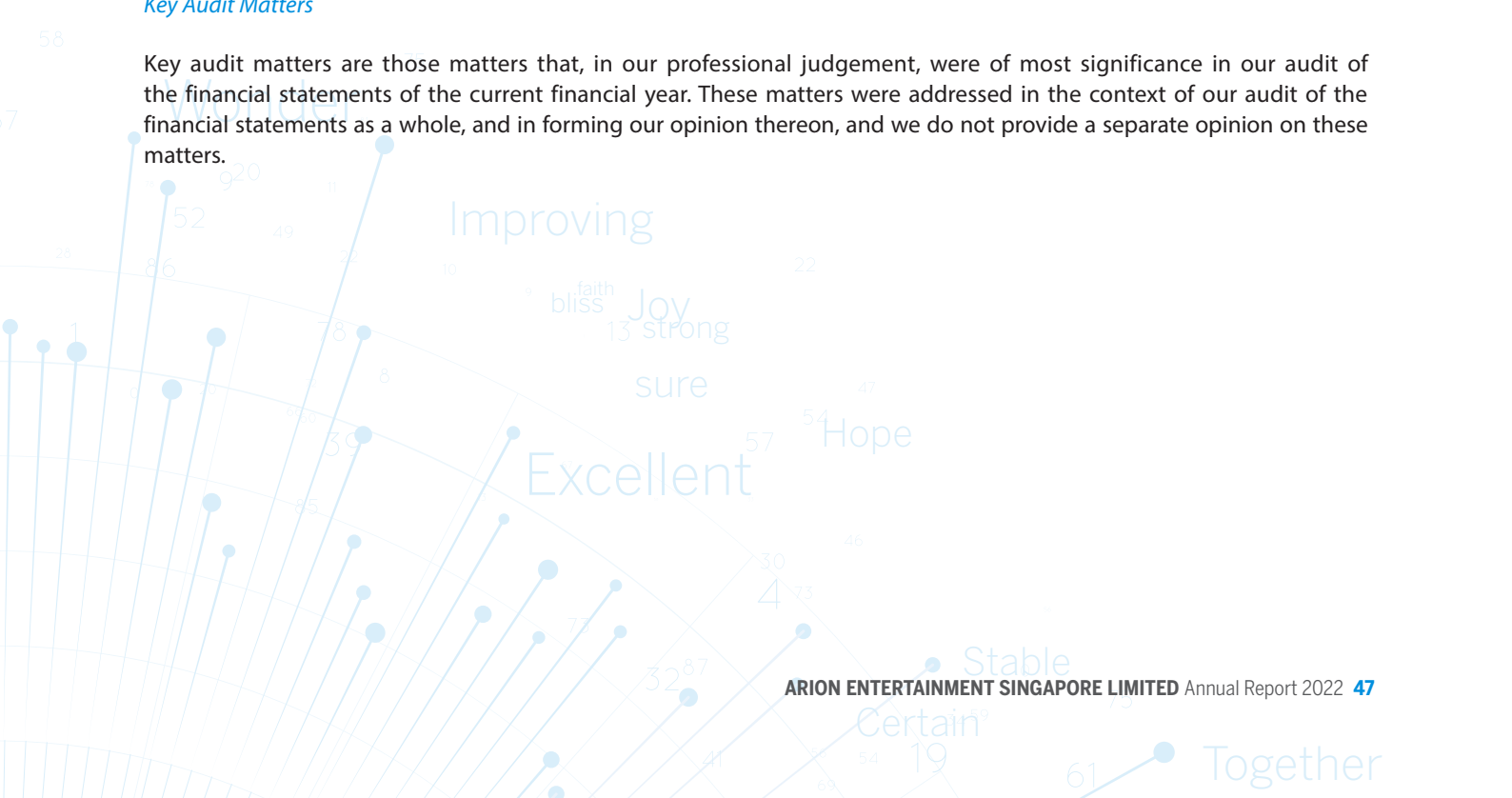
In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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



# INDEPENDENT AUDITOR'S REPORT

To the Members of Arion Entertainment Singapore Limited

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

### Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
<p><b>Going concern assumption</b></p> <p>The Group reported a net loss of \$0.93 million for the financial year ended 31 March 2022 and as at that date, total cash and cash equivalents decreased by \$0.75 million from outflows of cash from operating activities. Management has prepared the financial statements on a going concern basis as the Group will have sufficient cash flows to meet the operations requirements, based on the 12-month cash flows projection.</p> <p>We identified that the most significant assumption in assessing the Group's ability to continue as a going concern is the ability of the Company to provide financial support to its components to meet their obligations as and when they fall due. The calculations supporting the assessment require management to make highly subjective judgements and the calculations are based on estimates of future performance which are fundamental to assessing the suitability of the going concern assumption adopted for the preparation of the financial statements.</p> <p>We have therefore spent significant audit effort, including the time of senior members of our audit team, in assessing the appropriateness of this assumption.</p>	<p>Our audit approach included the following procedures:</p> <ul style="list-style-type: none"> <li>● Reviewed management's assessment on its going concern assumptions through obtaining management's forecast of the cash flows projection of the Group over the next 12 months;</li> <li>● Challenged the appropriateness of the key assumptions used by the management in the cash flows projection, including timing of cash inflows and cash required for operations;</li> <li>● Reviewed minutes of board meetings and relevant committees for any discussion of financial difficulties and future plans, including those up to the date of this report;</li> <li>● Reviewed for events after the financial year end to identify factors relevant, if any, on the going concern assumption as a basis for the preparation of the financial statements; and</li> <li>● Reviewed the adequacy and appropriateness of the disclosures made in Note 4 to the financial statements.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

To the Members of Arion Entertainment Singapore Limited

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

### Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
<p><b>Revenue recognition</b></p> <p>For the financial year ended 31 March 2022, the Group's recognised a total revenue of \$0.90 million. Revenue is derived from sale of goods-circulation of magazines and periodicals and rendering of advertising services.</p> <p>We focused on this area because revenue recognition has been identified as a significant risk in accordance with SSA 315 (revised) and because of judgments used in SFRS(I) 15 – Revenue from Contracts with Customers.</p> <p>The accounting policies for revenue are set out in Note 2.2 to the financial statements and the different revenue streams for the Group has been disclosed in Note 16 to the financial statements.</p>	<p>With the involvement of the component auditor, our audit approach included the following procedures:</p> <ul style="list-style-type: none"><li>• Evaluated management's assessment of the application of SFRS(I) 15. Considered the appropriateness of the revenue recognition accounting policies, including those related to accounting for variable considerations and contract modifications, vis-à-vis the requirements under SFRS(I) 15;</li><li>• Reviewed contracts identified during the financial year and identified performance obligations in the contracts;</li><li>• Performed verification of revenue documentary evidences, including sales cut-off procedures at financial year end and ensured that revenue is recognised in the correct financial year; and</li><li>• Checked that the Group's revenue recognition policy was consistently applied within the Group.</li></ul>

### Other Information

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

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of Arion Entertainment Singapore Limited

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

### *Responsibilities of Management and Directors for the Financial Statements*

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Arion Entertainment Singapore Limited

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

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

**Nexia TS Public Accounting Corporation**  
**Public Accountants and Chartered Accountants**

Singapore  
8 July 2022

# BALANCE SHEET - GROUP

As at 31 March 2022

	Note	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,083	3,050
Trade and other receivables	6	99	83
Other current assets	7	88	79
		<u>2,270</u>	<u>3,212</u>
<b>Non-current assets</b>			
Investment in a joint venture	8	-	-
Property, plant and equipment	10	142	8
Intangible assets	11	92	-
		<u>234</u>	<u>8</u>
<b>Total assets</b>		<u>2,504</u>	<u>3,220</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	581	375
Current income tax liabilities		2	3
		<u>583</u>	<u>378</u>
<b>Total liabilities</b>		<u>583</u>	<u>378</u>
<b>NET ASSETS</b>		<u>1,921</u>	<u>2,842</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	13	146,309	146,309
Accumulated losses		(144,614)	(143,685)
Other reserves	15	226	218
<b>Total equity</b>		<u>1,921</u>	<u>2,842</u>

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

# BALANCE SHEET - COMPANY

As at 31 March 2022

	Note	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,459	2,690
Other receivables	6	1	1
Other current assets	7	26	38
		<u>1,486</u>	<u>2,729</u>
<b>Non-current assets</b>			
Investment in a joint venture	8	-	-
Investments in subsidiary corporations	9	-*	-
		<u>-</u>	<u>-</u>
<b>Total assets</b>		<u>1,486</u>	<u>2,729</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	376	233
Current income tax liabilities		2	2
		<u>378</u>	<u>235</u>
<b>Total liabilities</b>		<u>378</u>	<u>235</u>
<b>NET ASSETS</b>		<u>1,108</u>	<u>2,494</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	13	146,309	146,309
Accumulated losses	14	(145,460)	(144,074)
Other reserves	15	259	259
<b>Total equity</b>		<u>1,108</u>	<u>2,494</u>

\* Less than \$1,000

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
Revenue	16	900	857
Other income	17	7	24
Expenses			
- Printing and editorial costs		(525)	(488)
- Audit fees paid/payable			
- Auditor of the Company		(32)	(32)
- Other auditor		(5)	(5)
- Non-audit fees paid/payable to auditor of the Company		(6)	(5)
- Depreciation of property, plant and equipment	10	(10)	(3)
- Employee compensation	18	(746)	(577)
- Rental expense – short-term leases		(45)	(42)
- Professional fees		(145)	(196)
- Other		(318)	(226)
<b>Total expenses</b>		<b>(1,832)</b>	<b>(1,574)</b>
Loss before income tax		(925)	(693)
Income tax expense	19	(4)	(6)
<b>Net loss</b>		<b>(929)</b>	<b>(699)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains		8	7
<b>Other comprehensive income, net of tax</b>		<b>8</b>	<b>7</b>
<b>Total comprehensive loss</b>		<b>(921)</b>	<b>(692)</b>

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



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
<b>Loss attributable to:</b>			
- Equity holders of the Company		<u>(929)</u>	<u>(699)</u>
<b>Total comprehensive loss attributable to:</b>			
- Equity holders of the Company		<u>(921)</u>	<u>(692)</u>
<b>Loss per share for loss attributable to the equity holders of the Company (cents per share)</b>			
<b>Basic and diluted loss per share</b>	20	<u>(0.10)</u>	<u>(0.09)</u>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

	Note	Attributable to the Company				Total equity \$'000
		Share capital	Currency translation reserve	Share options reserve	Accumulated losses	
		\$'000	\$'000	\$'000	\$'000	
<b>2022</b>						
<b>Balance as at 1 April 2021</b>		146,309	(41)	259	(143,685)	2,842
Total comprehensive income/(loss) for the financial year		-	8	-	(929)	(921)
<b>Balance as at 31 March 2022</b>		<b>146,309</b>	<b>(33)</b>	<b>259</b>	<b>(144,614)</b>	<b>1,921</b>
<b>2021</b>						
<b>Balance as at 1 April 2020</b>		144,676	(48)	259	(142,986)	1,901
Total comprehensive income/(loss) for the financial year		-	7	-	(699)	(692)
Issuance of ordinary shares	13	1,633	-	-	-	1,633
<b>Balance as at 31 March 2021</b>		<b>146,309</b>	<b>(41)</b>	<b>259</b>	<b>(143,685)</b>	<b>2,842</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Note	Group	
		2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Net loss		(929)	(699)
Adjustments for:			
- Income tax expense	19	4	6
- Depreciation of property, plant and equipment	10	10	3
- Interest income	17	6	6
		(921)	(696)
Change in working capital, net of effects from acquisition of subsidiary corporations:			
- Trade and other receivables		(25)	14
- Trade and other payables		199	(10)
Cash used in operations		(741)	(686)
Income tax paid		(5)	(3)
Interest received		6	6
<b>Net cash used in operating activities</b>		<b>(746)</b>	<b>(689)</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(144)	.*
Acquisition of subsidiary corporations, net of cash acquired	24(b)(ii)	(85)	-
<b>Net cash used in investing activities</b>		<b>(229)</b>	<b>.*</b>
<b>Cash flows from financing activity</b>			
Proceeds from issuance of ordinary shares	13	-	1,633
<b>Net cash provided by financing activity</b>		<b>-</b>	<b>1,633</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(975)</b>	<b>944</b>
Cash and cash equivalents			
Beginning of financial year		3,050	2,099
Effects of currency translation on cash and cash equivalents		8	7
<b>End of financial year</b>	5	<b>2,083</b>	<b>3,050</b>

\* Less than \$1,000

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

## 1. General information

Arion Entertainment Singapore Limited is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 138 Robinson Road, #26-03, Oxley Tower, Singapore 068906. The address of its principal place of business is 350 Orchard Road, #11-08, Shaw House, Singapore 238868.

The principal activities of the Company are those of provision of management services and investment holding. The principal activities of its subsidiary corporations are set out in Note 9 to the financial statements.

## 2. Significant accounting policies

### 2.1 Basis of preparation

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

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

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

### Coronavirus (COVID-19) Impact

The Coronavirus (COVID-19) continued to have a significant impact on local and world economies. Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 March 2022.

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- (ii) The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on expected credit losses on trade receivables as disclosed in Note 3.1 to the financial statements.

The Group will continue to keep a vigilant watch on the challenges that may arise from the ongoing COVID-19 pandemic and uncertainties in the wider macro environment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.1 Basis of preparation (cont'd)

#### Interpretations and amendments to published standards effective in 2021

On 1 April 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

### 2.2 Revenue recognition

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

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

Revenue from sale of goods is recognised at the point in time when the Group has delivered the goods to locations specified by its customers and the customers have accepted the goods in accordance with the sales contract. In some contracts, an entity transfers control of a product to a customer and also grants the customer the right to return the product. The Group recognises revenue for the transferred products in the amount of consideration to which the Group expects to be entitled.

#### (b) Rendering of services – Advertising

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

#### (c) Interest income

Interest income is recognised using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.3 Government grants

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

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

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

### 2.4 Group accounting

#### (a) Subsidiary corporations

##### (i) Consolidation

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.4 Group accounting (cont'd)

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

##### (ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

##### (iii) *Disposals*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.4 Group accounting (cont'd)

#### (b) Transactions with non-controlling interests

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

#### (c) Joint ventures

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

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

##### (i) Acquisitions

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint venture over the Group's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investments.

##### (ii) Equity method of accounting

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.4 Group accounting (cont'd)

#### (c) Joint ventures (cont'd)

##### (ii) Equity method of accounting (cont'd)

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

##### (iii) Disposals

Investments in joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

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

### 2.5 Property, plant and equipment

#### (a) Measurement

##### (i) Property, plant and equipment

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

##### (ii) Components of costs

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.5 Property, plant and equipment (cont'd)

#### (b) Depreciation

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

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

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

The residual values estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

#### (c) Subsequent expenditure

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

#### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains".

### 2.6 Intangibles assets

#### Goodwill on acquisition

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.7 Investments in subsidiary corporations and joint ventures

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

### 2.8 Impairment of non-financial assets

#### (a) Goodwill

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

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

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

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

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

#### (b) Intangible assets

##### Property, plant and equipment

##### Investments in subsidiary corporations and joint ventures

Intangible assets, property, plant and equipment, and investments in subsidiary corporations and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

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

#### (b) Intangible assets

##### Property, plant and equipment

##### Investments in subsidiary corporations and joint ventures (cont'd)

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

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

### 2.9 Financial assets

#### (a) Classification and measurement

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

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

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

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

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

#### At initial recognition

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.9 Financial assets (cont'd)

#### (a) Classification and measurement (cont'd)

##### At subsequent measurement

##### (i) Debt instruments

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

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

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

##### (b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 22(b)(ii) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.9 Financial assets (cont'd)

#### (c) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

### 2.10 Offsetting of financial instruments

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

### 2.11 Trade and other payables

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

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

### 2.12 Leases

#### *When the Group is the lessee:*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.12 Leases (cont'd)

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

- **Right-of-use assets**

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

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

- **Lease liabilities**

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

Lease payments include the following:

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.12 Leases (cont'd)

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

- **Short term and low value leases**

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

### 2.13 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither goodwill or taxable profit or loss at the time of the transaction.

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

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

- at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.14 Provisions

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

### 2.15 Employee compensation

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

#### (a) Defined contribution plans

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

#### (b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

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

#### (c) Employees leave entitlement

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.16 Currency translation

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

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

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

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

#### (c) Translation of Group entities' financial statements

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

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Significant accounting policies (cont'd)

### 2.17 Segment reporting

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

### 2.18 Cash and cash equivalents

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

### 2.19 Share capital

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

## 3. Critical accounting estimates, assumptions and judgements

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

### 3.1 Critical accounting estimates and assumptions

#### *Expected credit losses on trade receivables*

As at 31 March 2022, the Group's trade receivables amounted to \$98,000 (2021: \$82,000), arising from the Group's different revenue segments – advertisements, publishing and exhibitions and events.

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

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. The Group's and the Company's credit risk exposure for trade receivables are set out in Note 22(b)(ii) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 4. Going concern

The Group reported net loss of \$929,000 (2021: \$699,000) for the financial year ended 31 March 2022 and as at that date, total cash and cash equivalents decreased by \$746,000 (2021: \$689,000) from outflows of cash from operating activities. These financial results indicate the existence of material uncertainties on the Group's and the Company's ability to continue as going concerns. Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 March 2022 is appropriate as the Group and the Company will have sufficient cash flows to meet the operating requirements, based on a 12-month cash flows projection.

## 5. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	<b>2,083</b>	3,050	<b>1,459</b>	2,690

## 6. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	<b>98</b>	82	-	-
Non-trade receivables				
- Non-related parties	<b>1</b>	1	<b>1</b>	1
- Subsidiary corporations	-	-	<b>1,400</b>	900
	<b>99</b>	83	<b>1,401</b>	901
Less: Loss allowance [Note 22(b)(ii)]	-	-	<b>(1,400)</b>	(900)
	<b>99</b>	83	<b>1</b>	1

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 7. Other current assets

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Contract assets [Note 16(b)]	45	34	-	-
Prepayments	33	36	22	35
Deposits	10	9	4	3
	<b>88</b>	<b>79</b>	<b>26</b>	<b>38</b>

## 8. Investment in a joint venture

	Group	
	2022 \$'000	2021 \$'000
Equity investments at cost	1,500	1,500
Less: Allowance for impairment	(1,500)	(1,500)
	<b>-</b>	<b>-</b>

Set out below are the joint venture of the Group as at 31 March 2022 and 2021. The joint venture has share capital consist solely of ordinary shares, which are held directly by the Company.

Name of entity	Country of incorporation and place of business	Effective equity held by the Group	
		2022 %	2021 %
<u>Held by Company</u>			
Tom N Toms International Pte Ltd	Singapore	50	50

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 8. Investment in a joint venture (cont'd)

The summarised financial information of the joint venture (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture is as follows:

	<b>Tom N Toms International Pte Ltd</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Assets	-	-
Liabilities	<b>(388)</b>	(380)
Net loss	<b>(6)</b>	(2)

The Group has not recognised its share of loss of the joint venture amounted to \$3,275 (2021: \$950) as the Group's cumulative share of losses has exceeded its interest in the entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses of this entity are \$202,766 (2021: \$199,491) at the balance sheet date.

## 9. Investments in subsidiary corporations

	<b>Company</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
<i>Equity investment at cost</i>		
Beginning of financial year	<b>1,137</b>	42,470
Additions	-*	19 -
Disposal of subsidiary corporations <sup>(a)</sup>	87 -	(41,333)
End of financial year	<b>1,137</b>	1,137
<i>Accumulated impairment</i>		
Beginning of financial year	<b>1,137</b>	42,470
Disposal of subsidiary corporations <sup>(a)</sup>	-	(41,333)
End of financial year	<b>1,137</b>	1,137
<i>Carrying amount</i>		
End of financial year	-	-

\* Less than \$1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 9. Investments in subsidiary corporations (cont'd)

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

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

The Group has the following subsidiary corporations as at 31 March 2022 and 2021.

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group	
			2022	2021	2022	2021
			%	%	%	%
<i>Held by the Company</i>						
Inovatif Media Asia Sdn. Bhd. <sup>(1)</sup>	Media Publishing	Malaysia	100	100	100	100

(1) Audited by YTS & Associates, Malaysia.

In addition, the Company and the Group acquired the following subsidiary corporations during the financial year ended 31 March 2022:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group	
			2022	2021	2022	2021
<i>Held by the Company</i>						
Fame Harvest Limited <sup>(2)(3)</sup>	Investment holding	Hong Kong	100	-	100	-
<i>Held by Fame Harvest Limited</i>						
Win Win Finance Limited <sup>(2)(4)</sup>	Money lending business	Hong Kong	100	-	100	-

(2) Not required to be audited within 18 months from its date of incorporation.

(3) On 14 May 2021, the Company acquired 100% of the issued and paid-up capital of Fame Harvest Limited for a cash consideration of approximately \$440 (equivalent to HK\$2,600) [Note 24(a)].

(4) On 10 February 2022, one of the Company's subsidiary corporations, Fame Harvest Limited, acquired 100% of the issued and paid-up share capital of Win Win Finance Limited for a cash consideration of approximately \$216,000 (equivalent to HK\$1,250,000) [Note 24(b)].

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 9. Investments in subsidiary corporations (cont'd)

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

## 10. Property, plant and equipment

<u>Group</u>	<b>Furniture and fittings</b> \$'000	<b>Office equipment</b> \$'000	<b>Computers</b> \$'000	<b>Renovation</b> \$'000	<b>Total</b> \$'000
<b>2022</b>					
<i>Cost</i>					
Beginning of financial year	10	52	90	41	193
Currency translation differences	-	(1)	(1)	-	(2)
Additions	5	-	120	19	144
End of financial year	15	51	209	60	335
<i>Accumulated depreciation</i>					
Beginning of financial year	8	52	84	41	185
Currency translation differences	-	(1)	(1)	-	(2)
Depreciation charge	1	-*	9	-	10
End of financial year	9	51	92	41	193
<b>Net book value</b>					
<b>End of financial year</b>	<b>6</b>	<b>-</b>	<b>117</b>	<b>19</b>	<b>142</b>

\* Less than \$1,000



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

<u>Group</u>	<u>Furniture and fittings</u> <u>\$'000</u>	<u>Office equipment</u> <u>\$'000</u>	<u>Computers</u> <u>\$'000</u>	<u>Renovation</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>2021</b>					
<i>Cost</i>					
Beginning of financial year	10	52	92	41	195
Currency translation differences	-	-	(2)	-	(2)
Additions	-	- *	-	-	- *
End of financial year	10	52	90	41	193
<i>Accumulated depreciation</i>					
Beginning of financial year	8	52	83	41	184
Currency translation differences	-	-	(2)	-	(2)
Depreciation charge	- *	- *	3	-	3
End of financial year	8	52	84	41	185
<b>Net book value</b>					
<b>End of financial year</b>	<b>2</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>8</b>

\* Less than \$1,000

<u>Company</u>	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
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### **Computers**

#### *Cost*

Beginning and end of financial year	<u>1</u>	<u>1</u>
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#### *Accumulated depreciation*

Beginning and end of financial year	<u>1</u>	<u>1</u>
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#### **Net book value**

<b>End of financial year</b>	<u>-</u>	<u>-</u>
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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 11. Intangible assets

The Group's intangible assets comprise of goodwill arising on consolidation as at the financial years ended 31 March 2022 and 2021.

	Group	
	2022 \$'000	2021 \$,000
<i>Cost</i>		
Beginning of financial year	44	178
Acquisition of subsidiary corporation [Note 24(b)]	92	-
Written-off*	-	(134)
End of financial year	136	44
<i>Accumulated amortisation and impairment</i>		
Beginning and end of financial year	44	44
<i>Net book value</i>		
<b>End of financial year</b>	<b>92</b>	<b>-</b>

\* Amounts written-off relate to subsidiary corporations struck off during the financial year ended 31 March 2021.

### Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to countries of operation and business segments. As at 31 March 2022, a provisional goodwill amounting to \$92,000 has been allocated to the moneylending segment business in Hong Kong and the finalisation of goodwill amount is dependent on the valuation of net assets acquired [Note 24(b)(vi)].

The newly acquired CGU during the financial year ended 31 March 2022 was completed on 10 February 2022. Given that the completion date of the acquisition was near to end of the reporting period, management has assessed that its recoverable amount, approximates its consideration.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 12. Trade and other payables

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables				
- Non-related parties	130	75	-	-
Non-trade payables				
- Non-related parties	23	58	22	56
	153	133	22	56
Contract liabilities [Note 16(b)]	15	20	-	-
Accrual for operating expenses	413	222	354	177
	581	375	376	233

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

## 13. Share capital

Group and Company	No. of ordinary shares	Amount \$'000
<b>Issued share capital</b>		
<b>2022</b>		
Beginning and end of financial year	933,951,593	146,309
<b>2021</b>		
Beginning of financial year	622,940,542	144,676
Issuance of shares pursuant to Warrant 2015 <sup>(a)</sup>	11,051	-*
Issuance of shares pursuant to shares placement <sup>(b)</sup>	311,000,000	1,633
End of financial year	933,951,593	146,309

\* Less than \$1,000

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 13. Share capital (cont'd)

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

- (a) On 5 May 2020, the Company issued and allotted 11,051 ordinary shares at the exercise price of \$0.05 per share pursuant to the exercise of Warrant 2015.
- (b) On 14 September 2020, the Company issued and allotted 311,000,000 ordinary shares for a total consideration of \$1,632,750 pursuant to a shares placement.

### Share options

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

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

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

#### (a) Eligible participants of the AES ESOS

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 13. Share capital (cont'd)

### Share options (cont'd)

#### (b) Size and duration

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

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

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

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

#### 31 March 2022

Date of grant	Balance as at 1.4.2021 '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.03.2022 '000	Exercise price per share	Exercisable period
13.07.2015	7,846	-	-	7,846	\$0.03 *	13.07.2017-13.07.2025

#### 31 March 2021

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 13. Share capital (cont'd)

### Share options (cont'd)

#### (b) Size and duration (cont'd)

	Options granted during the financial year '000	Aggregate options granted since commencement of AES ESOS '000	Aggregate options exercised since commencement of AES ESOS '000	Aggregate options cancelled or lapsed since commencement of AES ESOS '000	Aggregate options outstanding '000
<b>31 March 2022</b>					
Non-executive directors	-	1,345	-	-	1,345
Directors (ceased office)	-	4,932	-	-	4,932
Employees	-	1,569	-	-	1,569
	-	<b>7,846</b>	-	-	<b>7,846</b>
<b>31 March 2021</b>					
Non-executive directors	-	1,345	-	-	1,345
Directors (ceased office)	-	4,932	-	-	4,932
Employees	-	1,569	-	-	1,569
	-	<b>7,846</b>	-	-	<b>7,846</b>

No option has been granted to controlling shareholders of the Company or their associates. Under the terms and conditions of the AES ESOS, in the case of a director on the offering date who ceases to be a Director subsequently, all options granted under the AES ESOS to such Director will, notwithstanding such cessation, continue to be exercisable within the relevant exercisable period after such Director ceases to be a Director of the Company.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 13. Share capital (cont'd)

### Share options (cont'd)

#### (b) Size and duration (cont'd)

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

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

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

## 14. Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company	
	2022	2021
	\$'000	\$'000
Beginning of financial year	<b>(144,074)</b>	(143,341)
Net loss	<b>(1,386)</b>	(733)
End of financial year	<b>(145,460)</b>	(144,074)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 15. Other reserves

(a) *Composition:*

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Share option reserve	259	259	259	259
Currency translation reserve	(33)	(41)	-	-
	<b>226</b>	<b>218</b>	<b>259</b>	<b>259</b>

(b) *Movements:*

(i) *Share option reserve*

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Beginning and end of financial year	<b>259</b>	259	<b>259</b>	259

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

(ii) *Currency translation reserve*

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Beginning of financial year			(41)	(48)
Net currency translation differences of financial statements of foreign subsidiary corporations	8		7	
End of financial year	<b>(33)</b>		<b>(41)</b>	

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

Other reserves are non-distributable.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 16. Revenue

### (a) Disaggregation of revenue from contracts with customers

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

	At a point in time \$'000	Over time \$'000	Total \$'000
<b>2022</b>			
<i>Malaysia</i>			
Circulation of magazines and periodicals	846	-	846
Advertisements	-	54	54
	<b>846</b>	<b>54</b>	<b>900</b>
<b>2021</b>			
<i>Malaysia</i>			
Circulation of magazines and periodicals	800	-	800
Advertisements	-	57	57
	<b>800</b>	<b>57</b>	<b>857</b>

### (b) Contract assets and liabilities

	Group	
	2022 \$'000	2021 \$'000
<i>Contract assets</i>		
- Advertisements (Note 7)	45	34
<i>Contract liabilities</i>		
- Advertisements (Note 12)	15	20

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 16. Revenue (cont'd)

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

#### (i) Revenue recognised in relation to contract liabilities

	<b>Group</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000

Revenue recognised in current year that was included in the contract liabilities balance at the beginning of the year

- Advertisements	<b>20</b>	12
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#### (ii) Unsatisfied performance obligations

	<b>Group</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000

Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March

- Advertisements	<b>15</b>	20
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Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 March 2022 and 2021 may be recognised as revenue in the next reporting periods as follows:

	<b>Group</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000

Partial and fully unsatisfied performance obligations as at:

<b>31 March 2022</b>	<b>15</b>	-
31 March 2021	60	20

### (c) Trade receivables from contracts with customers

	<b>Group</b>	
	<b>2022</b>	2021
	<b>\$'000</b>	\$'000

Trade receivables from contracts with customers	<b>98</b>	82
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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 17. Other income

	Group	
	2022 \$'000	2021 \$'000
Interest income – bank deposits	6	6
Government grants – Jobs Support Scheme <sup>(a)</sup>	1	18
	<u>7</u>	<u>24</u>

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

## 18. Employee compensation

	Group	
	2022 \$'000	2021 \$'000
Wages, salaries and bonuses	701	531
Employer’s contribution to defined contribution plans, including Central Provident Fund	42	42
Other short-term benefits	3	4
	<u>746</u>	<u>577</u>

## 19. Income taxes

	Group	
	2022 \$'000	2021 \$'000
Tax expense attributable to loss is made up of:		
Loss for the financial year:		
- Current income tax	-	(3)
Under provision in prior financial year:		
- Current income tax	(4)	(3)
	<u>(4)</u>	<u>(6)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 19. Income taxes (cont'd)

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

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss before tax	<b>(925)</b>	(693)
Tax calculated at tax rate of 17% (2021: 17%)	<b>(157)</b>	(118)
Effects of:		
- Expenses not deductible for tax purposes	<b>1</b>	1
- Deferred tax assets not recognised	<b>166</b>	120
- Income not subject to tax	<b>-</b>	(3)
- Utilisation of previously unrecognised tax losses	<b>(10)</b>	(3)
- Under provision in prior financial year	<b>(4)</b>	(3)
Tax charge	<b>(4)</b>	(6)

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 of \$24,580,000 (2021: \$23,605,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in Singapore. The tax losses have no expiry date.

## 20. Loss per share

### (a) Basic loss per share

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

	<b>2022</b>	<b>2021</b>
Net loss attributable to equity holders of the Company (\$'000)	<b>(929)</b>	(699)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<b>933,952</b>	804,367
Basic loss per share (cents)	<b>(0.10)</b>	(0.09)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 20. Loss per share (cont'd)

### (b) Diluted loss per share

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

The Group has no dilution in its loss per share as at 31 March 2022 and 2021. The dilutive potential ordinary shares arising from warrants and share options have not been included in the calculation of diluted loss per share because they are anti-dilutive.

## 21. Related party transactions

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

### Key management personnel compensation

Key management personnel compensation is as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Directors' fees	118	118	118	118
Wages and salaries	510	365	439	289
Employer's contribution to defined contribution plans, including Central Provident Fund	22	22	14	14
	<b>650</b>	<b>505</b>	<b>571</b>	<b>421</b>

Included in the above is total compensation to director of the Company amounting to \$270,000 (2021: \$130,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 22. Financial risk management

### Financial risk factors

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

#### (a) Market risk

##### (i) Currency risk

The Group operates in Singapore, Malaysia and Hong Kong. Entities in the Group regularly transact in their respective functional currencies. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. The Group and the Company has insignificant exposure of currency risk during the financial years ended 31 March 2022 and 2021.

##### (ii) Price risk

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

##### (iii) Cash flow and fair value interest rate risks

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

#### (b) Credit risk

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

##### (i) Risk management

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

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are reputable.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 22. Financial risk management (cont'd)

### Financial risk factors (cont'd)

#### (b) Credit risk (cont'd)

##### (i) Risk management (cont'd)

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

The trade receivables of the Group comprise 1 debtor (2021: 1 debtor) that individually represented > 10% of trade receivables.

##### (ii) Impairment of financial assets

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

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

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

As at 31 March 2022, management has assessed the application of the expected credit loss model. There is no credit risk exposure in relation to the Group's trade receivables from customers, consequently, no loss allowance has been recognised by the Group.

The Company's amounts due from subsidiary corporations have been rated as non-performing, accordingly loss allowance have been recognised during the financial year ended 31 March 2022.

The movement in credit loss allowance for non-trade receivables is set out as follows:

	Company	
	2022	2021
	\$'000	\$'000
Beginning of financial year	900	26,278
Loss allowance	500	900
Written-off	-	(26,278)
End of financial year (Note 6)	1,400	900

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 22. Financial risk management (cont'd)

### Financial risk factors (cont'd)

#### (c) Liquidity risk

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

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

	<b>Less than 1 year \$'000</b>
<b>Group</b>	
<b>At 31 March 2022</b>	
Trade and other payables	<u>566</u>
<b>At 31 March 2021</b>	
Trade and other payables	<u>355</u>
<b>\$'000</b>	
<b>Company</b>	
<b>At 31 March 2022</b>	
Trade and other payables	<u>376</u>
<b>At 31 March 2021</b>	
Trade and other payables	<u>233</u>

#### (d) Capital risk

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 22. Financial risk management (cont'd)

### Financial risk factors (cont'd)

#### (d) Capital risk (cont'd)

Management monitors capital based on the financial position of the Group and the Company. The Group has positive net assets and maintain low bank borrowings. Future decisions to raise capital and funds will be made with the objective to maintain positive working capital structure. The liabilities-equity ratio is calculated as total liabilities divided by total equity.

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Total liabilities	583	378	378	235
Total equity	1,921	2,842	1,108	2,494
<b>Liabilities-equity ratio</b>	<b>30%</b>	13%	<b>34%</b>	9%

The Group and the Company are not required to comply with any externally imposed capital requirements for the financial years ended 31 March 2022 and 2021.

#### (e) Fair value measurements

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 22. Financial risk management (cont'd)

### (f) Financial instruments by category

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

	2022 \$'000	2021 \$'000
<b>Group</b>		
Financial assets, at amortised cost	2,192	3,142
Financial liabilities, at amortised cost	566	355
<b>Company</b>		
Financial assets, at amortised cost	1,464	2,694
Financial liabilities, at amortised cost	376	233

### (g) Offsetting financial assets and financial liabilities

#### (i) Financial assets

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

	Related amounts set off in the balance sheet		
	Gross amounts – financial assets (a) \$'000	Gross amounts – financial liabilities (b) \$'000	Net amounts – financial assets presented in the balance sheet (c) = (a)-(b) \$'000
<b>As at 31 March 2022</b>			
Non-trade receivables	193	(193)	
<b>As at 31 March 2021</b>			
Non-trade receivables	190	(190)	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 22. Financial risk management (cont'd)

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

(ii) Financial liabilities

	Related amounts set off in the balance sheet		
	Gross amounts – financial assets	Gross amounts – financial liabilities	Net amounts – financial assets presented in the balance sheet
	(a) \$'000	(b) \$'000	(c) = (a)-(b) \$'000
<b>As at 31 March 2022</b>			
Trade and other payables	<b>193</b>	<b>(193)</b>	-
<b>As at 31 March 2021</b>			
Trade and other payables	190	(190)	-

## 23. Segment information

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

The CODM considers the Group's businesses from both geographical and business segment perspectives. Geographically, management manages and monitors the businesses in the three primary geographic areas: Singapore, Malaysia and Hong Kong. Malaysia is engaged in advertisements, publishing, exhibition and events, Hong Kong is engaged in publishing, exhibition and events and moneylending, and Singapore is engaged in HQ costs and investments. The business operations in Hong Kong commenced in the second half of the financial year ended 31 March 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 23. Segment information (cont'd)

The segment information provided to the CODM for the reportable segments for the financial years ended 31 March 2022 and 2021 are as follows:

	<b>Malaysia</b>	<b>Hong Kong</b>		<b>Singapore</b>	
	<b>Advertisements, publishing, exhibition and events \$'000</b>	<b>Publishing, exhibition and events \$'000</b>	<b>Money lending \$'000</b>	<b>HQ costs and investments \$'000</b>	<b>Total \$'000</b>
<b>2022</b>					
<b>Sales to external parties</b>	900	-	-	-	900
<b>Segment results</b>	52	(60)	(37)	(887)	(932)
Other income	6	-	-	1	7
Profit/(loss) before income tax	58	(60)	(37)	(886)	(925)
Income tax expense	(1)	-	-	(3)	(4)
<b>Net profit/(loss)</b>	<b>57</b>	<b>(60)</b>	<b>(37)</b>	<b>(889)</b>	<b>(929)</b>
<b>Net profit/(loss) includes</b>					
Amortisation, depreciation and impairment	3	4	3	-	10
<b>Segment assets</b>	<b>571</b>	<b>236</b>	<b>212</b>	<b>1,485</b>	<b>2,504</b>
Segment assets includes:					
Additions to:					
- property, plant and equipment	2	48	94	-	144
- intangible assets	-	-	-	92	92
<b>Segment liabilities</b>	<b>161</b>	<b>9</b>	<b>31</b>	<b>382</b>	<b>583</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 23. Segment information (cont'd)

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

\* Less than \$1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 23. Segment information (cont'd)

### (a) Revenue from major products and services

Revenue from external customers are derived from advertisements, publishing, exhibition and events.

Breakdown of the revenue is as follows:

	2022 \$'000	2021 \$'000
Advertisements, publishing, exhibition and events	<u>900</u>	<u>857</u>

### (b) 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 investments holdings.
- Malaysia – the operations in this area are principally advertisements, the publishing of magazines, exhibition and events.
- Hong Kong – the operations in this area are principally media publishing and moneylending business.

	Sales	
	2022 \$'000	2021 \$'000
Malaysia	<u>900</u>	<u>857</u>
	Non-current assets	
	2022 \$'000	2021 \$'000
Malaysia	7	8
Hong Kong	<u>135</u>	-
	<u>142</u>	<u>8</u>

There is 1 customer (2021: 1) contributing more than 10% of revenue to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 24. Business combinations

### (a) Acquisition of Fame Harvest Limited

On 14 May 2021, the Company acquired a 100% equity interest in Fame Harvest Limited (“FHL”) for a cash consideration of approximately \$440 (equivalent to HK\$2,600). FHL was incorporated on 23 April 2021 and was acquired for the purpose of being the holding corporation for the group’s businesses in Hong Kong.

Since the date of incorporation, FHL has been a shelf company and has yet to commence any operations, accordingly, there were no assets acquired and liabilities assumed as at acquisition date. The management has not undertaken the exercise to determine the fair values of assets acquired and liabilities as it was deemed not necessary.

Acquisition-related costs of \$1,041 are included in “Professional fees” in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

There was no goodwill or bargain purchase arising from the acquisition. Total cash outflow on acquisition amounted to \$440.

For the financial period from 14 May 2021 to 31 March 2022, the acquired business contributed net loss of approximately \$60,000 to the Group and there was no revenue contributed. The Group’s consolidated revenue and net loss for the year would remain the same, had FHL been acquired from 1 April 2021.

### (b) Acquisition of Win Win Finance Limited

On 10 February 2022, the Company had through one of its subsidiary corporations, Fame Harvest Limited, acquired the entire issued and paid-up capital of Win Win Finance Limited (“WWFL”) for a cash consideration of approximately \$216,000 (equivalent to HK\$1,250,000). WWFL is principally engaged in the moneylending business and holds a moneylender license in Hong Kong.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	<b>At fair value \$'000</b>
(i) Purchase consideration	
<b>Cash consideration, representing consideration transferred for the business</b>	<b>216</b>
(ii) Effects on the cash flow of the Group	
Cash paid (as above)	216
Less: Cash and cash equivalents in subsidiary corporation acquired	(131)
<b>Cash outflow on acquisition</b>	<b>85</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 24. Business combinations (cont'd)

### (b) Acquisition of Win Win Finance Limited (cont'd)

	At fair value \$'000
(iii) Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	131
Trade and other payables	7
<b>Total identifiable net assets</b>	<b>124</b>
Add: Goodwill (Note 11 and Note (vi) below)	92
<b>Consideration transferred for the business</b>	<b>216</b>

### (iv) Acquisition-related costs

Acquisition-related costs of approximately \$8,600 (equivalent to HK\$50,000) are included in "Professional fees" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

### (v) Provisional accounting of the acquisition of WWFL

The acquisition of WWFL on 10 February 2022 and the purchase price allocation of the acquisition of WWFL in the financial year ended 31 March 2022 is provisional. The Group has engaged an independent valuer to determine the fair value of the assets acquired. At the reporting date, the fair value of the acquired assets of WWFL is \$124,000, which have been determined on a provisional basis as the final result of the independent valuation has not been completed and received by the date the financial statements were authorised for issue. Goodwill arising from this acquisition will be adjusted accordingly on a retrospective basis when the valuation is finalised. Additionally, if new information obtained within one year from the acquisition date about the facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions and allowances that existed at the acquisition date, the accounting for the acquisition will also be adjusted retrospectively.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 24. Business combinations (cont'd)

### (b) Acquisition of Win Win Finance Limited (cont'd)

#### (vi) Goodwill

The Group has recognised a provisional goodwill of \$92,000 arising from the acquisition of WWFL. The goodwill is provisionally determined as the Group is still in the midst of assessing the fair value of identified net assets acquired and liabilities assumed. The fair value exercise is expected to be finalised within 12 months from the date of acquisition, hence, goodwill has been provisionally allocated to the CGU. If new information obtained within one year from the acquisition date about the facts and circumstances that existed at the acquisition date identifies adjustments to the above amount, or additional provision and allowances that existed at the acquisition date, the accounting for the acquisition will be adjusted retrospectively.

The provisional goodwill is part of the Group's overall strategic plan to diversify into the money lending business so as to provide shareholders with diversified returns and potential long-term growth.

#### (vii) Revenue and profit contribution

For the financial period from 10 February 2022 to 31 March 2022, the acquired business contributed net loss of approximately \$37,000 to the Group and there was no revenue contributed.

Had WWFL been acquired from 1 April 2021, consolidated revenue and consolidated loss for the financial year ended 31 March 2022 would have been \$Nil and \$84,000 respectively.

## 25. Events after the reporting date

- (a) On 29 April 2022, Fame Harvest Limited acquired 100% of the issued and paid-up share capital of Bless Concept Limited ("BCL"), a shelf company, for a cash consideration of approximately \$450 (equivalent to HK\$2,600) from a third-party service provider. BCL was incorporated on 1 April 2022 and has been acquired for the purpose of being the Group's operating division for publishing of Smart Investor magazine in Hong Kong, which currently is circulated in Malaysia.

Since the date of incorporation, BCL has been a shelf company and has yet to commence operations, accordingly, there were no assets acquired and no liabilities assumed as at acquisition date. Management has not undertaken the exercise to determine the fair value of assets acquired and liabilities assumed as it was deemed not necessary.

Acquisition-related costs of approximately \$1,000 are included in "Professional fees" in the consolidated statement of comprehensive income for the financial year ending 31 March 2023. Details of the assets acquired and the liabilities assumed, revenue and profit contribution and the effect on cash flows for the Group are not disclosed, as the accounting for this acquisition is still incomplete at the time when these financial statements have been authorised for issue. BCL will be consolidated with effect from 1 April 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 26. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2022 and which the Group has not early adopted.

**Amendments to SFRS(I) 1-1 Presentation of Financial Statements:** Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

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

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 27. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Arion Entertainment Singapore Limited on 8 July 2022.



# SHAREHOLDINGS STATISTICS

## TWENTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2022

S/N	Names of shareholder	No. of shares	% of shares
1.	DBS Vickers Securities (Singapore) Pte Ltd	231,843,395	24.82
2.	Ng Kai Man	61,800,000	6.62
3.	Chan Shui Sheung Ivy	59,080,600	6.33
4.	Ntegrator International Ltd	35,384,500	3.79
5.	Chung Yuen Yee Kathy	34,302,800	3.67
6.	Lee Ka Chung @ William Lee	31,500,000	3.37
7.	Century Greenland ( Hong Kong) Limited	30,000,000	3.21
8.	Interlims (HK) Co., Limited	30,000,000	3.21
9.	L127 Co., Ltd.	30,000,000	3.21
10.	DBS Nominees Pte Ltd	21,250,631	2.28
11.	Yap Mee Lee	15,000,000	1.61
12.	Phuah Kin Huat	14,852,200	1.59
13.	Li Dandan	13,201,500	1.41
14.	Phillip Securities Pte Ltd	12,126,146	1.30
15.	Maybank Securities Pte Ltd	11,041,980	1.18
16.	Tan Chun Meng Vincent	10,040,800	1.08
17.	Gao Huazhu	9,460,200	1.01
18.	Tay Kim Chai Johnson	8,000,000	0.86
19.	Lim Chye Huat @ Bobby Lim Chye Huat	7,000,000	0.75
20.	iFast Financial Pte Ltd	6,923,720	0.74
	<b>Total</b>	<b>672,808,472</b>	<b>72.04</b>

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 30 JUNE 2022

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 -99	2,116	32.48	57,293	0.00 *
100 – 1,000	2,608	40.04	998,206	0.11
1,001 – 10,000	995	15.28	4,080,776	0.44
10,001 – 1,000,000	712	10.93	107,389,881	11.50
1,000,001 and above	83	1.27	821,425,437	87.95
<b>Total</b>	<b>6,514</b>	<b>100.00</b>	<b>933,951,593</b>	<b>100.00</b>

\* less than 0.01%

# SHAREHOLDINGS STATISTICS

## SUBSTANTIAL SHAREHOLDER AS AT 30 JUNE 2022

S/N	Name of Substantial Shareholder	Direct Interest		Deemed Interest	
		Number of Shares	%	Number of Shares	%
1.	Ng Kai Man	61,800,000	6.62	-	-
2.	Hung Hon Mo	63,000,000	6.75	-	-
3.	Lee Chun Ming	50,000,000	5.35	-	-
4.	Lam Kwok Hing Wilfred	73,000,000	7.82	-	-
5.	Chan Shui Sheung Ivy	59,080,600	6.33	-	-

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

As at 30 June 2022, there were 626,170,993 shares in the hands of the public as defined in the Rules of Catalist representing approximately 67.05% of the issued share capital of the Company. The Company confirms that Rule 723 of the Catalist Rules is complied with.

## SHARE CAPITAL

Issued and fully paid-up capital	:	S\$146,309,501.56
Number of shares issued and fully paid (excluding treasury shares and subsidiary holdings)	:	933,951,593 ordinary shares
Class of shares	:	Ordinary
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting rights	:	One vote per ordinary share (excluding treasury shares)

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**AGM**”) of ARION ENTERTAINMENT SINGAPORE LIMITED (the “**Company**”, and together with its subsidiaries, the “**Group**”) will be held by way of electronic means on 29 July 2022, Friday at 10.00 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2022 (“**FY2022**”), together with the Auditor’s Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$118,034 for the financial year ended 31 March 2022 (FY2021: S\$118,034). **(Resolution 2)**
3. To re-elect the following Directors of the Company who are retiring pursuant to Article 107 of the Constitution of the Company (“**Constitution**”):
  - (i) Kesavan Nair **(Resolution 3)**  
[See Explanatory Note (i)]
  - (ii) Lee Keng Mun **(Resolution 4)**  
[See Explanatory Note (ii)]
4. That, subject to and contingent upon the passing of Resolutions 3 and 5 below, **(Resolution 5)**
  - (a) the continued appointment of Mr Kesavan Nair, as an Independent Director, for purposes of Catalist Rules 406(3)(d)(iii)(A) be and is hereby approved; and
  - (b) the authority conferred by this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Mr Kesavan Nair as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.[See Explanatory Note (i)]
5. That, contingent upon the passing of Resolutions 3 and 4 above, **(Resolution 6)**
  - (a) the continued appointment of Mr Kesavan Nair, as an Independent Director, for purposes of Catalist Rules 406(3)(d)(iii)(B) be and is hereby approved; and
  - (b) the authority conferred by this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Mr Kesavan Nair as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.[See Explanatory Note (i)]

# NOTICE OF ANNUAL GENERAL MEETING

6. To re-appoint Messrs Nexia TS Public Accounting Corporation as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
7. To transact any other ordinary business which may be properly transacted at an AGM.

## AS SPECIAL BUSINESS

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

8. Authority to allot and issue shares in the capital of the Company **(Resolution 8)**

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), the Constitution and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Directors be and are hereby authorised to:

- (a)
  - (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares; and/or
  - (iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit,

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

- (b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution is in force, provided that:
  - (i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this resolution), does not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this resolution) does not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards, provided that such share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- Adjustments in accordance with sub-paragraphs (ii)(a) and (ii)(b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution 8.
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Companies Act, the Catalist Rules (including supplemental measures hereto) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in a general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iii)]



# NOTICE OF ANNUAL GENERAL MEETING

9. Authority to issue shares under the Arion Entertainment Singapore Employees' Share Option Scheme 2014 **(Resolution 9)**

"That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Arion Entertainment Singapore Employees' Share Option Scheme 2014 (the "AES ESOS") and to allot, issue or transfer from time to time such number of shares in the capital of the Company as may be required to be issued or transferred pursuant to the exercise of the options under the AES ESOS provided always that the aggregate number of shares to be issued pursuant to the AES ESOS shall not exceed twenty per centum (20%) of the total issued ordinary share capital of the Company on the day preceding the relevant date of grant.

[See Explanatory Note (iv)]

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

Chua Kern  
Company Secretary  
Singapore, 14 July 2022

## Explanatory Notes:

- (i) With effect from 1 January 2022, Catalist Rules 406(3)(d)(iii) provided that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the Company and their respective associates (as defined in the Catalist Rules). The Company is seeking to obtain shareholders' approval for Mr Kesavan Nair's continued appointment as an Independent Director, as he has served for more than nine years on the Board of the Company and will be retiring pursuant to Regulation 107 of the Company's Constitution at the forthcoming AGM. If such requisite approval is not obtained at the forthcoming AGM, Mr Kesavan Nair will be regarded as non-independent and will be re-designated as Non-Independent Director. In such circumstances then, the Board will take steps to ensure that the Board has the appropriate number of Independent Directors. Should Mr Kesavan Nair's re-election pursuant to Article 107 of the Constitution not be passed, Mr Kesavan Nair shall cease to be a Director of the Company. The Company shall then endeavor to search for suitable candidate and fill the vacancy of the Independent Director within two months, but no later than three months from the date of the forthcoming AGM to fulfill the requirements of the Catalist Rules and Code of Corporate Governance 2018, where applicable.

The requisite approval, if obtained, would remain in force until the earlier of the following: (i) the retirement or resignation of Mr Kesavan Nair; or (ii) the conclusion of the third Annual General meeting following the passing of the relevant Resolutions. Subject to passing of Resolutions 3, 4 and 5, Mr Kesavan Nair will, upon re-election as a Director, continue as an Independent Non-Executive Director of the Company and the Chairman of the Nominating Committee and a member of the Remuneration Committee and Audit Committee. The Board considers Mr Kesavan Nair to be independent for the purposes of Rule 704(7) of the Catalist Rules, subject to the two-tier voting described above. Detailed information on Mr Kesavan Nair can be found under the sections "Board of Directors" and "Corporate Governance - Appendix A" of the Company's Annual Report 2022.

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) Mr Lee Keng Mun will, upon re-election as a Director, continue as an Independent Non-Executive Director of the Company and the Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit Committee. The Board considers Mr Lee Keng Mun to be independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Lee Keng Mun can be found under the sections “Board of Directors” and “Corporate Governance - Appendix A” of the Company’s Annual Report 2022.
- (iii) The Ordinary Resolution 8 proposed in item 8 above, if passed, is to empower the Directors to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 8 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any), with a sub-limit of fifty per centum (50%) for share issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of Resolution 8, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities outstanding or subsisting at the time of the passing of Resolution 8; (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 8, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.
- (iv) The Ordinary Resolution 9 proposed in item 9 above, if passed, is to empower the Directors of the Company to offer and grant options in accordance with the provision of the AES ESOS and pursuant to Chapter 8 of the Catalist Rules, and to allot and issue Shares under the AES ESOS. The size of the AES ESOS is limited to twenty per centum (20%) of the total number of issued Shares, excluding treasure shares of the Company on the day preceding the relevant date of grant.

## Notes:

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

Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM of the Company to be held on 29 July 2022, Friday at 10.00 a.m. (the “**Meeting**”) are set out in the Company’s announcement dated 14 July 2022 (the “**Announcement**”), which has been uploaded together with this Notice of AGM on SGXNET on 14 July 2022. The Announcement may also be accessed at the URL <http://egl.com.sg/press/html>. For the avoidance of doubt, the Announcement is circulated together with and forms part of this Notice of AGM in respect of the Meeting.

In particular, the Meeting will be held by way of electronic means and a member of the Company will be able to observe the proceedings of the Meeting through a “live” webcast (“**LIVE WEBCAST**”) via his/her/its mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed (“**AUDIO ONLY MEANS**”) via telephone. In order to do so, a member of the Company who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by 10.00 a.m. on 26 July 2022 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting), at the URL <https://complete-corp.com/arion-agm/>. Following authentication of his/her/its status as members of the Company, authenticated members of the Company will receive email instructions on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the Meeting by 12.00 p.m. on 28 July 2022.

Members, who have pre-registered for the LIVE WEBCAST or AUDIO ONLY MEANS but who have not received the email instruction by 12.00 p.m. on 28 July 2022, should contact the Company’s Polling Agent, Complete Corporate Services Pte Ltd by email to [arion-agm@complete-corp.com](mailto:arion-agm@complete-corp.com).

# NOTICE OF ANNUAL GENERAL MEETING

A member of the Company may also submit questions related to the resolutions to be tabled for approval at the Meeting. To do so, all questions must be submitted by 10.00 a.m. on 23 July 2022 by email to [arion-agm@complete-corp.com](mailto:arion-agm@complete-corp.com); or by post to be lodged at the office of the Company's Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road International Plaza #29-07 Singapore 079903.

The Company will endeavour to address all substantial and relevant questions received from members prior to the Meeting by publishing the responses to those questions on the Company's website at the URL <http://egl.com.sg/press/html> and on SGXNET by 10.00 a.m. on 25 July 2022.

2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/ its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
  - a) if sent by post, be lodged at the office of the Company's Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road International Plaza #29-07 Singapore 079903; or
  - b) if submitted by email, be received by the Company's Polling Agent, Complete Corporate Services Pte Ltd, at [arion-agm@complete-corp.com](mailto:arion-agm@complete-corp.com),

in either case, by 10.00 a.m. on 27 July 2022 (being not less than forty-eight (48) hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

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

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its director or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
7. Members may access all documents relating to the Meeting, amongst others, Annual Report, proxy forms and other relevant corporate information, which has been uploaded together with the Notice of AGM dated 14 July 2022 on SGXNET (the "**Announcement**"). The Announcement may also be accessed at the URL <http://egl.com.sg/press/html>. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 14 July 2022 in respect of the AGM.
8. CPF/SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes no later than 10.00 a.m. on 19 July 2022 (being not less than seven (7) working days before the AGM).



## ARION ENTERTAINMENT SINGAPORE LIMITED

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

### PROXY FORM – ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this form)

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

#### IMPORTANT:

- Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM (as defined herein) are set out in the Company's announcement dated 14 July 2022 (the "Announcement"), which has been uploaded together with the Notice of AGM dated 14 July 2022 on SGXNET on the same day. The Announcement may also be accessed at the URL <http://egl.com.sg/press/htm>. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 14 July 2022 in respect of the AGM.
- A member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
- CPF/SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes no later than 10.00 a.m. on 19 July 2022. This proxy form is not valid for CPF/SRS Investors to use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Please read the notes to this proxy form.

#### PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 July 2022.

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

of \_\_\_\_\_ (Address)

being a \*member/members of ARION ENTERTAINMENT SINGAPORE LIMITED (the "Company", and together with its subsidiaries, the "Group"), hereby appoints the Chairman of the annual general meeting of the Company (the "AGM"), as \*my/our proxy to vote for \*me/us on \*my/our behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on Friday, 29 July 2022 at 10.00 a.m. and at any adjournment thereof. \*I/We direct the Chairman of the AGM to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as \*my/our proxy will be treated as invalid.

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

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

No.	Resolutions relating to:	By way of poll		
		For	Against	Abstain
<b>AS ORDINARY BUSINESS</b>				
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2022 ("FY2022"), together with the Auditor's Report thereon			
2.	Approval of Directors' Fees of S\$118,034 for the financial year ended 31 March 2022 (FY2021: S\$118,034)			
3.	Re-election of Mr Kesavan Nair as a Director retiring under Article 107 of the Company's Constitution			
4.	Re-election of Mr Lee Keng Mun as a Director retiring under Article 107 of the Company's Constitution			
5.	Approval for the continued appointment of Mr Kesavan Nair as an independent non-executive director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules of the SGX-ST			
6.	Approval for the continued appointment of Mr Kesavan Nair as an independent non-executive director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules of the SGX-ST			
7.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditor of the Company and to authorise the Directors of the Company to fix their remuneration			
<b>AS SPECIAL BUSINESS</b>				
8.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967			
9.	Authority to allot and issue shares under the Arion Entertainment Singapore Employees' Share Option Scheme 2014			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

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

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

\* Delete as appropriate

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



## NOTES TO PROXY FORM:

1. Please insert the total number of shares in the capital of the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This instrument appointing the Chairman of the AGM as proxy must:
  - (a) if sent by post, be lodged at the office of the Company’s Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road International Plaza #29-07 Singapore 079903; or
  - (b) if submitted by email, be received by the Company’s Polling Agent, Complete Corporate Services Pte Ltd at arion-agm@complete-corp.com,

in either case, by 10.00 a.m. on 27 July 2022 (being not less than forty-eight (48) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

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

4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
  - (i) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
  - (ii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. For investors who hold Shares under the Central Provident Fund Scheme and Supplementary Retirement Scheme (“CPF/SRS Investors”), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes no later than 10.00 a.m. on 19 July 2022 (being not less than seven (7) working days before the AGM).

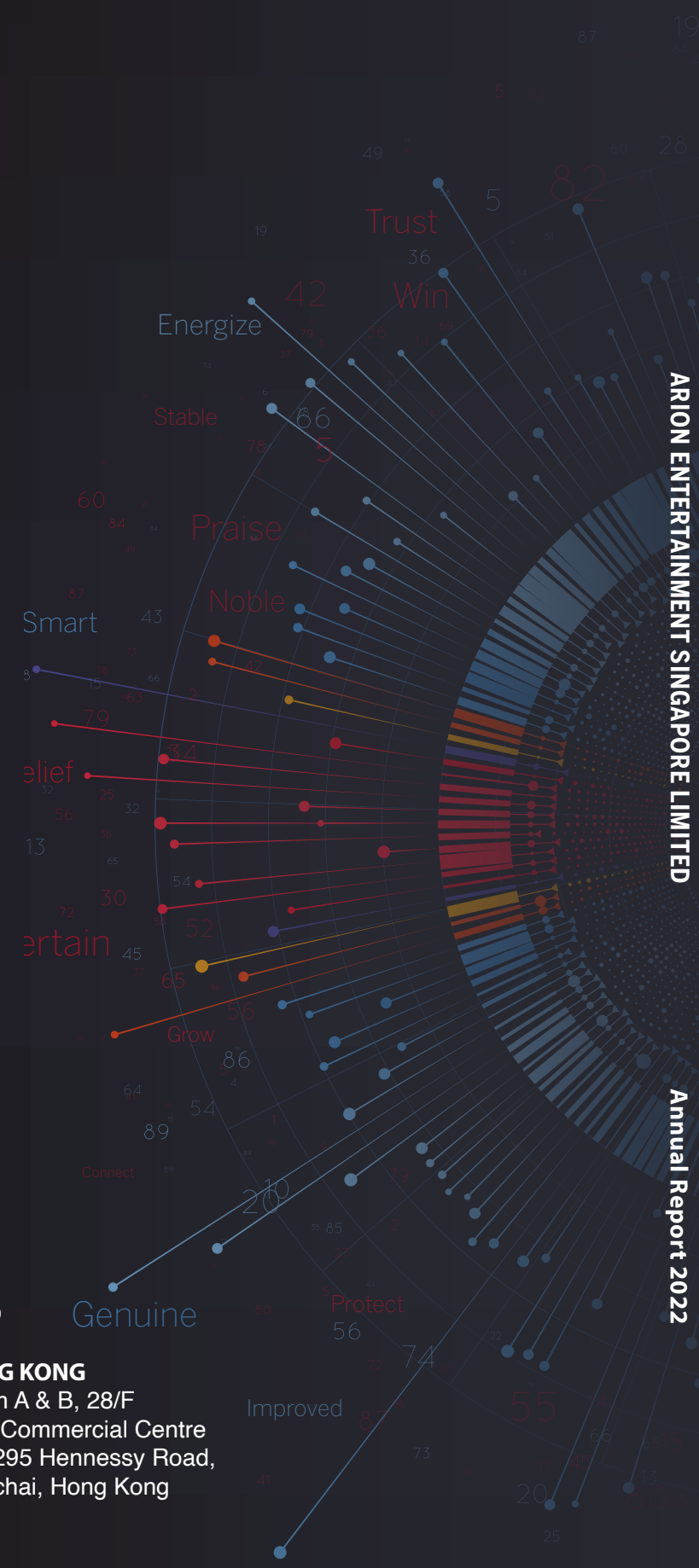
## General:

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

## Personal Data Privacy:

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 14 July 2022.





**ARION ENTERTAINMENT SINGAPORE LIMITED**

**SINGAPORE**

350 Orchard Road  
#11-08 Shaw House  
Singapore 238868

**MALAYSIA**

No G-1-26  
Jalan Pju 1/45  
Aman Suria  
47301 Petaling Jaya  
Selangor, Malaysia  
Tel : +603 7803 9892  
Fax : +603 7803 9810

**HONG KONG**

Room A & B, 28/F  
CKK Commercial Centre  
289-295 Hennessy Road,  
Wanchai, Hong Kong