

ARION ENTERTAINMENT SINGAPORE LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) Condensed interim consolidated statement of profit or loss and other comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group		% Increase/ (Decrease)
		S\$'000 (Unaudited)		
		30/09/2022	30/09/2021	
Revenue				
Publishing and events		540	522	3.4
Moneylending		13	-	NM
		<u>553</u>	<u>522</u>	5.9
Other income	(i)	6	4	50.0
Expenses				
Printing and editorial costs		(339)	(294)	15.3
Employee compensation		(466)	(266)	75.2
Depreciation of property, plant and equipment		(27)	(2)	> 100.0
Rental expense – short-term leases		(64)	(20)	> 100.0
Professional fees		(77)	(65)	18.5
Other		(92)	(48)	91.7
Total expenses		<u>(1,065)</u>	<u>(695)</u>	53.2
Loss before income tax		(506)	(169)	> 100.0
Income tax expense		(1)	-	100.0
Net Loss		<u>(507)</u>	<u>(169)</u>	> 100.0
Other comprehensive income				
Items that maybe reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation				
- Gain		13	-	100.0
Total comprehensive loss for the period		<u>(494)</u>	<u>(169)</u>	> 100.0
Loss attributable to:				
- Equity holders of the company		<u>(507)</u>	<u>(169)</u>	> 100.0
Total comprehensive loss attributable to:				
- Equity holders of the company		<u>(494)</u>	<u>(169)</u>	> 100.0
NM denotes not meaningful				
Notes to income statement:				
(i) Included in other income are:				
Jobs Support Scheme		-	1	(100.0)
Others		6	3	100.0
		<u>6</u>	<u>4</u>	50.0

1(b)(i) Condensed interim statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/09/2022 (Unaudited) S\$'000	31/03/2022 (Audited) S\$'000	30/09/2022 (Unaudited) S\$'000	31/03/2022 (Audited) S\$'000
Current assets				
Cash and cash equivalents	1,213	2,083	878	1,459
Trade and other receivables	355	99	1	1
Other current assets	34	88	27	26
	1,602	2,270	906	1,486
Non-current assets				
Investment in subsidiary corporations	-	-	- *	- *
Property, plant and equipment	125	142	1	-
Goodwill on consolidation	98	92	-	-
Trade receivables	54	-	-	-
	277	234	1	-
TOTAL ASSETS	1,879	2,504	907	1,486
Current liabilities				
Trade and other payables	450	581	223	376
Provision for taxation	2	2	2	2
TOTAL LIABILITIES	452	583	225	378
NET ASSETS	1,427	1,921	682	1,108
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	146,309	146,309	146,309	146,309
Accumulated losses	(145,121)	(144,614)	(145,886)	(145,460)
Share option reserve	259	259	259	259
Currency translation reserve	(20)	(33)	-	-
TOTAL EQUITY	1,427	1,921	682	1,108

* less than S\$1,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/09/2022		As at 31/03/2022	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Amount repayable after one year

As at 30/09/2021		As at 31/03/2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral

Not applicable.

1(c) Condensed interim consolidated statement of cash flow, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	For the 6 months ended	
	30/09/2022	30/09/2021
	S\$'000	S\$'000
Cash flows from operating activities		
Net loss	(507)	(169)
Adjustments for:		
Depreciation of property, plant and equipment	27	2
Income tax expense	1	-
	<u>(479)</u>	<u>(167)</u>
Changes in working capital:		
Trade and other receivables	(256)	(166)
Trade and other payables	(132)	(21)
Cash used in operations	(867)	(354)
Income tax paid	(1)	-
Net cash used in operating activities	<u>(868)</u>	<u>(354)</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(1)	-
Acquisition of subsidiary corporation, net of cash acquired	- *	-
Net cash used in investing activities	<u>(1)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(869)	(354)
Cash and cash equivalents at beginning of the financial period	2,083	3,050
Effects of currency translation on cash and cash equivalents	(1)	-
Cash and cash equivalents at end of the financial period	<u>1,213</u>	<u>2,696</u>

* less than S\$1,000

1(d)(i) Condensed interim statements of changes in equity (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company				
	Share	Currency	Share	Accumulated	Total
	Capital	translation	options	Losses	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
The Group (unaudited)					
<u>For the 6 months period ended 30/09/2022</u>					
Balance at 01/04/2022	146,309	(33)	259	(144,614)	1,921
Total comprehensive loss for the period	-	13	-	(507)	(494)
Balance at 30/9/2022	146,309	(20)	259	(145,121)	1,427
<u>For the 6 months period ended 30/09/2021</u>					
Balance at 01/04/2021	146,309	(41)	259	(143,685)	2,842
Total comprehensive loss for the period	-	-	-	(169)	(169)
Balance at 30/9/2021	146,309	(41)	259	(143,854)	2,673
The Company (unaudited)					
<u>For the 6 months period ended 30/09/2022</u>					
Balance at 01/04/2022	146,309	-	259	(145,460)	1,108
Total comprehensive loss for the period	-	-	-	(426)	(426)
Balance at 30/9/2022	146,309	-	259	(145,886)	682
<u>For the 6 months period ended 30/09/2021</u>					
Balance at 01/04/2021	146,309	-	259	(144,074)	2,494
Total comprehensive loss for the period	-	-	-	(252)	(252)
Balance at 30/9/2021	146,309	-	259	(144,326)	2,242

Notes to the condensed interim consolidated financial statements:

N1. Corporate information

Arion Entertainment Singapore Limited is listed on the Catalist Board of the Singapore Exchange and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements as at and for the half-year ended 30 September 2022 comprise the Company and its subsidiary corporations (the "Group").

The registered office is at 138 Robinson Road, #26-03, Oxley Tower, Singapore 068906 and the principal place of business is at 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 those of media publishing and money lending business.

N2. Basis of preparation

The condensed interim financial statements for the half-year ended 30 September 2022 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last financial statements for the full year ended 31 March 2022..

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

N2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

N2.2 Use of judgment and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 March 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in Note 7 – Expected credit losses.

N2.3 Going concern

The Group reported net loss of \$507,000 (six months period ended 30 September 2021: \$169,000) for the half year ended 30 September 2022 and as at that date, total cash and cash equivalents decreased by \$870,000 as compared to 31 March 2022 (2021: \$354,000) 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 half year ended 30 September 2022 is appropriate after taking into consideration the following:

- the Group and the Company will have sufficient cash flows to meet the operating requirements, based on a cash flows projection for the period to 30 September 2023;
- the money lending business has commenced its operations in March 2022 which provides a new revenue stream to the Group;
- the Group's working capital of S\$1.15 million as at 30 September 2022; and
- the Company is exploring options to raise funds for working capital purposes for the Group.

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

N2.4 Goodwill on consolidation

Goodwill on acquisition of subsidiary corporations, 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 consolidation 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.

N2.5 Investment in subsidiary corporations

Investments in subsidiary corporations 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.

N3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

N4. Related party transactions

There are no material related party transactions during the financial period.

N5. Revenue*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 S\$'000	Over time S\$'000	Total S\$'000
6 months ended 30/09/2022			
<i>Malaysia</i>			
Circulation of magazines and periodicals	497	-	497
Advertisements	-	43	43
	497	43	540
<i>Hong Kong</i>			
Moneylending revenue	-	13	13
	497	56	553
6 months ended 30/09/2021			
<i>Malaysia</i>			
Circulation of magazines and periodicals	487	-	487
Advertisements	-	35	35
	487	35	522
<i>Hong Kong</i>			
Moneylending revenue	-	-	-
	487	35	522

There was no moneylending revenue for the six months ended 30 September 2021 as the Group's moneylending business commenced operations in 2HFY2022.

N6. Financial assets and financial liabilities

The Group's and the Company's financial assets and liabilities as at 30 September 2022 and 31 March 2022 are as follows:

	30/09/2022 S\$'000	31/03/2022 S\$'000
<u>Group</u>		
Financial assets at amortised cost	1,631	2,192
Financial liabilities at amortised cost	445	566
<u>Company</u>		
Financial assets at amortised cost	883	1,464
Financial liabilities at amortised cost	223	376

N7. Expected credit losses

The Group and the Company have 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 30 September 2022, management has assessed the application of the expected credit loss model. Based on the assessment, no credit loss allowance has been recognised in relation to the Group's trade and other receivables for the half year ended 30 September 2022.

The Company has recognised loss allowances amounting to S\$43,000 (six months ended 30 September 2021: S\$Nil) for amounts due from subsidiary corporations for the half year ended 30 September 2022.

N8. Property, plant and equipment

During the six months ended 30 September 2022, the Group acquired assets amounting to S\$1,400 (six months ended 30 September 2021: S\$Nil) and did not dispose of any assets (six months ended 30 September 2021: S\$Nil).

N9. Segment information

The Group's chief operating decision maker ("CODM") comprises 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 publishing and events, Hong Kong is engaged in publishing 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.

The segment information provided to the CODM for the reportable segments for the six months ended 30 September 2022 and 30 September 2021 are as follows:

	Malaysia	Hong Kong		Singapore	
	Publishing & events		Money lending	HQ costs & Investments	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For the six months ended 30 September 2022					
Sales to external parties	540	-	13	-	553
Segment result	49	(68)	(112)	(381)	(512)
Other income	2	4	-	-	6
Profit/ (loss) before income tax	51	(64)	(112)	(381)	(506)
Income tax	(1)	-	-	-	(1)
Net profit/ (loss)	50	(64)	(112)	(381)	(507)
Net loss includes					
Amortisation, depreciation and impairment	2	8	17	-	27
Segment assets	429	99	443	908	1,879
Segment assets includes:					
Additions to property, plant and equipment	- *	-	-	1	1
Segment liabilities	139	22	57	234	452

* less than S\$1,000

	Malaysia	Singapore	Hong Kong	Total	
	Publishing, exhibition & events S\$'000	HQ costs & investments S\$'000		S\$'000	Total S\$'000
For the six months ended 30 September 2021					
Sales to external parties	522	-	-	-	522
Segment results	80	(253)	-*	(253)	(173)
Other income	3	1	-	1	4
Profit/ (loss) before income tax	83	(252)	-	(252)	(169)
Income tax expense	-	-	-	-	-
Net profit/ (loss)	83	(252)	-*	(252)	(169)
Net profit/ (loss) includes depreciation	2	-	-	-	2
Segment assets	586	1,933	510	2,443	3,029
Segment liabilities	153	203	-	203	356

* less than S\$1,000

N10. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Share Capital S\$'000
As at 31/03/2022 and 30/09/2022	<u>933,951,593</u>	<u>146,309</u>
Treasury shares or subsidiary holdings		
As at 30/09/2022 and 30/09/2021	<u>-</u>	<u>-</u>

During the six months ended 30 September 2022 and 30 September 2021, no options were granted pursuant to Arion Entertainment Singapore Limited Employees' Share Option Scheme 2014. As at 30 September 2022 and 30 September 2021, there are 7,846,154 options exercisable into 7,846,154 ordinary shares of the Company.

Save for the above, the Company did not have any other outstanding options and convertibles as at 30 September 2022 and 30 September 2021.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The issued shares excluding treasury shares as at 30 September 2022 and 31 March 2022 are 933,951,593 shares. The Company did not have any treasury shares as at 30 September 2022 and 31 March 2022.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures are unaudited and have not been reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that has material uncertainty relating to going concern.

Not applicable. The Group's latest financial statements for the financial year ended 31 March 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements for the financial year ended 31 March 2022.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable as there are no changes to the accounting policies or methods adopted by the Group since its most recently audited financial year ended 31 March 2022.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	30/09/2022	30/09/2021
Net loss attributable to equity holders of the Company (S\$'000)	(507)	(169)
Weighted average number of ordinary shares outstanding for basic loss of share ('000)	933,952	933,952
Basic loss per share (cents)	(0.05)	(0.02)

The Group has no dilution in its loss per share as at 30 September 2022 and 30 September 2021. The dilutive potential ordinary shares arising from share options have not been included in the calculation of diluted loss per share because they are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30/09/2022	31/03/2022	30/09/2022	31/03/2022
Net asset value based on existing issued share capital as at the respective period (Singapore cents)	0.15	0.21	0.07	0.12
Issued number of shares ('000)	933,952	933,952	933,952	933,952

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue

Revenue from the Malaysia publishing operations for the six months ended 30 September 2022 ("HY2023") increased marginally to S\$0.54 million as compared to S\$0.52 million in the previous corresponding period due to an increase in advertising revenue for Smart Investor relating to a special issue published in July 2022 and an increase in circulation revenue for Calibre and Feng .

Other income

Other income increased by S\$2,000 largely due to a grant received by Fame Harvest Limited ("FHL") under the Hong Kong Government's Employment Support Scheme during HY2023.

Expenses

Printing and editorial costs increased by 15.3% to S\$0.34 million as compared to S\$0.29 million in the six months ended 30 September 2021 ("HY2022") due to an increase in the quantity and printing costs for both Calibre and Feng during HY2023.

Employee compensation increased by 75.2% to S\$0.47 million as compared to S\$0.27 million in HY2022 due to an increase of S\$0.12 million relating to a revision of the remuneration of the Executive Director in October 2021 and the employment of personnel for publishing and money lending operations in Hong Kong amounting to S\$0.11 million. The Group's Hong Kong division commenced operations in the second half of FY2022 ("2HFY2022").

Depreciation of property, plant and equipment increased to S\$27,000 as compared to S\$2,000 in HY2022 due to additions of property, plant and equipment for the new office premises for the Hong Kong division in FY2022.

Rental expense increased by 220.0% to S\$64,000 as compared to S\$20,000 in HY2023 due to new office premises for the publishing and money lending operations in Hong Kong.

Professional fees increased by 18.5% to S\$77,000 as compared to S\$65,000 in HY2022 due to the non-recurring fees incurred in HY2023 in relation to ad-hoc announcements released by the Company and other professional services engaged.

Other operating expenses increased by 91.7% to S\$92,000 as compared to S\$48,000 in HY2022 due to the Group's Hong Kong division which commenced operations in 2HY2022.

Loss attributable to shareholders

Loss attributable to shareholders for the period under review was S\$0.51 million as compared to a loss of S\$0.17 million in the previous corresponding period.

The increase was mainly due to a loss of S\$0.18 million incurred from the commencement of the Group's Hong Kong division and increase in printing and editorial costs and employee compensation as mentioned above.

Balance sheet

The increase in trade and other receivables is largely due to trade receivables arising from the money lending operations amounting to S\$205,000.

The decrease in other current assets is due to unsatisfied performance obligation in respect of undelivered publications classified as contract assets as at 31 March 2022 and which is reversed to the income statement in HY2023 as the publications were delivered in April 2022.

The increase in non-current trade receivables is due to new loans arising from the money lending operations which are repayable after 12 months.

The decrease in trade and other payables is mainly due to payments made to trade and other creditors during the financial period.

Cash and cash equivalents decreased by S\$870,000 due to the utilisation of cash for operating activities. Please refer to the “cash-flow” section below for explanation on the cash flow.

Cash-flow

Cash and cash equivalents as at 30 September 2022 was S\$1.21 million as compared to S\$2.08 million as at 31 March 2022.

Cash used in operating activities was S\$0.87 million in HY2023. The net operating cash outflow was due to operating loss before working capital changes of S\$0.48 million adjusted for working capital outflows of S\$0.39 million which were mainly due to trade receivables attributable to the money lending operations as well as payment of trade and other payables during the period.

The Group had positive working capital of S\$1.15 million as at 30 September 2022 as compared to S\$1.69 million as at 31 March 2022.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders in relation to the current financial period under review.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has commenced its money lending operations in 2HFY2022. However, the growth is determined by, amongst others, the financial resources available to fund the operations. The Group will continue to explore options available to fund the money lending operations after carefully assessing the benefits and risks of these options.

Our Malaysia publishing operations will commence its digital publishing in the first quarter of 2023.

Covid-19 impact for our Malaysia publishing operations is tapering off as can be seen by the increase in advertising revenue for Smart Investor and the increase in the number of copies ordered for Calibre and Feng.

11. If a decision regarding dividend has been made

(a) Whether an interim (final) ordinary dividend has been declared (recommended);

None.

(b) (i) Amount per sharecents

None.

(ii) Previous corresponding periodcents

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended during and for the six months ended 30 September 2022 as the Group is in a loss making position.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

The Group has not obtained a general mandate from shareholders for IPTs. The Group's current office premises in Hong Kong is leased from a company related to Mr Ng Kai Man, the Executive Director of the Company. The rental expense for HY2023 is HK\$0.23 million (approximately S\$42,000).

14. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

During HY2023, FHL acquired Bless Concept Limited ("BCL") for a cash consideration of HK\$2,600 (equivalent to approximately S\$450), as announced on 29 April 2022. The principal activity of BCL is that of publishing related activities in Hong Kong. Save as disclosed, the Company did not acquire or dispose of any shares resulting in any of the prescribed situations under Rule 706A in HY2023.

15. Use of Net 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 from 8 July 2022* till the date of announcement (S\$'000)	Net proceeds utilised as at the date of announcement (S\$'000)	Balance unutilised (S\$'000)
Publishing business	500	(359)	16	141	-
- Wages and staff related costs			16	57	
- 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	
Total	1,877	-	16	1,877	-

* The date on which the Annual Report was published.

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 as approved by Shareholders on 16 February 2021. The reallocation of net proceeds for the moneylending business and the acquisition of Win Win Finance Limited is set out in the table above.

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 from 8 July 2022* till the date of announcement (S\$'000)	Net proceeds utilised as at the date of announcement (S\$'000)	Balance unutilised (S\$'000)
General working capital	1,290	431	759	531
- Wages and staff related costs		181	431	
- Creditors		132	210	
- Directors' fees		118	118	
Future corporate developments and new business opportunities (if any)	322	176	176	146
- Wages and staff related costs		41	41	
- Creditors		27	27	
- Directors' fees		108	108	
Total	1,612	607	935	677

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.

16. Confirmation by the Company pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings from all directors and executive officers of the Company under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

**Ng Kai Man
Executive Director
11 November 2022**

CONFIRMATION BY THE BOARD

We, Ng Kai Man and Lee Keng Mun, being two directors of Arion Entertainment Singapore Limited (the “**Company**”) do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the six months ended 30 September 2022 to be false or misleading in any material aspect.

On behalf of the Board

(signed)
Ng Kai Man
Executive Director

(signed)
Lee Keng Mun
Independent Director

Singapore, 11 November 2022

*This announcement 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 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.