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ARTIVISION TECHNOLOGIES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200407031R)

INDEPENDENT AUDITOR'S COMMENTS ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the board of directors (the "**Board**") of Artivision Technologies Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's independent auditor, KPMG LLP, had, without qualifying its audit opinion, included in the Independent Auditor's Report, a material uncertainty related to going concern ("**Going Concern**") in the audited financial statements of the Group for the financial year ended 31 March 2020 ("**FY2020**") (the "**Audited Financial Statements**"). A copy of the Independent Auditor's Report and an extract of Note 2.1 to the Audited Financial Statements in relation to the Going Concern are attached to this announcement for information.

Notwithstanding the above, the Board is of the opinion that the Group will continue as a going concern and the Audited Financial Statements have been prepared on a going concern basis for the following reason:

The Company's controlling shareholder, Mr Ching Chiat Kwong ("**Mr Ching**"), had undertaken to provide adequate funds to the Group to enable it to continue its operations on a going concern basis and also to enable the Group to pay its liabilities as and when they fall due, up to 3 September 2021. Since March 2019 until 31 March 2020, Mr Ching entered into unsecured loan agreements with the Company pursuant to which Mr Ching granted loans to the Company, totaling principal amount of S$417,450 at an interest rate of 10% per annum.

The Board is of the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirmed that all material disclosures have been provided for trading of the Company's shares to continue.

The Independent Auditor's Report, together with the Audited Financial Statements, will form part of the Company's annual report for FY2020 ("**2020 Annual Report**") which has been released separately on SGXNet on 7 September 2020. Shareholders of the Company ("**Shareholders**") are advised to read this announcement in conjunction with the 2020 Annual Report.

The Board wishes to advise Shareholders and potential investors to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

HARRY NG
Non-Executive Chairman and Lead Independent Director
7 September 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

Extracted from the Independent Auditor's Report to the Audited Financial Statements of Artivision Technologies Ltd. for the financial year ended 31 March 2020

Independent auditors' report

Members of the Company
Artivision Technologies Ltd.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Artivision Technologies Ltd. ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 62 to 106.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the 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 '*Auditors' responsibilities for the audit of the consolidated financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *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 consolidated 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.

Material uncertainty related to going concern

We draw attention to Note 2.1 in the consolidated financial statements, which indicates that the Group incurred a net loss of $1,661,000 during the year ended 31 March 2020 and, as of that date, the Group has net current liabilities and net liabilities of $87,000 and $9,433,000 respectively. As stated in Note 2.1, these events or conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no key audit matters to communicate in our report.

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 March 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 6 July 2019.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the consolidated financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

Responsibilities of management and directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the Act and SFRS(I), and for such internal accounting control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 controls.

- Obtain an understanding of internal controls 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 controls.

- 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 auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 controls 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations 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 partner on the audit resulting in this independent auditors' report is Yap Wee Kee.

KPMG LLP

Public Accountants and

Chartered Accountants

Singapore

4 September 2020

Extracted from Note 2.1 to the Audited Financial Statements of Artivision Technologies Ltd. for the financial year ended 31 March 2020 in relation to the Going Concern

Basis of preparation

Going concern

The Group reported a net loss of $1,661,000 during the year ended 31 March 2020 and, as of that date, the Group has net current liabilities and net liabilities of $87,000 and $9,433,000 respectively. As mentioned in Note 1, the Company was a cash company under SGX-ST listing rules during the financial year and as at 31 March 2019. These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern.

Notwithstanding the above, these financial statements have been prepared on a going concern basis as the Directors are of the view that it is appropriate to do so having considered the following:

The controlling shareholder of the Group, Mr Ching Chiat Kwong had undertaken to provide adequate funds to the Group to enable it to continue its operations on a going concern basis and also to enable the Group to pay its liabilities as and when they fall due, at least for another twelve months from the date of the approval of the financial statements. Accordingly, Mr Ching Chiat Kwong has entered into an unsecured loan agreement with the Company in March 2019, pursuant to which Mr Ching Chiat Kwong grants a loan to the Company of a principal amount of $300,000 to be disbursed in monthly instalments of $50,000 per month beginning from the month of April 2019, at an interest rate of 10% per annum. During the financial year ended 31 March 2020, Mr Ching Chiat Kwong has, in October 2019 and March 2020, extended additional unsecured loans amounting to an aggregate of $47,450 and $70,000 respectively, at an interest rate of 10% per annum, to the Company for the purpose of paying legal and professional fees.

As disclosed in note 1, the Group is in the process of completing a proposed acquisition for a new listing pursuant to Rule 1017(2) of the Catalist Rules. If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities or realise its assets in the normal course of business. Assets may need to be realised at amounts which could differ from the amounts at which they are currently recorded in the statement of financial position and additional liabilities may arise. No such adjustments have been made in these financial statements.