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

INDEPENDENT AUDITOR'S COMMENTS ON THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), 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, PricewaterhouseCoopers LLP, had, without qualifying its audit opinion, included in the Independent Auditor's Report, a material uncertainty related to going concern in the audited financial statements of the Group for the financial year ended 31 March 2018 ("**FY2018**") (the "**Audited Financial Statements**"). A copy of the Independent Auditor's Report and an extract of Note 2.1 to the Audited Financial Statements are attached to this announcement for information.

The Board is of the opinion that the Group will continue as a going concern, and that the Audited Financial Statements have been prepared on a going concern basis after taking into consideration the following:

1. In August 2018, the Company will receive the last tranche of payment of S$1.0 million from the disposal of Artimedia Pte. Ltd., notwithstanding it will be put under escrow.

2. The cash flow forecast up to 31 March 2019, prepared by the management of the Company.

3. 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 31 August 2019.

4. In April 2018, the Company had entered into a conditional sales and purchase agreement (the "**SPA**") to acquire 100% of Mobile Credit Payment Pte. Ltd.. If successfully completed, this will result in a reverse take-over. Under the SPA, Mr Ching will acquire all the bonds, to achieve zero liability. He had also undertaken to provide adequate funds to the Group to enable the Group to pay its liabilities as and when they fall due and continue to operate as a going concern, up to and including the completion date of the acquisition by the Company.

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 FY2018 ("**2018 Annual Report**") which will be released on SGXNet and despatched to shareholders of the Company ("**Shareholders**") in due course. Shareholders are advised to read this announcement in conjunction with the 2018 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 Independent Director
2 July 2018

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*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**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

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 2018.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTIVISION TECHNOLOGIES LTD.

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Artivision Technologies Ltd. (the "**Company**") and its subsidiaries (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 Financial Reporting Standards in Singapore ("**FRSs**") 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 2018 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.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 March 2018;
- the statements of financial position of the Group and of the Company as at 31 March 2018;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended, and
- the notes to the financial statements, including a summary of significant accounting policies.

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

Independence

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTIVISION TECHNOLOGIES LTD. (continued)

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the financial statements, which indicates that the Group incurred a net loss of S$ 8.1 million for the financial year ended 31 March 2018 and, as of that date, the Group's current liabilities exceeded its current assets and total liabilities exceeded its total assets by S$5.0 million and S$5.0 million 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 ability of the Group to continue as a going concern. Our opinion is not qualified in respect of this matter.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 for the financial year ended 31 March 2018. 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for liabilities relating to the cessation of Colibri Assembly (Thailand) Co. Ltd. ("CAT") manufacturing operations On 27 February 2018, the Company's wholly-owned subsidiary, CAT, terminated its agreement to manufacture disk drive filter technology products for its sole customer. Consequently, the results of the operation of CAT for the financial year have been shown separately in the Statement of Comprehensive Income as arising from discontinued operations. Management has assessed, with advice of the appointed liquidator, that the amount of provisions, accruals and liabilities with respect to the winding down of the operations is estimated to be S$0.6 million. We focused on this area as there is significant management judgement required in determining the adequacy of provision and accrued liabilities of the CAT business that is being wound down.	We evaluated management's estimate that the provisions for employee termination benefits and other accruals and liabilities required to complete the winding up of the business. We have discussed with the appointed liquidator in determining the adequacy and appropriateness of the amount of accruals and provisions. Based on the audit procedures performed, we found management's assessment to be reasonable and appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTIVISION TECHNOLOGIES LTD. (continued)

Other Information

Management is responsible for the other information. The other information refers to the "Directors' Statement" (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("**the Other Sections**") which are expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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 FRSs, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTIVISION TECHNOLOGIES LTD. (continued)

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

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

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

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

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

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 period 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTIVISION TECHNOLOGIES LTD. (continued)

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 auditor's report is Mr Lee Chian Yorn.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 2 July 2018

Extracted Note 2.1 to the Audited Financial Statements of Artivision Technologies Ltd. for the financial year ended 31 March 2018

Going concern

The Group reported a net loss of $8.1 million for the financial year ended 31 March 2018 and, as of that date, the Group's current liabilities exceeded its current assets and total liabilities exceeded its total assets by $5.02 million and $5.02 million respectively. 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:

(a) In August 2018, the Company will receive the last tranche of payment of S$1 million from the disposal of Artimedia, notwithstanding it will be put under escrow.

(b) The cash flow forecast up to 31 March 2019, prepared by the management.

(c) The controlling shareholder, 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, up to 31 August 2019.

(d) In April 2018, the Company has entered into a conditional sales and purchase agreement (SPA) to acquire 100% of Mobile Credit Payment Pte Ltd.. If successfully completed, this will result in a reverse take-over. Under the SPA, the controlling shareholder, Mr Ching Chiat Kwong, will acquire all the bonds, to achieve zero liability. He had also undertaken to provide adequate funds to the Group to enable the Group to pay its liabilities as and when they fall due and continue to operate as a going concern, up to and including the completion date of the acquisition by the Company.

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 the financial statements.