



2020 ANNUAL REPORT

Artivision Technologies Ltd.

10 Ubi Crescent, #05-05 Ubi Techpark

Singapore 408564

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Corporate Information

Board of Directors

Ng Weng Sui Harry

Non-Executive Chairman and Lead Independent Director

Kesavan Nair

Independent Director

Company Secretaries

Tan Swee Gek

Ong Beng Hong

Audit Committee

Ng Weng Sui Harry

Chairman

Kesavan Nair

Remuneration Committee

Kesavan Nair

Chairman

Ng Weng Sui Harry

Nominating Committee

Kesavan Nair

Chairman

Ng Weng Sui Harry

Company Registration No.

200407031R

Registered Office

10 Ubi Crescent

#05-05 Ubi Techpark

Singapore 408564

Telephone: (65) 6749 7290

Facsimile: (65) 6749 8523

Share Registrar

Tricor Barbinder Share Registration Services

(a division of Tricor Singapore Pte. Ltd.)

80 Robinson Road

#02-00

Singapore 068898

Sponsor

ZICO Capital Pte. Ltd.

8 Robinson Road

#09-00 ASO Building

Singapore 048544

External Auditor

KPMG LLP

Public Accountants and Certified Public Accountants

16 Raffles Quay, #22-00

Hong Leong Building

Singapore 048581

Partner-in-Charge:

Yap Wee Kee

(Appointed since financial year ended 31 March 2020)

Principal Bankers

Standard Chartered Bank

United Overseas Bank Limited

MESSAGE TO SHAREHOLDERS

Dear Shareholders

The board of directors (the “**Board**”) of Artivision Technologies Ltd. (the “**Company**”) is pleased to present the Company’s annual report for the financial year ended 31 March 2020 (“**FY2020**”).

The Company incurred a net loss of S\$1.7 million in FY2020, as it is a cash company with no business and did not generate any revenue. The net loss was mainly attributable to interest payable on bonds, professional fees relating to the reverse take-over of Mobile Credit Payment Pte. Ltd. (“**MC Payment**”) (the “**Proposed Acquisition**”), administrative and professional fees, remuneration and emoluments, as well as listing expenses in FY2020.

The Company focused its attention in FY2020 towards conducting due diligence in respect of the Proposed Acquisition. Due to the circuit breaker and the subsequent practical restrictions that were imposed as a result of the COVID-19 pandemic, the due diligence in respect of the Proposed Acquisition could not progress as smoothly as planned. As announced on 2 September 2020, the Singapore Exchange Securities Trading Limited had advised that it had no objection to a further 6-month extension of time from 31 August 2020 to 28 February 2021 for the Company to, *inter alia*, complete the Proposed Acquisition and to meet the requirements for a new listing pursuant to Rule 1017(2) of the Catalist Rules, subject to certain conditions as set out in the said announcement. This extension of time would be the final extension granted to the Company. The due diligence exercise is currently in good progress after the lifting of the circuit breaker, and every effort will be made to complete the Proposed Acquisition as soon as possible.

For the same reason as a result of the COVID-19 pandemic, the completion of the members’ voluntary winding up of the Company’s Thailand subsidiary, Colibri Assembly (Thailand) Co., Ltd (“**CAT**”) has been delayed. Notwithstanding the delay, there were no further expenses incurred by the Company on CAT in FY2020.

Appreciation

On behalf of the Board, we would like to thank Mr Kenneth Goh for his past services and contribution to the Company. We would also like to take this opportunity to thank all shareholders, investors and other stakeholders of the Company for all these years of unwavering support.

Together, we can look forward to a better and brighter tomorrow.

Ng Weng Sui Harry

Non-Executive Chairman and Lead Independent Director

REVIEW OF OPERATIONS

STATEMENT OF COMPREHENSIVE INCOME

Currently, the Company is a cash company as defined under Rule 1017 of the Catalist Rules and does not have any active business and operations. The Company is in the final stage of completion of the members' voluntary winding up of its Thailand subsidiary, Colibri Assembly (Thailand) Co., Ltd. ("CAT"). As such, (i) all discontinued operations have been separately disclosed in the Group's income statement; and (ii) there was no revenue and gross profit reported by the Group for its continuing operations for the financial years ("FY") ended 31 March 2020 and 2019.

(a) Continuing Operations

The Group's continuing operations incurred a net loss of S\$1.7 million for FY2020, as compared to a net loss of S\$1.9 million for FY2019. The expenses incurred in FY2020 were mainly attributable to interest payable on bonds, professional fees relating to the reverse take-over of Mobile Credit Payment Pte. Ltd., administrative and professional fees, remuneration and emoluments, as well as listing expenses.

(b) Discontinued Operations

There were no further expenses incurred on discontinued operations in FY2020.

STATEMENT OF FINANCIAL POSITION

Net Liabilities

As at 31 March 2020, the Group's net liabilities were S\$9.4 million, as compared to S\$7.8 million as at 31 March 2019. This was mainly due to the net loss of S\$1.7 million incurred by the Group in FY2020.

Bonds Payable

As at 31 March 2020, the bonds payable remained at S\$6.9 million, no change from the position as at 31 March 2019. In February 2020, the three bondholders extended the maturity date of the bonds payable from 31 March 2020 to 31 July 2021.

Loans from a Shareholder

Mr Ching Chiat Kwong (the controlling shareholder of the Company) has given a letter of financial support undertaking to provide adequate funds to the Group to enable the Group to pay its liabilities as and when they fall due and to continue to operate as a going concern, up to and including the completion date of the acquisition by the Company of a business which is able to satisfy the Singapore Exchange's requirements for a new listing. In FY2020, Mr Ching had provided unsecured loans amounting to an aggregate of S\$0.4 million to the Company.

Equity

The Group's negative equity increased by S\$1.6 million, from S\$7.8 million as at 31 March 2019 to S\$9.4 million as at 31 March 2020, mainly attributable to the total comprehensive losses of S\$1.7 million incurred in FY2020.

STATEMENT OF CASH FLOWS

Net cash used in operating activities for FY2020 was S\$0.3 million, mainly due to the net loss incurred by the Group, partially offset by interest payable on the bonds of S\$0.8 million and the increase in trade payables and other liabilities of S\$0.5 million in FY2020. There was no investing activity for FY2020. Net cash from financing activities for FY2020 was S\$0.4 million, mainly due to loans from a shareholder.

As a result of the above, the cash and cash equivalents of the Group as at 31 March 2020 was S\$1.1 million, as compared to S\$1.0 million as at 31 March 2019. The Group's cash and cash equivalents comprise S\$1.0 million placed in an escrow account opened by the Company in December 2018, pursuant to the "no objections" letter issued by the Singapore Exchange in relation to, *inter alia*, the Company's application for waiver from compliance with Rule 1017(1)(a) of the Catalist Rules.

PROFILE OF DIRECTORS

MR NG WENG SUI HARRY

Mr Ng Weng Sui Harry was appointed as our Independent Director on 25 June 2008 and as the Non-Executive Chairman on 5 May 2017. He is currently the executive director of HLM (International) Corporate Service Pte. Ltd., a company that provides business consultancy and corporate services.

Mr Ng has more than 30 years of experience in accountancy, finance and audit. He is also an independent director and chairman of the audit committees of a number of companies listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

Mr Ng is a Fellow Member with the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He obtained a Master of Business Administration (General Business Administration) from The University of Hull, UK.

MR KESAVAN NAIR

Mr Kesavan Nair was appointed as our Independent Director on 5 May 2017. He is currently a practicing Advocate and Solicitor with Bayfront Law LLC.

Mr Nair is also an independent director of several companies listed on the SGX-ST, namely Kitchen Culture Holdings Ltd, Arion Entertainment Singapore Limited, HG Metal Manufacturing Limited and IEV Holdings Limited.

Mr Nair is a member of the Law Society of Singapore, the Singapore Academy of Law, the Honourable Society of The Middle Temple, the Singapore Institute of Arbitration, the Criminal Legal Aid Scheme and the Association of Criminal Lawyers in Singapore. He was admitted as a Barrister-at-Law, Middle Temple in 1990, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory in 1991 and an Advocate and Solicitor of the Supreme Court of Singapore in 1992. Mr Nair graduated from the University College Wales, with a Bachelor of Laws (Honours) degree in 1988. He is also a Notary Public and a Commissioner for Oaths.

CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or “**Directors**”) of Artivision Technologies Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to setting in place corporate governance practices to provide necessary structure through which protection of shareholders’ interests and enhancement of shareholders’ value and corporate transparency are met.

This report outlines the corporate governance framework and practices adopted by the Company during the financial year ended 31 March 2020 (“**FY2020**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) issued on 6 August 2018, which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

The Board confirms that, for FY2020, the Company has complied with the principles and provisions set out in the Code. Where there are deviations from the Code, appropriate explanations are provided. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Catalist Rules.

Since 27 February 2018, the Company ceased to have any operating subsidiaries or businesses and became a cash company (a “**Cash Company**”) as defined under Rule 1017 of the Catalist Rules. The Company has announced the proposed acquisition of Mobile Credit Payment Pte. Ltd. (the “**Proposed Acquisition**”), which upon completion, will result in a reverse takeover of the Company. Please refer to the Company’s announcements dated 31 October 2017, 31 January 2018, 2 May 2018, 2 January 2019, 11 January 2019, 28 June 2019, 17 September 2019 and 31 January 2020 for details on the Proposed Acquisition. The Company remained as a Cash Company during FY2020, and as at the date of this Annual Report. With effect from 2 September 2019, the Company does not have any key management personnel (including Executive Director and Chief Executive Officer of the Company (“**CEO**”).

BOARD MATTERS

The Board's Conduct of Affairs

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

The key functions of the Board, apart from its statutory responsibilities, include:-

- reviewing and overseeing the management of the Group's business affairs, financial controls, performance and resource allocation;
- overseeing the process of risk management, financial reporting and compliance, as well as evaluating the adequacy and the effectiveness of internal controls of the Group;
- approving the Group's strategic plans, key business initiatives, acquisitions and disposals of assets, significant investments and funding decisions and major corporate policies;
- reviewing and approving, *inter alia*, the release (where applicable) of the Group's quarterly and full year financial results announcements, approval of the annual report and financial statements, material acquisitions and disposals of assets, interested person transactions, corporate strategies, annual budgets and investment proposals of the Group;
- appointing Directors and key management personnel of the Group ("**Management**"), including the review of their performance and remuneration packages;
- overseeing succession planning for the Management;
- ensuring accurate and timely reporting in communicating with shareholders of the Company ("**Shareholders**");
- providing entrepreneurial leadership and setting out the overall strategy and direction of the Group; and
- assuming responsibility of the corporate governance framework of the Group.

All Directors are fiduciaries who objectively act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired

organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Board Committees

To ensure efficient discharge of the Board’s responsibilities, certain functions of the Board have been delegated to various board committees namely, the Audit Committee (“**AC**”), the Remuneration Committee (“**RC**”) and the Nominating Committee (“**NC**”) (collectively, the “**Board Committees**”).

Membership in each of the Board Committees is carefully managed to ensure that there is equitable distribution of responsibilities amongst Board members to maximise the effectiveness of the Board and foster active participation and contribution. Each member of the Board Committees is picked based on his work experience and professional expertise. The Board Committees, which operate within clearly defined terms of reference, play an important role in ensuring good corporate governance in the Company and within the Group. Please refer to the principles in this report for further information on the activities of the respective Board Committees.

Board Meetings

The Board meets on a regular basis, with at least four scheduled meetings on a quarterly basis for the purposes of, *inter alia*, reviewing and approving the release (where applicable) of the Group’s quarterly and full year financial results. Ad-hoc meetings are convened as and when necessary to address any specific matter. The Company’s Constitution provides for meetings of the Directors to be held by means of telephone or similar communication equipment as the Board may determine.

The number of Board and Board Committees meetings held and attended by each Board member during FY2020 is set out below:-

	Audit Committee	Nominating Committee	Remuneration Committee	Board
Number of meetings held	4	1	1	4
	Attendance			
Goh Tzu Seoh Kenneth ⁽¹⁾	2	1*	1*	2
Ng Weng Sui Harry	4	1	1	4
Kesavan Nair	4	1	1	4

* By invitation

Note:-

(1) Goh Tzu Seoh Kenneth ceased to be Executive Director and Chief Executive Officer of the Company with effect from 2 September 2019.

The Board may also have informal discussions requiring urgent attention which would then be formally approved by circular resolutions in writing.

While the Board considers Directors' attendance at Board meetings important, it should not be the only criterion used to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodical reviews and the provision of guidance and advice on various matters relating to the Group. The Board also considers the Directors' other board representations and principal commitments to ensure they have sufficient time to discharge their responsibilities to the Company adequately.

The Group has adopted internal guidelines setting forth matters that require the Board's approval. Matters specifically reserved for the Board's approval are those relating to the strategy, business plan and budget of the Group, material acquisitions and disposals of assets, capital related matters including corporate or financial restructuring, investment or expenditure exceeding certain threshold limits, share issuances, interim dividends, other returns to Shareholders and interested person transactions.

The Management is responsible for day-to-day operations and administration of the Group and it is accountable to the Board. Clear directions have been given to the

Management that reserved matters as mentioned above must be approved by the Board.

Orientation and Training Programs

The Company conducts comprehensive orientation programs for new Directors. Appropriate training on Continuing Directors Responsibilities and Continuing Listing Requirements are also conducted as and when required to ensure that new Directors are familiar with the Company's businesses and corporate governance practices.

The aim of the orientation programs is to give new Directors a better understanding of the Group's structure and organisation, its businesses and corporate governance policies and to allow them to assimilate into their new roles. New Directors are encouraged to attend seminars which are aimed at providing them with the latest updates about changes in the relevant regulations, accounting standards, and corporate governance practices. Such seminars will be funded by the Company.

A formal letter of appointment will also be sent to the newly appointed Directors explaining their duties and obligations upon their appointment.

The Board as a whole is updated regularly on risk management issues, corporate governance, insider trading and key changes in the relevant regulatory requirements and financial standards, so as to enable them to properly discharge their duties as Board members or Board Committee members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors are circulated to the Board by the Company Secretary. The Company Secretary also informs the Directors of upcoming conferences and seminars relevant to their roles and duties as Directors, which will be funded by the Company.

During FY2020, all Directors are provided with updates on (i) changes to the Catalist Rules; and (ii) on the developments in financial reporting and governance standards, so as to enable them to make well-informed decisions and to properly discharge their duties as Directors. Further, Directors are encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors, the SGX-ST as well as other business and financial institutions.

Access to information

In order to ensure that the Board is able to fulfill its responsibilities, the Management is required to provide adequate and timely information to the Board on Board affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of the Group. For issues that require the Board's decision, relevant management staff are invited to attend at a specific allocated time during the meetings of the Board and the Board Committees (the "**Meetings**") when necessary. Periodic financial reports, budgets, forecasts, material variance reports and disclosure documents are provided to the Board, where appropriate, prior to the Meetings.

The calendar of the Meetings is planned a year in advance. Draft agendas for the Meetings are also circulated in advance to the respective Chairmen for review, and if necessary, to provide additional agenda items for the respective Board Committees meetings.

Access to Management and Company Secretary

The Board has separate and independent access to the Management and the Company Secretary. The Company Secretary provides the Board with regular updates on the requirements of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), the Code and changes on the Catalist Rules. The Company Secretary will attend the Meetings and assist the respective Chairmen of the Board and Board Committees in ensuring that relevant rules and procedures are followed and reviewed such that the Board and the Board Committees can function effectively. The appointment and removal of the Company Secretary is subject to approval of the Board as a whole.

The Directors have the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the operations or undertakings of the Group in furtherance of their duties and responsibilities.

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 interests of the company.

As at the date of this Annual Report, the composition of the Board and the Board Committees are as follows:-

Name	Designation of Board Members	Board Committee Membership		
		Audit Committee	Nominating Committee	Remuneration Committee
Ng Weng Sui Harry	Non-Executive Chairman and Lead Independent Director	Chairman	Member	Member
Kesavan Nair	Independent Director	Member	Chairman	Chairman

The Board comprises two (2) Directors, both of whom are considered independent by the Board. The Board is satisfied that there is a strong and independent element on the Board, with Non-Executive Independent Directors constituting the Board.

The Non-Executive Independent Directors provide the Board with independent and objective judgment on the corporate affairs of the Group and have the necessary experience to assist the Board in decision-making and to provide a check and balance to the Board as they are not involved in the day-to-day operations of the Company.

The Board has adopted the criteria of independence based on the definition given by the Code, that is, an independent Director is one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

The independence of each Director is reviewed annually by the NC in accordance with the Code's definition of independence, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. Each Director is required to declare his independence by duly completing and submitting a 'Confirmation of Independence' form. The said form, which is drawn up based on the definitions and guidelines set forth in Practice Guidance 2 of the

Practice Guidance issued by the Monetary Authority of Singapore, requires each Director to assess whether he considers himself independent despite not having any of the relationships identified in the Code, and taking into consideration whether he falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules.

The interests in shares held by each Director in the Company are set out in the “Directors’ Statement” section of this Annual Report. Save for their interests (direct and deemed) in the shares of the Company, none of the Directors or any of their immediate family members is related to the other Directors, the Company or its substantial Shareholders.

The Board takes into account the scope and nature of the Group’s operations (being a Cash Company) and is of the opinion that the size of the current Board is ideal to facilitate effective deliberations and decision-making of the Board. Matters requiring the Board’s approval are discussed and deliberated with participation from each member of the Board. The decisions are made based on collective decision without any individual influencing or dominating the decision-making process.

The Company is committed to building a diverse, inclusive and collaborative culture. The Company recognizes and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The composition of the Board is reviewed annually by the NC to ensure that there is a diversity and an appropriate mix of skills, expertise, experience, background, gender, age, ethnicity and other relevant factors to enable the Management to benefit from a diverse perspective of issues that are brought before the Board. Together, the Directors provide core competencies in business, investment, industry knowledge, legal, regulatory matters, audit, accounting and tax matters. The Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board noted that gender diversity on the board of directors is also one of the recommendations under the Code to provide an appropriate balance and diversity. Although there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board’s consideration.

The Non-Executive Directors are particularly important in ensuring that the strategies proposed by the Management are constructively challenged and active participation

by the Non-Executive Directors has helped to develop proposals on strategies. They also review the performance of the Management and ensure that agreed goals are met and also monitor the reporting of performance. Where necessary, the Non-Executive Directors meet and discuss on the Group's affairs without the presence of the Management and feedback will be provided to the Chairman and/or the Board after such meetings, if necessary.

Chairman and Chief Executive Officer

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

The Chairman of the Board is Ng Weng Sui Harry, who is a Non-Executive and Independent Director. As Chairman of the Board, he is responsible for, amongst other things, the proper functioning of the Board. He ensures that the Board receives accurate, timely and clear information, making sure that Board meetings are held as and when necessary and sets the Board's meeting agendas. He ensures that effective communication is maintained with the Shareholders. The Chairman also encourages constructive relations between the Board and the Management, facilitating the effective contribution of Independent Directors, as well as encouraging constructive relations amongst the Directors and hence, promoting high standards of corporate governance.

After the cessation of the previous CEO on 2 September 2019, the Company did not appoint a new CEO as the Company is a Cash Company with no business and operations, and has limited financial resources to engage one. It is envisaged that the Company will appoint new directors (including a new CEO) and reconstitute its Board upon the completion of the Proposed Acquisition.

In accordance with the Group's internal policy, the CEO, being the highest ranking executive officer of the Group, will be responsible for the effective management and supervision of daily business operations of the Group in accordance with the strategies, policies, budget and business plans as approved by the Board.

The separation of the roles of the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Board believes that currently there is a strong and

independent element on the Board and adequate safeguards in place against an uneven concentration of power and authority in a single individual.

The Chairman of the Board, who is independent, is also the Lead Independent Director of the Company. In situations where Shareholders may have concerns or issues and such communication with the CEO or Management has failed to resolve or where such communication is inappropriate or inadequate, Shareholders should feel free to directly contact the Lead Independent Director (being Ng Weng Sui Harry) or any other Director of the Company to raise their concerns or issues. As and when necessary, the Independent Directors meet without the presence of the other Directors and provide feedback to the Board and/or the Management after such meetings, if necessary.

Board Membership

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

The members of the NC are as follows:-

Kesavan Nair (Chairman)

Ng Weng Sui Harry (Member)

Notwithstanding that the Code provides for the NC to comprise at least three (3) directors, the NC currently comprises the aforementioned two (2) members, all of whom, including the Chairman of the NC, are Independent Directors. The Lead Independent Director is also a member of the NC. As the Company is currently a Cash Company, the Board is of the view the current composition of the NC is an interim measure pending completion of the Proposed Acquisition. The Board has determined that the NC will be reconstituted only upon completion of the Proposed Acquisition or as and when the Board deems appropriate.

The NC is governed by its written terms of reference. Amongst others, the principal duties of the NC include:-

- reviewing the Board structure, size and composition having regard to the scope and nature of the operations of the Group and the core competencies of the Directors;
- reviewing and making plans for succession, in particular for the Chairman, the CEO and key management personnel;
- reviewing the process and criteria for evaluation of the performance, and assessing the performance and effectiveness of the Board, each of the Board Committees and the Directors;
- reviewing the independence of the Directors on an annual basis;
- ensuring that the Directors are aware of their duties and obligations and deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;
- reviewing and recommending the appointment and/or re-appointment of Directors; and
- reviewing the adequacy of the training and professional development programmes for the Board and the Directors.

The NC makes recommendations to the Board on all nominations for appointment and re-appointment of Directors to the Board. It ascertains the independence of Directors and evaluates the Board's performance and effectiveness as a whole on an annual basis. The NC assesses the independence of Directors based on the guidelines set out in the Code, the Guidebook and any other salient factors, and taking into consideration whether the Director falls under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules.

In the nomination and selection process, the NC reviews the composition of the Board by taking into consideration the mix of expertise, skills and attributes of existing Board members, so as to identify desirable competencies for a particular appointment. In doing so, it strives to source for candidates who possess the skills and experience that will further strengthen the Board and are able to contribute to the Company in relevant strategic business areas, in line with the growth and development of the Group. The Board ensures that the selected candidate is aware of the expectations and the level of commitment required. In its search and nomination process for new directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates.

A formal letter of appointment will be sent to the newly appointed Directors explaining their duties and obligations upon their appointment. All the Directors have

declared their board representations. When 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 the Director's number of listed company board representations and other principal commitments. The NC does not currently set a cap on the maximum number of listed company board representations that any Director may hold, given that the Board has experienced minimal competing time commitments among its Board members and Board and Board Committee meetings are planned and scheduled in advance. The NC believes that putting a maximum limit on the number of listed company board representations that any Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive. The Board will consider setting the maximum number of listed company board representations that any Director may hold when the need arises. The NC has reviewed all the declarations from the Directors and is satisfied that the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given to the affairs of the Company, after taking into consideration each of the Directors' number of listed company board representations and other principal commitments in FY2020.

The NC also reviews the independence of the Directors annually as mentioned under Provision 2.1 of the Code. There is no policy to prohibit or require the Non-Executive and Independent Directors to hold shares in the Company. Ng Weng Sui Harry holds 5,490,000 shares in the Company amounting to 0.3% of the total issued shares in the Company. The RC and the Board are of the view that the holding of shares by Non-Executive and Independent Directors of less than 5% of the total issued shares in the Company encourages the alignment of their interests with the interests of Shareholders without compromising their independence. The NC has affirmed that Ng Weng Sui Harry and Kesavan Nair are independent and free from any relationship outlined in the Code, and they do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. Each of the Independent Directors has also confirmed his independence to the Company. Other than Ng Weng Sui Harry, none of the Independent Directors has served on the Board beyond nine years from their respective dates of appointment.

Rigorous review is conducted by the NC and the Board to assess the continuing independence of the Independent Director having served the Board for more than nine (9) years. The NC and the Board will consider that the Independent Director is not involved in the day-to-day business and operations of the Company and the Group, he

remains independent in character, diligently discharging his duties and exercising sound independent business judgement and objectivity in an exemplary manner, in the interests of the Company, and has exhibited a strong spirit of professionalism which did not diminish with time.

The NC and the Board are of the view that Ng Weng Sui Harry (who has served on the Board beyond nine (9) years from his date of appointment as a Director) has a crucial role in the Company's affairs and regardless of his period of service, he has continued to demonstrate strong independency in character, judgement and express his viewpoints, debated issues and objectively scrutinised and challenged the Management and/or professionals on matters relating to the Company, sought clarification and amplification as he considered necessary in the manner in which he has discharged his duties and responsibilities as an Independent Director. Taking into account the above factors and after taking into consideration his experience and involvement he has had in the Company, the NC has affirmed that Ng Weng Sui Harry is independent, free from any relationship outlined in the Code and he does not fall under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules.

Pursuant to the Company's Constitution, at least one-third of the Directors for the time being shall retire from office by rotation and a Director appointed by the Board to fill a casual vacancy or as an additional Director shall hold office only until the next Annual General Meeting ("AGM") of the Company following his appointment. Directors who retire are eligible to offer themselves for re-election. Rule 720(4) of the Catalist Rules also provides for all Directors to submit themselves for re-nomination and re-appointment at least once every three years. Each member of the NC shall abstain from voting on any resolution in respect of his re-nomination as a Director.

The NC has reviewed and recommended the re-election of Ng Weng Sui Harry, who is retiring pursuant to Article 91 of the Company's Constitution, at the forthcoming AGM of the Company to be held on 29 September 2020.

Ng Weng Sui Harry will, upon re-election as a Director, remain as the Non-Executive Chairman and Lead Independent Director, Chairman of the AC and member of the NC and RC. The Board considers Ng Weng Sui Harry to be independent for the purpose of Rule 704(7) of the Catalist Rules.

The Board has accordingly accepted the recommendation of the NC and put forward the nomination of the retiring Director, namely Ng Weng Sui Harry, for re-election at

the forthcoming AGM of the Company to be held on 29 September 2020.

The information of the retiring Director, namely Ng Weng Sui Harry, is set out in the section entitled “**Profile of Directors**” and the Notice of AGM on pages 109 to 118 of this Annual Report. Please also refer to the section entitled “**Additional Information on Director Seeking Re-election**” on pages 45 to 53 of this Annual Report for more information on Ng Weng Sui Harry pursuant to Rule 720(5) of the Catalist Rules.

There are no alternate Directors on the Board.

Other than the key information regarding the Directors set out below, information pertaining to the Directors’ interest in shares, options and other convertible securities are set out in the “**Directors’ Statement**” section of this Annual Report and information in relation to background and principal commitments of the Directors are set out under the “**Profile of Directors**” section of this Annual Report.

Name of Director	Board appointment	Date of first appointment	Date of last re-election	Directorships and Chairmanships in other listed companies
Ng Weng Sui Harry	Non-Executive and Independent	25 June 2008	27 July 2017	<u>Present Directorships</u> <ol style="list-style-type: none"> 1. Q&M Dental Group (Singapore) Limited 2. Oxley Holdings Limited 3. IEV Holdings Limited 4. HG Metal Manufacturing Limited
Kesavan Nair	Non-Executive and Independent	5 May 2017	31 July 2019	<u>Present Directorships</u> <ol style="list-style-type: none"> 1. Kitchen Culture Holdings Ltd. 2. IEV Holdings Limited 3. Arion Entertainment

Name of Director	Board appointment	Date of first appointment	Date of last re-election	Directorships and Chairmanships in other listed companies
				Singapore Limited 4. HG Metal Manufacturing Limited

Board Performance

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

The NC had established various objective performance criteria and evaluation procedures for the assessment of the effectiveness and performance of the Board as a whole, as well as each of its Board Committees separately. The performance criteria include financial targets, contributions by the Board members as well as expertise, sense of independence and industry knowledge. This encourages feedback from the Board members and leads to an enhancement of the Board's performance over time. These performance criteria in the forms do not change from year to year, and where circumstances deem it necessary for any criteria to be changed, the onus will be on the Board to justify the change.

The NC had implemented and continued with a formal evaluation process to assess the effectiveness and the performance of the Board as a whole. The results of the evaluation are used constructively by the NC to identify areas for improvements and recommend the necessary action to be taken by the Board. The NC has decided unanimously, that the Directors will not be evaluated individually, as each member of the Board contributes in different areas to the success of the Company, and therefore, it would be more appropriate to assess the Board as a whole. Although the Directors are not evaluated individually, the NC, in considering the re-nomination and re-appointment of the Directors, had considered amongst others, the attendance record at meetings of the Board and Board Committees, the intensity of participation in the proceedings at meetings and quality of contributions made as well as the qualification and experience of such Directors.

The evaluation of effectiveness and performance of each Board Committee as a whole is carried out annually on a self-evaluation basis by the respective members of each Board Committee. The results of the evaluation are reviewed and discussed by each respective Board Committee, and each Board Committee reports the evaluation results to the Board thereafter. The assessment criteria include but are not limited to the composition of the Board Committees and the procedures and accountability of each Board Committee.

No external facilitator has been engaged by the Company for the purpose of evaluation of the Board and Board Committees during FY2020.

REMUNERATION MATTERS

Procedures For Developing Remuneration Policies

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 own remuneration.

The members of the RC are as follows:-

Kesavan Nair (Chairman)

Ng Weng Sui Harry (Member)

Notwithstanding that the Code provides for the RC to comprise at least three (3) directors, the RC currently comprises the aforementioned two (2) members, all of whom, including the Chairman of the RC, are Independent Directors. As the Company is currently a Cash Company, the Board is of the view the current composition of the RC is an interim measure pending completion of the Proposed Acquisition. The Board has determined that the RC will be reconstituted only upon completion of the Proposed Acquisition or as and when the Board deems appropriate.

The aim of the RC is to provide compensation packages to attract, motivate and retain Directors and key management personnel.

The RC is governed by its written terms of reference. Amongst others, the principal duties of the RC include:-

- reviewing and recommending to the Board the framework of remuneration and specific remuneration packages for all Directors and key management personnel;
- reviewing the service contract(s) of the Executive Director(s), to consider what compensation commitments the Executive Director(s) would entail in the event of early termination with a view to be fair and avoid rewarding poor performance; and
- reviewing and approving the performance targets for assessing the performance of each of the key management personnel and recommending such targets for the determination of specific remuneration packages for each such key management personnel.

The recommendations of the RC are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind are covered by the RC. In structuring and reviewing the Directors' remuneration packages, the RC seeks to align interests of the Directors with those of the Shareholders and link rewards to corporate and individual performance as well as roles and responsibilities of each Director. As and when the need arises, the RC will also review the Company's obligations arising in the event of termination of the Executive Director(s)' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

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

The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The Company did not engage any remuneration consultant in respect of the remuneration matters of the Group during FY2020.

Level and Mix of Remuneration

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.

In setting remuneration packages of the Directors, the Company takes into consideration the remuneration packages and employment conditions within the industry as well as the Group's relative performance and the performance of individual Directors. The RC also reviews the remuneration of the key management personnel (including but not limited to the CEO) on an annual basis. The standard remuneration package for key management personnel comprises a fixed component (monthly basic salary), variable component (discretionary performance bonus), benefits-in-kind (parking charges, mobile charges etc), share options and share awards. The RC is of the view that such remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the Company for the long term.

The remuneration of related employees will be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review.

For the avoidance of doubt, there are currently no Non-Executive Non-Independent Directors, key management personnel and related employees (being employees of the Company or its subsidiaries who was a substantial Shareholder, or an immediate family member of a Director, the CEO or substantial Shareholder of the Company) in the Group in FY2020 and as at the date of this Annual Report.

Independent Directors are paid with Directors' fees as well as share options and/or share awards in accordance with their contributions, while Non-Executive Non-Independent Directors are paid with share options and/or share awards taking into account factors such as the contribution, effort, time spent and the scope of responsibilities of such Directors. Directors' fees for the Independent Directors are proposed and recommended by the RC to the Board for review and approval, based on the effort and time spent and the responsibilities of the Independent Directors. No Director is involved in deciding his own remuneration. The Independent Directors have not been over-compensated to the extent that their independence is compromised. The total remuneration of the Independent Directors is recommended for Shareholders' approval at each AGM of the Company. Directors' fees of S\$50,000 for the financial year ended 31 March 2019 ("FY2019") had been approved by

Shareholders at the last AGM of the Company held on 31 July 2019. Directors' fees of S\$50,000 for FY2020 are recommended by the Board and subject to the approval of Shareholders at the forthcoming AGM of the Company.

The Company currently does not use contractual provisions to allow it to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Disclosure on Remuneration

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.

A breakdown, showing the level and mix of each Director's remuneration for FY2020 is as listed below:-

Name	Directors' Fee ⁽¹⁾ (S\$'000)	Salary ⁽²⁾ (S\$'000)	Variable (S\$'000)	Benefits -in-kind (S\$'000)	Total (S\$'000)
Executive Director					
Goh Tzu Seoh Kenneth ⁽³⁾	-	36	-	-	36
Independent Directors					
Ng Weng Sui Harry	25	-	-	-	25
Kesavan Nair	25	-	-	-	25

Notes:-

- (1) Directors' fees of S\$50,000 for FY2020 are subject to the approval of Shareholders at the forthcoming AGM of the Company.
- (2) Includes allowances, social contributions and contributions to Central Provident Fund (where applicable).
- (3) Goh Tzu Seoh Kenneth ceased to be Executive Director and Chief Executive Officer of the Company with effect from 2 September 2019.

As the Company is currently a Cash Company, it did not have any key management personnel (who are not Directors or CEO) during FY2020 and accordingly, no remuneration was paid to any key management personnel (who are not Directors or CEO) for FY2020.

There is no employee of the Company or its subsidiaries who is a substantial Shareholder, or an immediate family member of a Director, the CEO or substantial Shareholder of the Company, during FY2020.

The RC has reviewed and approved the remuneration package of the Executive Director, having regard to his contribution as well as the performance of the Group and has ensured that the Executive Director is adequately but not excessively remunerated.

There are no termination, retirement and post-employment benefits that are granted to the Directors.

The Company has put in place the Artivision Technologies Employee Share Award Scheme (the “**Scheme**”) approved by Shareholders on 29 July 2015. Directors and employees of the Group are eligible to participate in the Scheme. Pursuant to the Scheme, the number of shares in respect of which options and awards may be granted shall be determined at the discretion of the RC who shall take into account, *inter alia*, the performance of the Group, prevailing economic conditions, level of responsibility, the length of service, performance evaluation and potential development of the Directors and employees of the Group. Following industry practice, the Company has chosen the aforementioned factors to tie in with the overall performance of the Group, and to reward individuals who have made contributions towards the growth of the Group. The vesting of performance related share awards granted by the Company pursuant to the Scheme is subject to the satisfaction of the prescribed performance targets set over the performance period and in accordance with the terms of the Scheme. As at the end of the financial year, there are no unissued ordinary shares under the share awards in relation to the Employee Share Award Scheme.

The Board has not included a separate annual remuneration report on the remuneration of the Directors to Shareholders in this Annual Report as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in this Annual Report and in the financial statements of the Company.

ACCOUNTABILITY AND AUDIT

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.

The Board acknowledges that it is responsible for the Group's overall system of internal controls, but also recognises that no internal control system will preclude all material errors and irregularities. The Group's system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable assurance against material misstatement or loss. The Board believes in the importance of maintaining a sound system of risk management and internal controls. The internal controls in place will address the financial, operational, compliance and information technology risks, and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material losses and assets are safeguarded.

The AC has carried out assessments on the adequacy and effectiveness of key internal controls of the Group during FY2020, and taking into consideration the report from the external auditors. Any material non-compliance or weaknesses in internal controls or recommendations from the external auditors to further improve the internal controls are reported to the AC. The AC will follow up on the actions taken by the Management on the recommendations made by the external auditors.

The Board has confirmed that, *inter alia*, the financial records have been properly maintained in accordance with the Companies Act, the financial statements are properly drawn up to give a true and fair view of the Company's operations and finances; and that the Company's risk management and internal control systems are adequate and effective, and that they are not aware of any significant deficiencies, including material weakness, in the design or operation of robust and effective internal controls in addressing financial, operational, compliance and information technology risks that could adversely affect the Group's ability to record, process, summarise and report financial data (the "**Confirmation**").

The Group regularly reviews and improves its business and activities to identify areas of significant business risk as well as take appropriate measures to control and

mitigate these risks. The Group reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board.

The Board also notes that all risk management systems and internal control systems contain inherent limitations and a cost effective system of risk management or internal controls can only provide reasonable and not absolute assurance against the occurrence of material errors, financial misstatement, poor judgment in decision-making, human error, losses and/or other irregularities.

Based on the internal controls established and maintained by the Group as a Cash Company with no business and operations, work performed by the external auditors and the Confirmation, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2020.

In view of the Proposed Acquisition, the Board will review and take appropriate steps in relation to the Group's overall system of risk management and internal controls.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The members of the AC are as follows:-

Ng Weng Sui Harry (Chairman)

Kesavan Nair (Member)

The AC comprises two (2) members, both of which are Independent Directors. As the Company is currently a Cash Company and is in the process of the Proposed Acquisition, the Board is of the view the current composition of the AC is an interim measure pending completion of the Proposed Acquisition. The Board has determined that the AC will be reconstituted only upon completion of the Proposed Acquisition or as and when the Board deems appropriate.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on

the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal controls.

The Board is of the view that the members of the AC are appropriately qualified, and that they have sufficient accounting or related financial management expertise and experience to discharge the AC's function. The AC comprises members who are experienced in the fields of finance, legal and business.

The AC is governed by its terms of reference, which was reviewed and amended, where appropriate, to adopt relevant best practices set out in the Guidebook and the Code, and used as a reference to assist the AC in the discharge of its responsibilities and duties.

Amongst others, the principal duties of the AC include:-

- to review with the external auditors the audit plan, including the nature and scope of the audit before the audit commences, results of the audit, their reports, their Management letter and the Management's response;
- to oversee the financial reporting process, review the quarterly and full year financial statements to ensure integrity of the said financial statements before submission to the Board for approval;
- to meet with the external auditors and internal auditors without the presence of the Management on an annual basis, to discuss any problems and concerns they may have in the co-ordination between the external auditors/internal auditors and the Management; in ensuring monitoring of timely and proper implementation of required corrective, preventive or improvement measures;
- to review annually the independence and objectivity of the external auditors;
- where the external auditors also provide non-audit services to the Group, to review the nature and extent of such services in order to balance the maintenance of objectivity, and to ensure that the independence of the external auditors would not be compromised;
- to review at least annually the adequacy and effectiveness of the Group's internal controls;

- to select and appoint internal auditors, fix their remuneration, to review the scope and assess their performance, results of the internal audit procedures including the effectiveness of the internal audit function and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group and to review and ensure annually the adequacy of the internal audit function;
- to recommend the appointment, re-appointment and removal of external auditors (taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority), to fix their remuneration, to review the scope of external audit and to assess the external auditors' performance;
- to review the Group's procedures for detecting fraud and whistle-blowing matters and to ensure that arrangements are in place by which any employee, may in confidence, raise concerns about improprieties in matters of financial reporting, financial control, or any other matters. A report is presented to the AC on a quarterly basis whenever there is a whistle-blowing issue;
- to review the assurance from the Board on the financial records and the financial statements; and
- to review Interested Person Transactions ("IPT") falling within the scope of the Catalist Rules.

The AC has explicit authority to investigate any matters within its terms of reference. The AC also has full access to and co-operation from the Management and full discretion to invite any Director and/or key management personnel to attend its meetings, and has reasonable resources to enable it to discharge its functions properly. The AC has, within its terms of reference, the authority to obtain independent professional advice at the Company's expense as and when the need arises.

The AC keeps abreast of new accounting standards and related issues which have a direct impact on the Group's financial statements through regular updates from the Company's relevant advisors.

The Company has in place a whistle-blowing framework where staff of the Group can raise concerns about improprieties in matters of financial reporting or other matters to the officers of the Group or to the AC via email or letter. There were no reports received through the whistle-blowing mechanism during FY2020.

As the Company is a Cash Company in FY2020, it does not have an in-house internal audit function and has not appointed an internal auditor for FY2020. The Board has

determined that this function will be determined only upon completion of the Proposed Acquisition or as and when the Board deems appropriate.

To ensure adequacy of the internal audit function, the AC meets on a regular basis to review this function. During the financial year, the AC had reviewed the audit plans and the findings of the external auditors which include reviews on the accounting and internal control system of the operating subsidiary corporations. The AC will ensure that the Group follows up on the auditors' recommendations raised, if any, during the audit process. The AC is generally satisfied with the adequacy of the current arrangement and will continue to assess the independence, adequacy and effectiveness of the internal audit function regularly, at least on an annual basis.

The following aggregate amount of fees were paid or payable by the Company to the external auditors of the Group, for FY2020:-

<u>Services</u>	<u>Amount</u> <u>(S\$'000)</u>
Audit service	
- KPMG LLP, the external auditors of the Company	257*
- Other auditors	-
Non-audit service	
- KPMG LLP, the external auditors of the Company	-
Total	<u>257</u>

*Included in this amount is S\$57,000 for audit services provided in relation to the statutory audit for the financial year ended 31 March 2020 and S\$200,000 in relation to professional services for the Proposed Acquisition.

No non-audit services were provided by the external auditors of the Company for FY2020, and accordingly, no non-audit fees were paid to the external auditors for the Company for FY2020.

The AC did not meet with the external auditors of the Company without the presence of Management in FY2020, as the Company is a Cash Company during FY2020 and the Company does not have any key management personnel (including CEO) as at the date of this Annual Report.

The AC is satisfied that the external auditors of the Company, KPMG LLP, an

auditing firm registered with the ACRA, are independent and they had also provided a confirmation of their independence to the AC. The AC had assessed the external auditors of the Company based on factors such as performance, adequacy of resources and experience of their audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the AC is satisfied that Rule 712 and Rule 715 of the Catalist Rules have been complied with in relation to the appointment of audit firms for the Group for FY2020 and has recommended to the Board, the nomination of KPMG LLP, the external auditors of the Company, for re-appointment at the forthcoming AGM of the Company.

In the review of the financial statements, the AC had discussed with the outsourced accounting firm the accounting principles that were applied and its judgment of items that might affect the integrity of the financial statements. The following key audit matter impacting the financial statements was discussed with the outsourced accounting firm and the external auditors of the Company, and was reviewed by the AC:-

Key Audit Matter Considered	How the AC reviewed the Key Audit Matter and what decisions were made
Assessment of the Group's ability to continue as a going concern	With the letter of financial support and loans from Mr Ching Chiat Kwong, a controlling Shareholder, the AC considers it is appropriate to deem the Company as a going concern.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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.

The Company is committed to providing Shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the share price or value. The Company ensures that all material information is disclosed on a comprehensive and timely basis via SGXNet and

informs them of the rules governing general meetings of shareholders, so as to enable Shareholders to make informed decisions in respect of their investments in the Company.

The Company has introduced the system of voting, pursuant to which each resolution put forth at the general meetings is voted by poll. The percentages of votes voted in favour and against each resolution will be announced via SGXNet after the general meetings.

Notice of the general meetings will be advertised in newspapers and announced on SGXNet. Each item of special business included in the notice of the general meetings will be accompanied by a full explanation of the effects of a proposed resolution. The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue 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.

Shareholders are encouraged to attend the Company’s general meetings, including AGMs and Extraordinary General Meetings to ensure a high level of accountability and to stay informed of the Group’s strategies and growth plans.

The respective Chairmen of the Board, the AC, the RC and the NC as well as the external auditors of the Company are also available at the general meetings to address any Shareholders’ queries on the conduct of the external audit and the preparation and content of the auditors’ report, and the audited financial statements of the Group. The attendance of the Directors of the Company at the Company’s general meeting(s) held during FY2020 are reflected in the table below:

Number of general meetings held:	1
Name of Director	Number of general meetings attended:
Ng Weng Sui Harry	1
Kenneth Goh Tzu Seoh ⁽¹⁾	0
Kesavan Nair	1

Note:-

- (1) Goh Tzu Seoh Kenneth ceased to be Executive Director and Chief Executive Officer of the Company with effect from 2 September 2019.

The Company publishes minutes of general meetings of shareholders on SGXNet as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Group strongly encourages Shareholders' participation during the general meetings which are held in Singapore. Shareholders are able to proactively engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. Resolutions are passed through a process of voting in accordance with established voting rules and procedures, which Shareholders are informed of. The results for each resolution put forth are presented during the general meetings.

The Company's Constitution allows registered Shareholders (other than a relevant intermediary as defined in Section 181 of the Companies Act) who are unable to attend the general meetings to appoint up to two (2) proxies to attend, speak and vote on his behalf at general meetings of the Company. The Companies Act allows relevant intermediaries which include banking corporations, corporations which provide custodial services and the Central Provident Fund Board to appoint multiple proxies to attend, speak and vote at general meetings of the Company.

If any Shareholder is unable to attend, he/she is allowed to appoint proxies to vote on his/her behalf at the general meetings through proxy forms sent to the Company within the prescribed period. The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of Shareholders' identities through the web are not compromised.

The Company currently does not have a fixed dividend policy. The form, frequency and amount of dividends that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors:-

- (a) the level of the earnings of the Group;
- (b) the financial condition of the Group;
- (c) the projected levels of the Group's capital expenditure and other investment plans;
- (d) the restrictions on payment of dividends imposed on the Group by the Group's financing arrangements (if any); and
- (e) other factors as the Directors may consider appropriate.

As the Group recorded net losses in FY2020 and is in an accumulated losses position, the Board did not recommend any dividend for FY2020.

Engagement with Shareholders

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

The Group is committed to regular and proactive communications with Shareholders and the continuous disclosure obligations under the Catalist Rules. The Group ensures that Shareholders are informed of all major developments that may have an impact on the Group. Information is communicated to Shareholders on a timely basis and is made through:-

- (a) annual reports that are prepared and issued to all Shareholders;
- (b) quarterly and full year unaudited financial results announcements;
- (c) circulars and notices issued to all Shareholders; and
- (d) disclosures to the SGX-ST via SGXNet.

The Company does not practice selective disclosure as all material and price-sensitive information are released through SGXNet in a timely manner.

The Board welcomes the views of Shareholders on matters affecting the Group, whether at the general meetings of the Company or on an ad hoc basis. At the general meetings, Shareholders will be given the opportunity to express their views and ask the Directors or the Management questions regarding the Group.

The Company does not currently have an investor relations policy or a website. As it is a Cash Company with no business and operations pending completion of the Proposed Acquisition, it is not practicable nor meaningful to have an investors relation policy or a website. The Company is of the view that its disclosures through SGXNet allows the public to be aware of the Group's latest development and businesses and is sufficient currently. The Company will implement an investors relation policy or a website upon completion of the Proposed Acquisition or as and when the Board deems appropriate. In the meantime, the public can provide feedback to the Company via its registered office address.

Ng Weng Sui Harry, as Lead Independent Director, is the contact person for Shareholders in situations where there are concerns or issues.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

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.

As the Company is a Cash Company and has no business and operations pending completion of the Proposed Acquisition, it is not practicable nor meaningful to maintain arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups, or a corporate website.

DEALING IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Company has in place a policy whereby the Directors and officers of the Group should not deal in the Company's securities during the period commencing two (2) weeks before the announcement of the Group and the Company's financial statements for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Group and the Company's full year financial statements (if quarterly financial statements are announced); or one month before the announcement of the Group and Company's half year and full year financial statements (if quarterly financial statements are not announced).

In addition, the Company and its officers are expected to be mindful of insider trading laws at all times including when they are in possession of any unpublished price-sensitive information during the permitted trading periods. They are also discouraged from dealing in the Company's shares on short-term considerations.

MATERIAL CONTRACTS

Save as disclosed below under the section entitled "Interested Person Transactions", there was no material contract entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling Shareholders, either still subsisting at the end of FY2020, or if not then subsisting, entered into since the end of FY2019.

INTERESTED PERSON TRANSACTIONS ("IPT")

The Company does not have a general mandate from Shareholders for IPT. However, the Company has an IPT policy which sets out procedures for review and approval of Company's IPT. To ensure compliance with Chapter 9 of the Catalist Rules, the Board and the AC regularly consider and discuss if the Company will be entering into any IPT and if it does, to ensure that the Company complies with the requirements under Chapter 9 of the Catalist Rules in that, all the IPT are conducted at arm's length and on normal commercial terms and that it will not be prejudicial to the interests of the Company and its minority Shareholders.

In September 2019, in connection with the Proposed Acquisition, the Company entered into a settlement agreement with Ching Chiat Kwong ("**Mr Ching**") (the "**Settlement Agreement**"), a controlling Shareholder. Pursuant to the Settlement Agreement, the Company and Mr Ching agreed that Mr Ching will, *inter alia*, prior to or on completion of the Proposed Acquisition, acquire all of the outstanding bonds of the Company (including interest), in consideration of the issue and allotment by the Company to Mr Ching of such number of new shares in the Company after the completion of the proposed share consolidation (in connection with the Proposed Acquisition), with the aggregate issue price equivalent to S\$10.0 million. Please refer to the Company's announcement dated 17 September 2019 for more information on the Settlement Agreement. The Settlement Agreement is an IPT and is subject to approval from independent Shareholders at an extraordinary general meeting to be convened to consider and vote on resolutions in relation to, among others, the Proposed Acquisition.

As at 31 March 2020, Mr Ching, a controlling Shareholder, has extended total unsecured loans of S\$417,450 to the Company, at an interest rate of 10% per annum.

In July 2020, the Company entered into an agreement with HLM (International) Corporate Services Pte. Ltd., which is wholly-owned by Ng Weng Sui Harry, the Non-Executive Chairman and Independent Director, for the provision of corporate services to the Company in relation to the preparation of this Annual Report for a fixed fee of S\$9,000.

Save for the above, there was no IPT entered into between the Company or its subsidiaries and any of its interested persons during FY2020.

USE OF PROCEEDS FROM THE DISPOSAL

On 11 August 2017, the Company completed the disposal of the entire issued and paid-up share capital of Artimedia Pte. Ltd. for a total cash consideration of S\$5 million (the “**Disposal**”) and received the first tranche payment of the cash consideration of S\$3 million (“**First Tranche Consideration**”). On 9 February 2018, the Company received the second tranche payment of the cash consideration of S\$1 million (“**Second Tranche Consideration**”); and on 6 July 2018, it received the final tranche payment of the cash consideration of S\$1 million (“**Final Tranche Consideration**”).

As announced by the Company on 5 April 2018, pursuant to the “no objections” letter issued by the SGX-ST on the same day in relation to, *inter alia*, the Company’s application for waiver from compliance with Rule 1017(1)(a) of the Catalist Rules, the Final Tranche Consideration will have to be placed in an escrow account to be opened by the Company with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore.

As announced by the Company on 12 November 2018, the First Tranche Consideration and Second Tranche Consideration had been fully utilised, and the Final Tranche Consideration stood at S\$1 million as at 30 September 2018. As at 31 March 2020, the Final Tranche Consideration remained at S\$1 million, which had been placed in an escrow account opened by the Company since December 2018.

CATALIST SPONSOR

In FY2020, financial advisory fees of S\$35,000 was payable or paid to the Company's sponsor, ZICO Capital Pte. Ltd., in connection with the appointment of ZICO Capital Pte. Ltd. as the Financial Adviser to the Company in respect of the Proposed Acquisition. Save for the above, there are no other non-sponsor fees paid to the Company's sponsor in FY2020.

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

Rule 710 of the Catalist Rules requires Singapore-listed companies to describe their corporate governance practices with specific reference to the Code in their annual reports for the financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the Code.

Board Matters		Remuneration Matters		Shareholder Rights and Responsibilities	
The Board’s Conduct of Affairs		Procedures for Developing Remuneration Policies		Shareholder Rights and Conduct of General Meetings	
<u>Principle 1</u>		<u>Principle 6</u>		<u>Principle 11</u>	
Provision	Page 10	Provision	Page 25	Provision	Page 34
1.1		6.1		11.1	
Provision	Page 13	Provision	Page 24	Provision	Page 35
1.2		6.2		11.2	
Provision	Page 12	Provision	Page 25	Provision	Page 35
1.3		6.3		11.3	
Provision	Page 11	Provision	Page 25	Provision	Page 36
1.4		6.4		11.4	
Provision	Page 11			Provision	Page 36
1.5				11.5	
Provision	Page 14	Level and Mix of Remuneration		Provision	Page 36
1.6				11.6	
Provision	Page 14				
1.7		<u>Principle 7</u>		Engagement with Shareholders	
Board Composition and Guidance		Provision	Page 26	<u>Principle 12</u>	
		7.1			
<u>Principle 2</u>		Provision	Page 26		
		7.2			
		Provision	Page 26	Provision	Page 37
		7.3		12.1	
Provision	Page 15			Provision	Page 38
2.1				12.2	

Provision 2.2	NA	Disclosure on Remuneration	Provision 12.3	Page 38
Provision 2.3	Page 15			
Provision 2.4	Page 16			
Provision 2.5	Page 16	<u>Principle 8</u>		
Chairman and Chief Executive Officer				
		Provision 8.1		Page 27
		Provision 8.2		Page 28
<u>Principle 3</u>		Provision 8.3		Page 27
Provision 3.1	Page 17	Accountability and Audit	Provision 13.1	Page 38
Provision 3.2	Page 17		Provision 13.2	Page 38
Provision 3.3	Page 18	Risk Management and Internal Controls	Provision 13.3	Page 38
Board Membership		<u>Principle 9</u>		
<u>Principle 4</u>		Provision 9.1		Page 29
		Provision 9.2		Page 29
Provision 4.1	Page 18			
Provision 4.2	Page 18			
Provision 4.3	Page 19	Audit Committee		
Provision 4.4	Page 20	<u>Principle 10</u>		

Managing Stakeholders Relationship

Engagement with Stakeholders
Principle 13

Accountability and Audit

Risk Management and Internal Controls

Provision Page 20
4.5

Board Performance

Principle 5

Provision Page 23
5.1

Provision Page 24
5.2

Provision Page 31
10.1

Provision Page 30
10.2

Provision Page 30
10.3

Provision NA
10.4

Provision Page 33
10.5

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Ng Weng Sui Harry is the Director retiring and seeking re-election at the forthcoming AGM of the Company (the “**Retiring Director**”).

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules is set out below:

Name of Director	NG WENG SUI HARRY
Date of first appointment	25 June 2008
Date of last re-appointment	27 July 2017
Age	64
Country of principal residence	Singapore

Name of Director	NG WENG SUI HARRY
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Ng Weng Sui Harry for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Ng Weng Sui Harry possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p> <p>Ng Weng Sui Harry will, upon re-election as a Director, remain as the Non-Executive Chairman and Lead Independent Director, Chairman of the AC and member of the NC and RC. The Board considers Ng Weng Sui Harry to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Chairman and Lead Independent Director, Chairman of the AC and member of the NC and RC

Name of Director	NG WENG SUI HARRY
Professional qualifications	<p>Master of Business Administration (General Business Administration), The University of Hull</p> <p>Fellow Member of the Institute of Singapore Chartered Accountants</p> <p>Fellow of the Association of Chartered Certified Accountants, UK</p>
Working experience and occupation(s) during the past 10 years	2010 – Present: Executive Director of HLM (International) Corporate Services Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	5,490,000 shares
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	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

Name of Director	NG WENG SUI HARRY
<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(9)</p>	<p><u>Past (for the last 5 years):</u></p> <p>Directorships:</p> <ol style="list-style-type: none"> 1. HealthPro Pte. Ltd. <p>Other Principal Commitments:</p> <p>Nil</p> <p><u>Present:</u></p> <p>Directorships:</p> <ol style="list-style-type: none"> 1. Q&M Dental Group (Singapore) Limited 2. Oxley Holdings Limited 3. IEV Holdings Limited 4. HG Metal Manufacturing Limited 5. HLM (International) Corporate Services Pte. Ltd. 6. IEV Energy Investment Pte. Limited 7. IEV Technologies Pte. Ltd. <p>Other Principal Commitments:</p> <ol style="list-style-type: none"> 1. Singapore Dental Council 2. NCC Research Fund 3. NCCS Cancer Fund
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>	
<p>(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</p>	<p>No</p>

Name of Director	NG WENG SUI HARRY
partner or at any time within 2 years from the date he ceased to be a partner?	
(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
(c) Whether there is any unsatisfied judgment against him?	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
(e) Whether he has ever been	No

Name of Director	NG WENG SUI HARRY
<p>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?</p>	
<p>(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?</p>	<p>No</p>
<p>(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?</p>	<p>No</p>
<p>(h) Whether he has ever been</p>	<p>No</p>

Name of Director	NG WENG SUI HARRY
<p>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?</p>	
<p>(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?</p>	<p>No</p>
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(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</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory</p>	<p>No</p>

Name of Director	NG WENG SUI HARRY
<p>requirement governing business trusts in Singapore or elsewhere; or</p> <p>(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,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	
<p>(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?</p>	<p>No</p>

Name of Director	NG WENG SUI HARRY
Disclosure applicable to the appointment of Director only	
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <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. 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>	<p>Yes.</p> <p>Ng Weng Sui Harry is currently a director of the following companies listed on the SGX-ST:-</p> <ol style="list-style-type: none"> 1. Q&M Dental Group (Singapore) Limited 2. Oxley Holdings Limited 3. IEV Holdings Limited 4. HG Metal Manufacturing Limited

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2020.

In our opinion:

- (a) the financial statements set out on pages 62 to 106 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and 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 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, having considered the factors presented in Note 2.1 of these consolidated financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Ng Weng Sui Harry
Kesavan Nair

Directors' interest

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At	At	At	At
	01.04.2019	31.03.2020	01.04.2019	31.03.2020

Company

Artivision Technologies Limited – ordinary shares

Ng Weng Sui Harry	5,490,000	5,490,000	–	–
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Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

The directors’ interests in the ordinary shares of the Company as at 21 April 2020 were the same as those as at 31 March 2020.

Share awards and share options

During the financial year, there were no share awards or share options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries.

At the end of the financial year, there are no unissued ordinary shares under share awards outstanding in relation to the Employee Share Award Scheme. At the end of the financial year, the Company does not have a share option scheme in place.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Ng Weng Sui Harry	(Non-Executive Chairman and Independent Director)
Kesavan Nair	(Independent Director)

The Audit Committee performs functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing those functions, the Audit Committee met with the Company's external auditors to discuss the scope of their work and the results of their examination.

The Audit Committee also reviewed the following:

- assistance provided by the Company's management to the external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual);
- the audit plan of the Company's external auditor and any recommendations on internal accounting controls arising from statutory audit; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2020 before their submission to the Board of Directors, as well as the Independent Auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors of the Company and its subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

During the Directors' Board Meeting held on 27 May 2019, the Board of Directors approved the recommendation to appoint KPMG LLP as auditors to the shareholders of the Company. The appointment of KPMG LLP as auditors of the Company was approved by the shareholders at the annual general meeting on 31 July 2019.

The auditors, KPMG LLP, have indicated their willingness to accept the appointment.

On behalf of the Board of Directors

Ng Weng Sui Harry

Director

Kesavan Nair

Director

4 September 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

Statements of financial position
As at 31 March 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Assets					
Property, plant and equipment	4	–	–	–	–
Intangible assets	5	–	–	–	–
Non-current assets		–	–	–	–
Other current assets	7	1	28	1	28
Prepayments		5	24	5	24
Cash and cash equivalents	8	1,075	1,003	1,075	1,003
Current assets		1,081	1,055	1,081	1,055
Total assets		1,081	1,055	1,081	1,055
Equity					
Share capital	9	71,777	71,777	71,777	71,777
Other reserves	10	2,515	2,515	2,515	2,515
Accumulated losses		(83,725)	(82,067)	(83,725)	(82,067)
Total equity		(9,433)	(7,775)	(9,433)	(7,775)
Liabilities					
Other payables	11	2,471	–	2,471	–
Bonds payable	13	6,875	–	6,875	–
Non-current liabilities		9,346	–	9,346	–
Other payables	11	751	1,955	751	1,955
Loans from a shareholder	12	417	–	417	–
Bonds payable	13	–	6,875	–	6,875
Current liabilities		1,168	8,830	1,168	8,830
Total liabilities		10,514	8,830	10,514	8,830
Total equity and liabilities		1,081	1,055	1,081	1,055

Consolidated statement of comprehensive income
Year ended 31 March 2020

		Group	
	Note	2020	2019
		\$'000	\$'000
Revenue	14	–	–
Cost of sales		–	–
Gross profit		–	–
Other gains - net	15	*	7
Distribution expenses		–	(10)
Administrative expenses		(844)	(1,094)
Finance costs	16	(817)	(788)
Loss before tax	17	(1,661)	(1,885)
Income tax expense	18	–	–
Loss from continuing operations		(1,661)	(1,885)
Discontinued operations			
Loss from discontinued operations	20	–	(717)
Total loss for the year		(1,661)	(2,602)
Other comprehensive loss:			
<i>Items that are or may be reclassified subsequently to profit of loss:</i>			
Foreign currency translation differences relating to financial statements of foreign subsidiaries		–	(158)
Total comprehensive loss for the year		(1,661)	(2,760)
Loss per share (expressed in cents per share)			
- Basic	19(a)	0.09	0.14
- Diluted	19(b)	0.09	0.14

* Amount less than \$1,000

Consolidated statement of changes in equity
Year ended 31 March 2020

Group	Share capital \$'000	Currency translation reserve \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 April 2018	71,777	158	2,515	*	(79,465)	(5,015)
Total comprehensive income for the year						
Loss for the year	–	–	–	–	(2,602)	(2,602)
Other comprehensive income						
Foreign currency translation differences	–	(158)	–	–	–	(158)
Total other comprehensive income	–	(158)	–	–	(2,602)	(2,760)
Total comprehensive loss for the year	–	(158)	–	–	(2,602)	(2,760)
At 31 March 2019	71,777	–	2,515	*	(82,067)	(7,775)
At 1 April 2019	71,777	–	2,515	*	(82,067)	(7,775)
Effect of adopting SFRS (I) 16 (Note 2.6)	–	–	–	–	3	3
Adjusted balance at 1 April 2019	71,777	–	2,515	*	(82,064)	(7,772)
Total comprehensive income for the year						
Loss for the year	–	–	–	–	(1,661)	(1,661)
Total comprehensive loss for the year	–	–	–	–	(1,661)	(1,661)
At 31 March 2020	71,777	–	2,515	*	(83,725)	(9,433)

* Amount less than \$1,000

Consolidated statement of cash flows
Year ended 31 March 2020

	Note	Group	
		2020	2019
		\$'000	\$'000
Cash flows from operating activities			
Loss before tax for the year		(1,661)	(2,602)
Adjustments for:			
Depreciation of property, plant and equipment		12	3
Realised currency exchange gains		–	(4)
Interest income		–	(2)
Interest expense on shareholder's loan		27	–
Interest expense on bonds		790	788
Interest expense on lease		*	–
Gain on disposal of property, plant and equipment		–	(67)
Loss on disposal of subsidiary		–	709
		<u>(832)</u>	<u>(1,175)</u>
Change in working capital:			
- Trade and other receivables		–	(21)
- Prepayments		19	–
- Other current assets		27	70
- Other payables		450	(610)
Cash used in operations		<u>(336)</u>	<u>(1,736)</u>
Interest received		–	2
Net cash used in operating activities		<u>(336)</u>	<u>(1,734)</u>
Cash flows from investing activities			
Disposal of subsidiary, net of cash disposed of	20	–	385
Sales proceeds from disposal of property, plant and equipment		–	67
Net cash generated from investing activities		<u>–</u>	<u>452</u>
Cash flows from financing activities			
Payment of lease liabilities		(9)	–
Proceeds from loans from a shareholder		417	–
Net cash generated from financing activities		<u>408</u>	<u>–</u>
Net increase/(decrease) in cash and cash equivalents			
		72	(1,282)
Cash and cash equivalents at 1 April		1,003	2,276
Effect of exchange rate fluctuations on cash held		–	9
Cash and cash equivalents at 31 March	8	<u>1,075</u>	<u>1,003</u>

* Amount less than \$1,000

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 September 2020.

1 Domicile and activities

Artivision Technologies Ltd. (the “Company”) is listed on the Singapore Exchange-Catalist and incorporated and domiciled in Singapore. The address of its registered office is 10 Ubi Crescent #05-05 Ubi Techpark Singapore 408564.

The principal activities of the Company were the development and licensing of computer vision technologies; inventing, manufacturing, producing and/or marketing of various machine vision based on applications and solutions for media publishers and media content providers and investment holding.

Since the Company’s wholly-owned subsidiary, Colibri Assembly (Thailand) Co., Ltd. (“CAT”) ceased its operations on 27 February 2018, the Company ceased to own and operate any business. The Company became a cash company under Rule 1017 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“Catalist Rules”). Under Rule 1017(2) of the Catalist Rules, SGX-ST will remove the Company from listing if the Company does not meet the requirements for a new listing within 12 months from the time it became a Cash Company.

On 12 April 2019, SGX-ST advised that it has no objections to a 6-month extension of time to 31 August 2019 for the Company to complete a proposed acquisition by the Company of all the ordinary shares and convertible bonds issued by Mobile Credit Payment Pte. Ltd. (“proposed acquisition”) and meet the requirements for a new listing pursuant to Rule 1017(2) of the Catalist Rules.

On 4 October 2019, SGX-ST advised that it has no objections to a 6-month extension of time to 29 February 2020 for the Company to complete a proposed acquisition and meet the requirements for a new listing pursuant to Rule 1017(2) of the Catalist Rules.

On 9 March 2020, SGX-ST advised that it has no objections to a 6-month extension of time to 31 August 2020 for the Company to complete a proposed acquisition and meet the requirements for a new listing pursuant to Rule 1017(2) of the Catalist Rules.

On 2 September 2020, SGX-ST advised that it has no objections to a 6-month extension of time to 28 February 2021 for the Company to complete a proposed acquisition and meet the requirements for a new listing pursuant to Rule 1017(2) of the Catalist Rules.

2 Basis of preparation

2.1 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.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”).

This is the first set of the Group’s annual financial statements in which SFRS(I) 16 *Leases* has been applied. The related changes to significant accounting policies are described in Note 2.6.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.4 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

Management is of the opinion that there are no critical judgements made in applying the Company's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management has overall responsibility for all significant fair value measurements, including Level 3 fair value.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

2.6 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 April 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

Other than SFRS(I) 16, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

SFRS(I) 16 *Leases*

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee

As a lessee, the Group leases office properties. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property, the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified property leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Impact on financial statements

Impact on transition*

On transition to SFRS(I) 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in accumulated losses. The impact on transition is summarised below.

	1 April 2019 \$'000
Right-of-use assets – property, plant and equipment	12
Lease liabilities	(9)
Accumulated losses	<u>(3)</u>

* For the impact of SFRS(I) 16 on profit or loss for the period, see Note 21. For the impact of SFRS(I) 16 on segment information, see Note 24. For the details of accounting policies under SFRS(I) 16 and SFRS(I) 1-17, see Note 3.6.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate of 15% at 1 April 2019.

	1 April 2019 \$'000
Operating lease commitments at 31 March 2019 as disclosed under SFRS(I) 1-17 in the Group's consolidated financial statements	<u>13</u>
Discounted using the incremental borrowing rate at 1 April 2019	<u>9</u>
Lease liabilities recognised at 1 April 2019	<u>9</u>

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.6, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (“NCI”) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation are measured either at fair value or at the NCI’s proportionate share of the recognised amounts of the acquiree’s identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVOCI”) or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Compound financial instruments

Compound financial instruments issued by the Group comprise bonds and options denominated in Singapore dollars whereby each of the bond subscribers is granted options carrying the right to subscribe for new shares at a fixed exercise price.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability component is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(vii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Building	5 years - 10 years
• Leased properties	2 years
• Furniture and fittings	3 years - 5 years
• Office equipment	3 years - 5 years
• Plant and equipment	3 years
• Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Acquired computer software licenses

Acquired computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use.

Computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of one to ten years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

3.6 Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4. The details of accounting policies under SFRS(I) 1-17 and SFRS(I) INT 4 are disclosed separately.

Policy applicable from 1 April 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 April 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of 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.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases, including leases for storage space. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 April 2019

For contracts entered into before 1 April 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.8 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) 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 and awards are recognised as an expense with a corresponding increase in the share-based compensation 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 and awards 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 reporting date, the Group revises its estimates of the number of shares under options and awards that are expected to become exercisable or allottable 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-based compensation reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share-based compensation reserve are credited to share capital account, when new ordinary shares are issued. When the awards are allotted, the related balance previously recognised in the share-based compensation reserve are credited to the share capital account when new ordinary shares are issued.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for employee benefits

Provision for employee benefits are recognised when the Group has an obligation under labour law in benefit payable under the plan for employees until retirement date. The maximum amount of obligation shall not exceed the amount of final salary payable for 10 months. The employees will receive the payment amount at retirement date. The Group estimated a provision at the end of reporting period, which calculation is based on current salary of specific group of employees, who are entitled, reflected by the proportion of working period of employees and working period until retirement.

3.10 Finance costs

The Group's finance costs include interest expense.

Interest expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and temporary differences relating to investment in subsidiary to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.12 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

3.13 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Executive Directors (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, finance lease liabilities, and tax assets and liabilities.

3.14 New accounting standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- *SFRS(I) 17 Insurance Contracts*

4 Property, plant and equipment

Group	Building \$'000	Leased properties \$'000	Plant and equipment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost							
At 1 April 2018	3,633	–	702	316	347	63	5,061
Disposals	(3,633)	–	(702)	(316)	(347)	(63)	(5,061)
At 31 March 2019	–	–	–	–	–	–	–
At 1 April 2019	–	–	–	–	–	–	–
Recognition of right-of-use asset on initial application of SFRS(I) 16	–	191	–	–	–	–	191
Adjusted balance at 1 April 2019	–	191	–	–	–	–	191
Written off	–	(191)	–	–	–	–	(191)
At 31 March 2020	–	–	–	–	–	–	–
Accumulated depreciation							
At 1 April 2018	3,633	–	702	311	347	63	5,056
Depreciation charge - discontinued operations	–	–	–	3	–	–	3
Depreciation charge - continuing operations	–	–	–	–	–	–	–
Written off	(3,633)	–	(702)	(314)	(347)	(63)	(5,059)
At 31 March 2019	–	–	–	–	–	–	–
At 1 April 2019	–	–	–	–	–	–	–
Recognition of right-of-use asset on initial application of SFRS(I) 16	–	179	–	–	–	–	179
Adjusted balance at 1 April 2019	–	179	–	–	–	–	179
Depreciation charge – continuing operations	–	12	–	–	–	–	12
Written off	–	(191)	–	–	–	–	(191)
At 31 March 2020	–	–	–	–	–	–	–
Carrying amounts							
At 1 April 2018	–	–	–	5	–	–	5
At 31 March 2019	–	–	–	–	–	–	–
At 31 March 2020	–	–	–	–	–	–	–

	Leased properties	Plant and equipment	Furniture and fittings	Office equipment	Total
Company	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
At 1 April 2018	–	267	106	192	565
Written off	–	(267)	(106)	(192)	(565)
At 31 March 2019	–	–	–	–	–
At 1 April 2019	–	–	–	–	–
Recognition of right-of-use asset on initial application of SFRS(I) 16	191	–	–	–	191
Adjusted balance at 1 April 2019	191	–	–	–	191
Written off	(191)	–	–	–	(191)
At 31 March 2020	–	–	–	–	–
Accumulated depreciation					
At 1 April 2018	–	267	106	192	565
Written off	–	(267)	(106)	(192)	(565)
At 31 March 2019	–	–	–	–	–
At 1 April 2019	–	–	–	–	–
Recognition of right-of-use asset on initial application of SFRS(I) 16	179	–	–	–	179
Adjusted balance at 1 April 2019	179	–	–	–	179
Depreciation charge	12	–	–	–	12
Written off	(191)	–	–	–	(191)
At 31 March 2020	–	–	–	–	–
Carrying amounts					
At 1 April 2018	–	–	–	–	–
At 31 March 2019	–	–	–	–	–
At 31 March 2020	–	–	–	–	–

5 Intangible assets

Group

	Computer software licences \$'000	Customer relationships \$'000	Total \$'000
Cost			
At 1 April 2018	1,794	1,225	3,019
Written off	(1,794)	(1,225)	(3,019)
At 31 March 2019 and 2020	–	–	–
Accumulated amortisation			
At 1 April 2018	1,794	1,225	3,019
Written off	(1,794)	(1,225)	(3,019)
At 31 March 2019 and 2020	–	–	–
Carrying amounts			
At 1 April 2018, 31 March 2019 and 31 March 2020	–	–	–

Company	Computer software licences \$'000
Cost	
At 1 April 2018	1,741
Written off	(1,741)
At 31 March 2019 and 2020	–
Accumulated amortisation	
At 1 April 2018	1,741
Written off	(1,741)
At 31 March 2019 and 2020	–
Carrying amounts	
At 1 April 2018, 31 March 2019 and 31 March 2020	–

6 Investments in subsidiaries

	2020 \$'000	Company 2019 \$'000
Equity investment, at cost		
At 1 April and 31 March	–	–

- (a) On 11 August 2017, the Company completed a sale of Artimedia Group to Dr Ofer Miller for a cash consideration of \$5.0 million. Out of the \$5.0 million cash consideration, \$4.0 million was received during the financial year 2018 and \$1.0 million was received during the financial year 2019.

- (b) On 27 February 2018, the Company announced the cessation of CAT’s business and operations. Correspondingly, the cost of investment in CAT has been fully written down as at the balance sheet date.

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of Incorporation/ business	Effective equity interest held by the Group	
			2020 %	2019 %
Artisecurity Technologies Pte. Ltd. [^]	Development and provision of video management solutions	Singapore	–	–
Colibri Assembly (Thailand) Co., Ltd. [@]	Contract manufacturer of disk drive technology products	Thailand	–	–

[^] Audited by PricewaterhouseCoopers LLP Singapore for the financial year ended 31 March 2019. Not audited for the financial year ended 31 March 2020 as the Company has been struck off as at 31 March 2020.

[@] Audited by PricewaterhouseCoopers LLP ABAS Ltd for the financial year ended 31 March 2019. Not audited for the financial year ended 31 March 2020 as the Company is in the process of being liquidated as at 31 March 2020.

7 Other current assets

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Deposits	1	28	1	28

8 Cash and cash equivalents

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank	1,075	1,003	1,075	1,003

As at reporting date, cash deposit of \$1,000,000 (2019: \$1,000,000) was placed in an escrow account operated by an escrow agent of a financial institution with high credit rating (“escrow monies”) pursuant to Rule 1017(1)(a) of the Catalist Rules.

9 Share capital

	Company			
	2020		2019	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid ordinary shares, with no par value:				
At 1 April and 31 March	1,797,792,986	71,777	1,797,792,986	71,777

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

10 Other reserves

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Share-based compensation reserve	2,515	2,515	2,515	2,515
Currency translation reserve	—	—	—	—
Capital reserve	*	*	*	*
	<u>2,515</u>	<u>2,515</u>	<u>2,515</u>	<u>2,515</u>

* Less than \$1,000

(i) Share-based compensation reserve

The share-based compensation reserve comprises the cumulative value of employee services received for the issue of share options and share awards. Share-based compensation reserve is non-distributable.

(ii) Currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. Currency translation reserve is non-distributable.

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
At 1 April	—	158	—	—
Net currency translation differences of financial statements of foreign subsidiaries	—	5	—	—
Reclassification on disposal	—	(163)	—	—
At 31 March	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

(iii) Capital reserve

The capital reserve comprises the equity component of the options granted in relation to the bonds payable (Note 13). Capital reserve is non-distributable.

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At 1 April and 31 March	*	*	*	*

* Less than \$1,000

11 Other payables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Other payables	150	137	150	137
Accrued operating expenses	574	137	574	137
Interest payable on loans from a shareholder	27	–	27	–
Interest payable on bonds	2,471	1,681	2,471	1,681
	<u>3,222</u>	<u>1,955</u>	<u>3,222</u>	<u>1,955</u>
Non-current	2,471	–	2,471	–
Current	751	1,955	751	1,955
	<u>3,222</u>	<u>1,955</u>	<u>3,222</u>	<u>1,955</u>

12 Loans from a shareholder

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Loans from a shareholder	417	–	417	–

Loans from a shareholder comprise unsecured loans amounting to an aggregate of S\$417,450 at an interest rate of 10% per annum granted by the Company's controlling shareholder, Mr Ching Chiat Kwong ("Mr Ching"), who had undertaken to provide adequate funds to the Group to enable it to continue operating on a going concern basis. The loans are repayable two Business Days after the completion of the proposed acquisition and the release of the escrow monies (whichever is later).

13 Bonds payable

(a) 2016 December Bonds

On 29 December 2016, the Company announced that it had, on 27 December 2016, entered into two separate subscription agreements (the “2016 December Subscription Agreements”) with Mr Low See Ching (“Mr Low”) and Mr Tee Wee Sien (“Mr Tee”) (together, the “2016 December Subscribers”), pursuant to which the 2016 December Subscribers agreed to subscribe for bonds in aggregate principal amount of S\$4,875,000 to be issued by the Company (“2016 December Bonds”) (of which S\$2,875,000 is subscribed for by Mr Low and S\$2,000,000 is subscribed for by Mr Tee) at a subscription price of 100% of the principal amount of the Bonds (“2016 December Issuance of Bonds”). The 2016 December Issuance of Bonds have an interest rate of 10% per annum, payable when the 2016 December Bonds mature at the end of six months from the date of the 2016 December Bonds are issued or such other date as may be agreed between the Company and the 2016 December Subscribers.

On 5 June 2017, the Company has entered into two (2) separate supplemental agreements with Mr Low and Mr Tee to further extend the repayment date of the 2016 December Bonds (together with the corresponding interests) from 30 June 2017 and 19 July 2017 to 31 August 2018. All other terms and conditions remained the same.

On 30 August 2018, the Company obtained the written agreement of each of Mr Low and Mr Tee to further extend the repayment date of the 2016 December Bonds (together with the corresponding interests) from 31 August 2018 to 31 March 2019. All other terms and conditions remained the same.

On 13 May 2019, the Company obtained the written agreement of each of Mr Low and Mr Tee to further extend the repayment date of the 2016 December Bonds (together with the corresponding interests) from 31 March 2019 to 31 March 2020. All other terms and conditions remained the same.

On 18 February 2020 and 19 February 2020, the Company obtained the written agreement of each of Mr Low and Mr Tee, respectively, to further extend the repayment date of the 2016 December Bonds (together with the corresponding interests) from 31 March 2020 to 31 July 2021, with the interest rate in respect of the 2016 December Bonds to be adjusted from 10% to 12% per annum with effect from 1 April 2020, in consideration of the agreement of Mr Low and Mr Tee to extend the repayment date as set out above, and to compensate each of them for the expiry of the 2016 December Bonds Options held by them (which expired on 29 December 2019 and 18 January 2020 respectively, details as set out below). On 31 March 2020, Mr Low transferred all of his 2016 December Bonds to Mr Tee.

In connection with the 2016 December Issuance of Bonds, the Company had, on 27 December 2016, entered into two separate option deeds with the 2016 December Subscribers respectively, pursuant to which the Company granted the 2016 December Subscribers a total of 740,740,740 share options (“2016 December Options”), whereby each of the 2016 December Subscribers is granted 370,370,370 2016 December Options, with each 2016 December Option carrying the right to subscribe for one new Share (“2016 December Option Share”) at the exercise price of S\$0.0162 for each 2016 December Option Share.

On 7 April 2017, the Company announced that an exercise notice was received from Mr Tee to exercise 185,185,185 share options at S\$3.0 million, in accordance to the option deed. On 11 April 2017, the exercise was completed and the shares were duly allotted and issued to him.

On 29 December 2019, all of Mr Low's 370,370,370 2016 December Options had expired. On 18 January 2020, all of the balance of Mr Tee's 185,185,185 2016 December Options had expired. As such, there were no outstanding 2016 December Options as at 31 March 2020.

(b) 2017 April Bonds

On 6 April 2017, the Company announced that it had on 5 April 2017, entered into a subscription agreement (the "2017 April Subscription Agreement") with Mr Tang Boo Teck ("Mr Tang") (the "2017 April Subscriber"), pursuant to which the 2017 April Subscriber agreed to subscribe for bonds in aggregate principal amount of S\$2,000,000 to be issued by the Company ("2017 April Bonds") at a subscription price of 100% of the principal amount of the Bonds ("2017 April Issuance of Bonds"). The 2017 April Issuance of Bonds have an interest rate of 15% per annum, payable when the 2017 April Bonds mature at the end of six months from the date of the 2017 April Bonds are issued or such other date as may be agreed between the Company and the 2017 April Subscriber.

On 5 June 2017, the Company has entered into a supplemental agreement with Mr Tang to further extend the repayment date of the 2017 April Bonds (together with the corresponding interests) from 6 October 2017 to 31 August 2018. All other terms and conditions remained the same.

On 30 August 2018, the Company obtained the written agreement of Mr Tang to further extend the repayment date of the 2017 April Bonds (together with the corresponding interests) from 31 August 2018 to 31 March 2019. All other terms and conditions remained the same.

On 13 May 2019, the Company obtained the written agreement of Mr Tang to further extend the repayment date of the 2017 April Bonds (together with the corresponding interests) from 31 March 2019 to 31 March 2020. All other terms and conditions remained the same.

On 19 February 2020, the Company obtained the written agreement of Mr Tang to further extend the repayment date of the 2017 April Bonds (together with the corresponding interests) from 31 March 2020 to 31 July 2021, with the interest rate in respect of the 2017 April Bonds to be adjusted from 15% to 17% per annum with effect from 1 April 2020, in consideration of the agreement of Mr Tang to extend the repayment date as set out above, and to compensate Mr Tang for the expiry of the 2017 April Options held by him on 4 April 2020 (details as set out below). On 31 March 2020, Mr Tang transferred all of his 2017 April Bonds to Mr Tee.

In connection with the 2017 April Issuance of Bonds, on 5 April 2017, the Company entered into an option deed with the 2017 April Subscriber, pursuant to which the Company granted 2017 April Subscriber 200,000,000 share options ("2017 April Options") with each 2017 April Option carrying the right to subscribe for one new Share ("2017 April Option Share") at the exercise price of S\$0.0216 for each 2017 April Option Share.

As at 31 March 2020 and 31 March 2019, none of the 2017 April Options have been exercised. The 2017 April Options expired on 4 April 2020.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Bonds payable \$'000	Loans from a shareholder \$'000	Lease liabilities \$'000	Total \$'000
Balance as at 1 April 2018 and 31 March 2019	6,875	–	–	6,875
Balance as at 1 April 2019 (Restated)	6,875	–	9	6,884
Changes from financing cash flows				
Payment of lease liabilities	–	–	(9)	(9)
Proceeds from loans from a shareholder	–	–		
		417	–	417
Total changes from financing cash flows	–	417	(9)	408
Balance as at 31 March 2020	6,875	417	–	7,292

14 Revenue

Following the disposal of Artimedia Pte. Ltd. on 11 August 2017 and cessation of Colibri Assembly (Thailand) Co., Ltd. in February 2018, the Group does not have any active business at the reporting date. All discontinued businesses are separately disclosed in Note 20. There was no revenue for the current year and prior year.

15 Other gains – net

	Group	
	2020 \$'000	2019 \$'000
Foreign exchange gain	*	5
Interest income from bank deposits	*	2
	*	7

* Amount less than \$1,000

16 Finance costs

	Group	
	2020	2019
	\$'000	\$'000
Interest expenses on lease liabilities	*	–
Interest expenses on loans from a shareholder	27	–
Interest expenses on bonds payable	790	788
	<u>817</u>	<u>788</u>

* Amount less than \$1,000

17 Loss before tax

(a) Continuing operations

	Note	Group	
		2020	2019
		\$'000	\$'000
Wages and salaries		47	211
Employer's contribution to defined contribution plans including Central Provident Fund		6	17
Directors' fees	23	50	50
Professional and consultancy expenses		548	451
		<u>548</u>	<u>451</u>

(b) Discontinued operations

	Note	Group	
		2020	2019
		\$'000	\$'000
Depreciation of property, plant and equipment	4	–	3
Wages and salaries		–	2
		<u>–</u>	<u>2</u>

18 Tax expense

	Group	
	2020	2019
	\$'000	\$'000
Current tax expense	–	–
	<u>–</u>	<u>–</u>
<i>Reconciliation of effective tax rate</i>		
Loss before tax	(1,661)	(1,885)
Tax calculated using Singapore tax rate of 17% (2019: 17%)	(282)	(320)
Non-deductible expenses	68	–
Unutilised tax losses not recognised	214	320
	<u>–</u>	<u>–</u>

Deferred tax assets have not been recognised in respect of unutilised tax losses because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective country in which the subsidiaries operate. These unutilised tax losses do not expire under current tax legislation.

The amount of unutilised tax losses available for carried forward is not disclosed as the amount may be subjected to change upon the completion of the proposed acquisition.

19 Loss per share

(a) Basic loss per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. The calculation of basic loss per share has been based on the following net loss attributable to owners of the Company and weighted average number of ordinary shares outstanding.

	Continuing operations		Discontinued operations	
	2020	2019	2020	2019
Net loss attributable to owners of the Company (\$'000)	1,661	1,885	–	717
Weighted average number of ordinary shares outstanding during the year	1,797,792,986	1,797,792,986	1,797,792,986	1,797,792,986
Basic loss per share (cents)	0.09	0.10	–	0.04

(b) Diluted loss per share

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

The Company has three categories of potentially dilutive ordinary shares, namely, share options, share awards, and call options as at 31 March 2020 and 31 March 2019.

For share options and share awards, the weighted average number of shares in issue have been adjusted as if all dilutive share options were exercised and when the condition for issuance of share awards is met at the end of reporting date, which was also the end of the vesting period. The number of shares that could have been issued upon the exercise of all dilutive share options, which condition is fulfilled less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

Diluted loss per share attributable to equity holders of the Company is calculated as follows:

	2020	2019
Net loss used to determine diluted loss per share (\$'000)	<u>1,661</u>	<u>2,602</u>
Weighted average number of ordinary shares	1,797,792,986	1,797,792,986
Adjustments for		
- Share options	<u>—</u>	<u>—</u>
	<u>1,797,792,986</u>	<u>1,797,792,986</u>

The following outstanding share options were excluded from the diluted weighted average number of ordinary share calculation as their effect would have been anti-dilutive due to the fact that the exercise price has been higher than the market price:

	As at 31 March 2020	As at 31 March 2019
Date of grant of options		
22 April 2014	—	4,200,000
29 December 2016	—	555,555,555
27 April 2016	200,000,000	200,000,000
	2020	2019
Diluted loss per share (cents)	<u>0.09</u>	<u>0.14</u>

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on average of daily last done price for the year during which the options were outstanding.

20 Discontinued operations and disposal group classified as held-for-sale

Cessation of CAT business and operations and de-consolidation of CAT

Following the commencement of the members' voluntary winding up of CAT on 27 February 2018, the Company has de-consolidated CAT from the Group from 1 January 2019 as the appointed liquidator of CAT has taken over all relevant activities of CAT on 31 December 2018. Loss on disposal of subsidiary of S\$0.7 million was recorded in the profit or loss as a result of derecognition of the assets and liabilities of CAT as at 31 December 2018 from the Group. This loss on disposal of subsidiary has been recorded as part of the Group's results from discontinued operations.

Results from discontinued operations

	Note	Group	
		2020 \$'000	2019 \$'000
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
Other losses - net		–	(600)
Distribution expenses		–	(3)
Administrative expenses		–	(114)
Loss before tax	17	–	(717)
Income tax expense		–	–
Loss for the year		–	(717)
The loss from discontinued operations is analysed as follows:			
Loss from Colibri Assembly (Thailand) Co., Ltd.		–	(717)
Total loss from discontinued operations		–	(717)

The impact of the discontinued operations on the cash flows of the Group is as follows:

	2020 \$'000	2019 \$'000
Operating cash flows	–	(793)
Investing cash flows	–	67
Financing cash flows	–	–
Net cash inflows	–	(726)

The effects of the disposal of CAT on the cash flows of the Group were:

	Group	
	2020	2019
	\$'000	\$'000
Details of the assets and liabilities of CAT that were disposed are as follows:		
Property, plant and equipment	–	2
Trade and other receivables	–	320
Other current assets	–	1
Cash and cash equivalents	–	615
Trade and other payables	–	(66)
Net assets	–	872

The aggregate cash inflows arising from the disposal of CAT were:

	Group	
	2020	2019
	\$'000	\$'000
Net assets disposed of (as above)	–	872
- Reclassification of currency translation reserve	–	(163)
	–	709
Loss on disposal	–	(709)
Cash proceeds from disposal	–	–
Less: Cash and cash equivalents in subsidiary disposed of	–	(615)
Net cash inflow on disposal	–	(615)

21 Leases

Leases as lessee (SFRS(I) 16)

As at 1 April 2019, the Company had a lease for an office which expired on 15 May 2019. Previously, this lease was classified as operating lease under SFRS(I) 1-17.

The Group leases storage space on a month-on-month basis. These leases are short-term. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

	\$'000
2020	
Balance at 1 April 2019	12
Depreciation charge for the year	(12)
Balance at 31 March 2020	<u>–</u>

Amounts recognised in profit or loss

	\$'000
2020 – Leases under SFRS(I) 16	
Interest on lease liabilities	*
Expenses relating to short-term leases	<u>22</u>
2019 – Operating leases under SFRS(I) 1-17	
Lease expense	<u>110</u>

* *Amount less than \$1,000*

Amounts recognised in statement of cash flows

	2020 \$'000
Total cash outflow for leases	<u>9</u>

22 Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Financial risk management is integral to the business of the Group. The Group has a system of controls and policies such as authority levels and oversight responsibilities to manage risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee and Board of Directors oversee how management monitors compliance with the Group's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from counterparties.

The Group's major classes of financial assets are cash and cash equivalents and other current assets. The Group does not require or hold collateral in respect of its financial assets. The maximum exposure to credit risk for each class of financial asset is the carrying amount of that class of financial asset as shown on the statement of financial position. The Group's exposure to credit risk arises mainly through its cash and cash equivalents and other current assets. Exposure to credit risk is monitored on an ongoing basis.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the high credit ratings of the counterparties. The amount of allowance on cash and cash equivalents is negligible.

Deposits

Impairment on deposits has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Note 2.1 of these financial statements describes how the Group continues as a going concern as conditions that indicate material uncertainties related to going concern exists as at the reporting date.

The table below analyses the maturity profile of the Company and Group's financial liabilities.

	Carrying amount \$'000	Cash flows		
		Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000
Group and Company				
2020				
Other payables	3,222	3,222	751	2,471
Bonds payable	6,875	8,109	–	8,109
Loans from a shareholder*	417	459	459	–
	<u>10,514</u>	<u>11,790</u>	<u>1,210</u>	<u>10,580</u>
2019				
Other payables	1,955	1,955	1,955	–
Bonds payable	6,875	7,665	7,665	–
	<u>8,830</u>	<u>9,620</u>	<u>9,620</u>	<u>–</u>

* The Company expects the loans from a shareholder to be repaid on 31 March 2021.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

Currency risk

Currency risk arises from a change in foreign currency exchange rate, which is expected to have adverse effect on the Group and the Company in the current reporting period and in future years.

As at reporting date, the Group is not subject to any foreign currency risk as there are no material assets or liabilities which are denominated in foreign currencies. The Group is also not subject to any foreign currency translation risk on the net assets in its foreign operations as the Group does not have any foreign operations.

Interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group and Company	
	2020 \$'000	2019 \$'000
Fixed rate instruments		
Bonds payable	6,875	6,875
Loans from a shareholder	417	–
	<u>417</u>	<u>–</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate instruments at fair value through profit or loss. Therefore a change in interest rate at the reporting date would not affect profit or loss.

Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain or achieve an optimal capital structure so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board monitors the working capital requirements of the Group periodically to ensure that there are sufficient financial resources available to meet the needs of the business. In order to maintain or achieve an optimal capital structure, the Group may issue new shares or obtain new borrowings.

The capital structure of the Group consists primarily of equity, comprising issued share capital and reserves. The Group is not subject to any externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

Accounting classifications

The classification of financial assets and liabilities are as follows:

	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Group and Company			
2020			
Other current assets	1	–	1
Cash and cash equivalents	1,075	–	1,075
	<u>1,076</u>	<u>–</u>	<u>1,076</u>
Other payables	–	3,222	3,222
Bonds payable	–	6,875	6,875
Loans from a shareholder	–	417	417
	<u>–</u>	<u>10,514</u>	<u>10,514</u>
2019			
Other current assets	28	–	28
Cash and cash equivalents	1,003	–	1,003
	<u>1,031</u>	<u>–</u>	<u>1,031</u>
Other payables	–	1,955	1,955
Bonds payable	–	6,875	6,875
	<u>–</u>	<u>8,830</u>	<u>8,830</u>

Non-current bonds payable and interest payable on bonds

Fair value is estimated as the present value of future cash flows discounted at current interest rates for similar instruments at the reporting date. As at 31 March 2020, the Level 3 fair value of the non-current bonds payable and interest payable on bonds is \$9,242,000. The Group used the discounted cash flows valuation model which considers the present value of expected payment, discounted using a risk-adjusted discount rate.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including other current assets, cash and cash equivalents, and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and financial liabilities are discounted to determine their fair values.

23 Related parties

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

	Group	
	2020	2019
	\$'000	\$'000
Key management personnel compensation is as follows:		
Directors' fees	50	50
Wages and salaries (including allowances)	31	92
Employer's contribution to Central Provident Fund	5	11
Other benefits	–	1
	<u>86</u>	<u>154</u>
Transaction with a controlling shareholder (within the meaning under the SGX-ST Catalist Listing Rule):		
Loans from a shareholder	417	–
Interest payable to the controlling shareholder	<u>27</u>	<u>–</u>

24 Segment information

The Company has fully disposed and discontinued the businesses of both its operating subsidiaries during the financial year ended 31 March 2019 and became a Cash Company under the Catalist Rules. As at the reporting date, there are no operating segments requiring segment reporting.

25 Comparative information

The financial statements for the year ended 31 March 2019 were audited by another auditor whose report dated 6 July 2019 expressed an unmodified opinion on those statements.

26 Events occurring after reporting date

The outbreak of Coronavirus (COVID-19) has affected businesses and economic activities to varying extents. The Group is monitoring developments relating to Covid-19 and is coordinating its responses based on guidance from global health organisations, relevant governments, and general pandemic response best practices. As the Group currently comprises a cash company with no active business, management does not expect the current events to have an impact on the Group's financial position, results of operations or cash flows in the future.

**ARTIVISION TECHNOLOGIES LTD.
STATISTICS OF SHAREHOLDINGS AS AT 2 SEPTEMBER 2020**

SHARE CAPITAL

Number of issued shares	:	1,797,792,986
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share (excluding treasury shares and subsidiary holdings)
Number of treasury shares and percentage	:	Nil
Number of subsidiary holdings and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

<u>SIZE OF SHAREHOLDINGS</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
1 - 99	9	0.50	454	0.00
100 - 1,000	76	4.20	64,903	0.00
1,001 - 10,000	134	7.41	868,133	0.05
10,001 - 1,000,000	1,405	77.62	304,854,005	16.96
1,000,001 AND ABOVE	186	10.28	1,492,005,491	82.99
TOTAL	1,810	100.00	1,797,792,986	100.00

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Company's Register of Substantial Shareholders)

<u>NAME</u>	<u>DIRECT INTEREST</u>		<u>DEEMED INTEREST</u>	
	<u>NO. OF SHARES</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
Ching Chiat Kwong	395,068,911	21.98	-	-
Tee Wee Sien	186,185,185	10.36	-	-

**ARTIVISION TECHNOLOGIES LTD.
STATISTICS OF SHAREHOLDINGS AS AT 2 SEPTEMBER 2020**

TWENTY LARGEST SHAREHOLDERS

<u>NO.</u>	<u>SHAREHOLDER'S NAME</u>	<u>NO. OF SHARES HELD</u>	<u>%</u>
1	CHING CHIAT KWONG	259,493,912	14.43
2	TEE WEE SIEN (ZHENG WEIXIAN)	186,185,185	10.36
3	DB NOMINEES (SINGAPORE) PTE LTD MAYBANK KIM ENG SECURITIES PTE. LTD	107,656,266	5.99
4	RAFFLES NOMINEES (PTE) LIMITED	84,991,100	4.73
5	DBS NOMINEES PTE LTD	64,821,731	3.61
6	OCBC SECURITIES PRIVATE LTD	37,161,927	2.07
7	WONG CHEN NI	25,061,466	1.39
8	PHILLIP SECURITIES PTE LTD	23,717,000	1.32
9	CHEN WEI LING	23,208,232	1.29
10	SEAH TENG TENG	20,150,900	1.12
11	TAN LAE KUAN (CHEN LIJUAN) KUANG ENG KONG @ KUAN YONG KUAN	20,000,000	1.11
12	HSBC (SINGAPORE) NOMINEES PTE LTD	18,525,900	1.03
13	OFER MILLER	17,294,033	0.96
14	UOB KAY HIAN PTE LTD	15,760,000	0.88
15	LEE KUAN KHENG CANDY (LI GUANGQING)	15,111,244	0.84
16	THAM WENG FIE	15,086,999	0.84
17	CITIBANK NOMINEES SINGAPORE PTE LTD	13,617,947	0.76
18	LEOW SIOH MOY	13,200,000	0.73
19		11,344,067	0.63
20		10,220,100	0.57
TOTAL		982,608,009	54.66

PERCENTAGE OF SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 2 September 2020 and to the best knowledge of the Directors of the Company, approximately 67.36% of the Company's issued ordinary shares listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") were held in the hands of the public, as defined in the SGX-ST Listing Manual Section B: Rules of the Catalist ("**Calalist Rules**"). Accordingly, the Company has complied with Rule 723 of the Catalist Rules which requires at least 10% of a listed issuer's equity securities to be held in the hands of the public.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ARTIVISION TECHNOLOGIES LTD. (the “**Company**”) will be held by way of electronic means on Tuesday, 29 September 2020 at 10.00 a.m. to transact the following business as set out below.

This Notice has been made available on SGXNet. A printed copy of this Notice will NOT be despatched to members of the Company.

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2020 (“**FY2020**”), together with the Auditor's Report thereon.

(Resolution 1)

2. To re-elect Mr Ng Weng Sui Harry, a director of the Company (“**Director**”), retiring pursuant to Article 91 of the Company's Constitution and who, being eligible, offers himself for re-election, as a Director of the Company.

[See Explanatory Note (i)]

(Resolution 2)

3. To approve the payment of Directors' fees of S\$50,000 for FY2020 (FY2019: S\$50,000).

(Resolution 3)

4. To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 4)

5. To transact any other ordinary business as can be transacted at an Annual General Meeting of the Company.

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue shares**

“That pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore (“**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Directors of the Company be authorised and empowered to:

Notice of Annual General Meeting

(a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, “**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,

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

(b) (notwithstanding 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 of the Company while this Resolution was in force,

(the “**Share Issue Mandate**”)

provided that:

(1) 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 cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to 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 cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments) that may be issued under sub-paragraph (1) above, the percentage of the aggregate number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of

Notice of Annual General Meeting

issued Shares (excluding treasury shares and subsidiary holdings) 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 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 sub-division of Shares;

and, in sub-paragraph (1) above and this sub-paragraph (2), “**subsidiary holdings**” has the meaning given to it in the Catalist Rules. Adjustments in accordance with sub-paragraphs (2)(a) or (2)(b) above 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 this Resolution is passed;

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Company’s Constitution; and
- (4) (unless revoked or varied by the Company in a general meeting), the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.”

[See Explanatory Note (ii)]

(Resolution 5)

7. **Authority to grant awards and to allot and issue Shares under the Artivision Technologies Employee Share Award Scheme**

“That pursuant to Section 161 of the Companies Act, the Directors of the Company be

Notice of Annual General Meeting

authorised and empowered to:

- (a) offer and grant share awards under the Artivision Technologies Employee Share Award Scheme (the “**Scheme**”); and
- (b) allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of share awards granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Catalist Rules)) from time to time and such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

[See Explanatory Note (iii)]

(Resolution 6)

By Order of the Board

Ms Ong Beng Hong and Ms Tan Swee Gek
Company Secretaries

Date: 7 September 2020

Explanatory Notes:

- (i) Mr Ng Weng Sui Harry will, upon re-election as a Director of the Company, remain as Non-Executive Chairman and Lead Independent Director of the Company, Chairman of the Audit Committee, member of the Remuneration Committee, and member of the Nominating Committee. Mr Ng Weng Sui Harry has a direct interest of 5,490,000 Shares in the Company. Save for the aforementioned interest in Shares in the Company, Mr Ng Weng Sui Harry does not have any interest in Shares, options and other convertible securities in the Company, and does not have any relationships (including immediate family relationships) with the other Director of the Company, the Company, its related corporations, its substantial shareholders or its officers, which may affect his

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independence. The Board of Directors of the Company considers Mr Ng Weng Sui Harry to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Further detailed information on Mr Ng Weng Sui Harry who is proposed to be re-appointed at the Annual General Meeting of the Company can be found under the sections entitled “**Profile of Directors**” and “**Corporate Governance Report**” of the Company’s Annual Report 2020.

- (ii) Resolution 5, if passed, will authorise and empower the Directors of the Company from the date of this Annual General Meeting of the Company until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or such authority is revoked or varied by the Company in a general meeting, whichever is the earliest, to allot and issue Shares, and to make or grant Instruments (such as warrants and debentures) convertible into Shares, and to issue Shares pursuant to such Instruments, up to an aggregate number not exceeding one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro-rata* basis to existing shareholders of the Company.

For determining the aggregate number of Shares and Instruments that may be issued, the percentage of the aggregate number of Shares and Instruments will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which are issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or sub-division of Shares.

- (iii) Resolution 6, if passed, will authorise and empower the Directors of the Company, from the date of this Annual General Meeting of the Company until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or such authority is revoked or varied by the Company in a general meeting, whichever is the earliest, to issue Shares pursuant to the vesting of share awards granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per cent

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(15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

Notes:

1. The Annual General Meeting of the Company (“**AGM**”) is being convened, and will be held, by way of electronic means pursuant to the First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will NOT be sent to members of the Company. Instead, this Notice of AGM will be sent to members of the Company by electronic means via publication on SGXNet.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company’s announcement dated 7 September 2020 entitled “Important Notice to Shareholders Regarding the Company’s Annual General Meeting on 29 September 2020 at 10.00 a.m.” which has been uploaded together with this Notice of AGM on SGXNet on the same day. For the avoidance of doubt, the aforesaid announcement is circulated together with and forms part of this Notice of AGM.

In particular, the AGM will be held by way of electronic means and a member will be able to watch the proceedings of the AGM through a “live” webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone. In order to do so, a member who wishes to watch the “live” webcast or listen to the “live” audio feed must pre-register by 10.00 a.m. on 23 September 2020, at the URL (<https://sg.conveneagm.com/artivision>). Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the “live” webcast and “live” audio feed of the proceedings of the AGM by 28 September 2020. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the AGM. This is to avoid any technical disruption or overload to the “live” webcast or “live” audio feed.

Members may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 10.00 a.m. on 22 September 2020:

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- (a) via the pre-registration website at the URL (<https://sg.conveneagm.com/artivision>);
- (b) in hard copy by sending by post and lodging the same at the office of the Company's share registrar, c/o Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or
- (c) by email to sg.is.proxy@sg.tricorglobal.com.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

- (a) the member's full name as it appears on his/her/its CDP/SRS share records;
- (b) the member's NRIC/Passport/UEN number;
- (c) the member's contact number and email address; and
- (d) the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members either before or during the AGM.

Please note that members will not be able to ask questions at the AGM "live" during the webcast and the audio feed, and therefore it is important for members to submit their questions in advance of the AGM.

3. **A member will not be able to attend the AGM in person. If a member (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 (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. The accompanying proxy form for the AGM has

Notice of Annual General Meeting

been made available on SGXNet.

4. The Chairman of the AGM, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:
 - (a) if sent by post, be deposited at the office of the Company's share registrar, c/o Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted by email, be received by the Company at sg.is.proxy@sg.tricorglobal.com,

in either case, not less than 48 hours before the time for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

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

5. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a Company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
6. In the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
7. Persons who hold shares through relevant intermediaries* (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including SRS investors, and who wish to participate in the AGM ("**Relevant Intermediary Participants**") by (a) observing and/or

Notice of Annual General Meeting

listening to the AGM proceedings via the “live” webcast or the “live” audio feed in the manner provided in Note 2 above; (b) submitting questions in advance of the AGM in the manner provided in Note 2 above; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary (which would include, in the case of SRS investors, their SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes by 10.00 a.m. on 17 September 2020.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

8. The Annual Report for the financial year ended 31 March 2020 has been made available on SGXNet.

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any details of Relevant Intermediary Participants in connection with the AGM, or (c) submitting details for the pre-registration to observe the proceedings of the AGM through the “live” webcast or “live” audio feed, or (d) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purposes (aa) of the processing, administration and analysis by the Company (or its agents or service

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providers) of the instruments appointment of the Chairman as proxy for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), (bb) the publication of the names and the comments of the members of the AGM, (cc) processing of the pre-registration for purpose of granting access to members of the Company (or their corporate representatives in the case of members of the Company which are legal entities) to the “live” webcast or “live” audio feed to observe the proceedings of the AGM and providing them with any technical assistance where necessary, (dd) addressing relevant and substantial questions from members of the Company received before the AGM and if necessary, following up with the relevant members of the Company in relation to such questions, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the Relevant Intermediary Participants to the Company (or its agents or service providers), the member has obtained the prior consent of such Relevant Intermediary Participants for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of the Relevant Intermediary Participants for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

*This notice 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.*

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

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.

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

PROXY FORM – ANNUAL GENERAL MEETING

(Please see notes overleaf before completing the Proxy Form)

This form of proxy has been made available on SGXNet. A printed copy of this form of proxy will NOT be despatched to members of the Company.

IMPORTANT:

1. The Annual General Meeting of the Company (“AGM”) is being convened, and will be held, by way of electronic means pursuant to the First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company’s announcement dated 7 September 2020 entitled “Important Notice to Shareholders Regarding the Company’s Annual General Meeting on 29 September 2020 at 10.00 a.m.” which has been uploaded together with the Notice of AGM dated 7 September 2020 on SGXNet on the same day. For the avoidance of doubt, the aforesaid announcement is circulated together with and forms part of the Notice of AGM dated 7 September 2020 in respect of the AGM.
3. A member will not be able to attend the AGM in person. If a member (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 (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.
4. This Proxy Form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. SRS investors who wish to vote should contact their respective SRS Operators to submit their votes by 10.00 a.m. on 17 September 2020.

I/We, _____ (Name) NRIC/Passport No.* _____ of _____ being a member/members*

of Artivision Technologies Ltd. (the “Company”), hereby appoint the Chairman of the Annual General Meeting (“AGM”) as my/our* proxy to attend, speak and to vote for me/us* on my/our* behalf at the AGM of the Company to be held by way of electronic means on Tuesday, 29 September 2020 at 10.00 a.m. and at any adjournment thereof.

I/We* direct the Chairman of the AGM as my/our* proxy to vote for or against the Resolutions, or to 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.

No.	Resolutions	Number of votes		
		For**	Against**	Abstain**
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2020, together with the Auditor's Report thereon			
2	Re-election of Mr Ng Weng Sui Harry as a Director of the Company			
3	Approval of the payment of Directors' fees of S\$50,000 for the financial year ended 31 March 2020			
4	Appointment of KPMG LLP as the auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors of the Company to fix their remuneration			
5	Authority to allot and issue shares in the capital of the Company			
6	Authority to allot and issue shares in the capital of the Company under the Artivision Technologies Employee Share Award Scheme			

** If you wish to exercise all your votes “For” or “Against” the relevant resolution or to abstain from voting on the resolution in respect of all your votes, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all of your votes “For” and/or “Against” the relevant resolution and/or to abstain from voting in respect of the resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2020

Signature of
Shareholder(s)
or Common Seal of
Corporate Shareholder

Total No. of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

*Delete where inapplicable

Notes:

1. A member will not be able to attend the AGM in person. If a member (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 (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.
2. The Chairman of the AGM, as proxy, need not be a member of the Company.
3. Please insert the total number of 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, Chapter 289 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
4. The instrument appointing the Chairman of the AGM as proxy, must:
 - (a) if sent by post, be deposited at the office of the Company's share registrar, c/o Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted by email, be received by the Company at sg.is.proxy@sg.tricorglobal.com,

in either case, not less than 48 hours before the time for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

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

5. If sent by post, the instrument appointing the Chairman of the AGM as proxy of an individual must be under the hand of the appointor or of his/her attorney duly authorized in writing and the instrument appointing the Chairman of the AGM as proxy of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

Where an instrument appointing the Chairman of the AGM as proxy is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
6. Where an instrument appointing the Chairman of the AGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.
 7. Persons who hold shares through relevant intermediaries* (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including SRS investors, and who wish to vote at the AGM must appoint the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary (which would include, in the case of SRS investors, their SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to submit their votes. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes by 10.00 a.m. on 17 September 2020. SRS investors should not directly appoint the Chairman of the AGM as proxy to direct their votes.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy 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 the instrument appointing the Chairman of the AGM as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 September 2020.

This annual report 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 Catalyst.

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

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.