ARION ENTERTAINMENT SINGAPORE LIMITED

Annual Report 2019

A DISTINCTIVE PERSPECTIVE

CONTENTS

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This Annual Report has not been examined or approved by the SGX-ST. 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. Ling Yuet Shan, Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).

CORPORATE INFORMATION

Board of Directors

Ng Kai Man
Executive Director

Chou Kong Seng
Independent Director

Kesavan Nair
Independent Director

Lee Keng Mun
Independent Director

Nominating Committee

Kesavan Nair, *Chairman*
Chou Kong Seng, *Member*
Lee Keng Mun, *Member*

Remuneration Committee

Lee Keng Mun, *Chairman*
Chou Kong Seng, *Member*
Kesavan Nair, *Member*

Audit Committee

Chou Kong Seng, *Chairman*
Kesavan Nair, *Member*
Lee Keng Mun, *Member*

Company Secretaries

Abdul Jabbar Bin Karam Din
Loh Lee Eng

Registered Office

9 Battery Road #15-01
MYP Centre
Singapore 049910
Tel: (65) 6292 0300
Fax: (65) 6293 3674
Registration No. 199407135Z

Share Registrar

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

Auditors

Nexia TS Public Accounting Corporation
100 Beach Road #30-00
Singapore 189702
Director-in-charge: Lee Look Ling
(Appointed since financial year
ended 31 March 2018)

Sponsor

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

Principal Bankers

DBS Bank Limited
Malayan Banking Limited

EXECUTIVE DIRECTOR'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Arion Entertainment Singapore Limited (the "**Company**"), I am pleased to present the annual report of the Company and its subsidiary corporations (the "**Group**") for the financial year ended 31 March 2019 ("**FY 2019**").

Financial Performance FY 2019

Income Statement review

Revenue from Malaysian publishing operations for FY 2019 decreased marginally to S$1.0 million as compared to S$1.02 million in the financial year ended 31 March 2018 ("**FY 2018**").

Other income

Other income decreased to S$11,000 as compared to S$0.31 million in FY 2018 due mainly to the write-off of trade creditors, the gain on disposal of subsidiary corporations and foreign exchange gains in FY 2018.

Direct Costs

Printing and editorial costs decreased by 9.1% to S$0.51 million as compared to S$0.56 million in FY 2018 mainly due to lower costs of production for the publications.

Operating lease expenses decreased by 36.2% to S$37,000 as compared to S$58,000 in FY 2018 due to a new lease at a lower monthly rental taken up by the Company in December 2017.

Professional fees increased by 104.8% to S$0.43 million as compared to S$0.21 million in FY 2018 largely due to the professional fees incurred relating to the Company's shares consolidation exercise and rights issue undertaken by the Company in FY 2019 amounting to S$40,000 and S$0.15 million respectively.

Other operating expenses decreased by 10.2% to S$0.41 million as compared to S$0.46 million in FY 2018 mainly due to the decrease in directors' fees in FY 2019.

Loss attributable to shareholders

Loss attributable to shareholders for FY 2019 was S$1.31 million as compared to a loss of S$0.89 million in FY 2018. The higher loss was largely due to an increase in professional fees and the decrease in other income in FY 2019.

Financial position and cash flows review

As at 31 March 2019, the Group's Net Asset Value ("NAV"), excluding non-controlling interest, increased to S$2.9 million from S$1.6 million in the beginning of the financial year. NAV per share as at 31 March 2019 was 0.47 cents as compared with 0.04 cents as at 31 March 2018.

The decrease in trade and other receivables of S$72,000 was due to better collection during the financial year.

The increase in property, plant and equipment of S$7,000 was largely due to the purchase of computers by our Malaysian subidiary in FY 2019.

Cash and cash equivalents increased by S$0.61 million mainly due to proceeds raised from rights issue in FY 2019 which was offset by utilisation of cash for operating activities.

Cash and cash equivalents as at 31 March 2019 was S$3.16 million as compared to S$2.55 million as at 31 March 2018.

Cash used in operating activities was S$1.27 million in FY 2019. The net operating cash outflow was mainly due to operating loss before working capital changes of S$1.29 million, which was adjusted for working capital inflow of S$42,000 that is mainly attributable to collection from trade receivables during the period.

Cash used in investing activities was S$0.21 million due to the acquisition of the 21.8% stake in Auston Technology Group Pte Ltd ("ATG") in August 2018 after which ATG became a wholly-owned subsidiary corporation of the Company.

Cash provided by financing activity was S$2.08 million due to the rights issue which was completed in December 2018.

The Group had a positive working capital of S$2.91 million as at FY 2019 as compared to S$2.34 million as at FY 2018.

The year ahead

The publishing operations in Malaysia are expected to be cash flow positive in the next twelve months. As for the expansion of the publishing operations in the region, the Company has been actively seeking for a suitable business partner who is familiar with the industry.

As previously announced, the Company is actively seeking new business activities, including but not limited to acquisitions that may result in a reverse takeover transaction.

Acknowledgements

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

Ng Kai Man
Executive Director

BOARD OF DIRECTORS

NG KAI MAN

Executive Director
Date first appointed : 09-03-2016 //
Date last re-elected: 11-07-2017

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

Detailed information on Mr Ng Kai Man's present and past Directorships can be found under the section "Corporate Governance - Appendix A".

CHOU KONG SENG

Independent Director and Chairman of the Audit Committee
Date first appointed : 14-08-2012 //
Date last re-elected: 11-07-2017

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

Detailed information on Mr Chou Kong Seng's present and past Directorships can be found under the section "Corporate Governance - Appendix A".

KESAVAN NAIR

Independent Director and Chairman of the Nomination Committee

Date first appointed: 14-02-2013 //
Date last re-elected: 31 July 2018

Mr. Nair is an Advocate and Solicitor of Singapore and is a director of Bayfront Law LLC. Mr. Nair graduated with a Bachelor of Laws (Honours) from The University College of Wales, Aberystwyth in 1998. 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 & Solicitor of the Supreme Court of Singapore in 1992 whereupon he joined M.P.D. Nair & Co as a Partner

Present Directorships
(As at 31 March 2019)

- Kitchen Culture Holdings Ltd
- IEV Holdings Limited
- HG Metal Manufacturing Limited
- Artivision Technologies Ltd

LEE KENG MUN

Independent Director

Date first appointed : 09-03-2016 //
Date last re-elected: 28-07-2016

Mr Lee Keng Mun currently serves as an executive director and chief operating officer of China Real Estate Grp Ltd. ("CREG"). Prior to CREG, Mr. Lee was with the assurance and advisory business services division of Ernst & Young Singapore from January 2007 to October 2007 and with Deloitte & Touché Malaysia from May 1997 to February 2005. From March 2005 to December 2006, Mr. Lee was a senior manager of a listed company of Bursa Malaysia. Mr. Lee holds a Bachelor of Accounting from the University of Malaya and is a member of the Malaysia Institute of Accountants and the Institute of Singapore Chartered Accountants.

Present Directorships
(As at 31 March 2019)

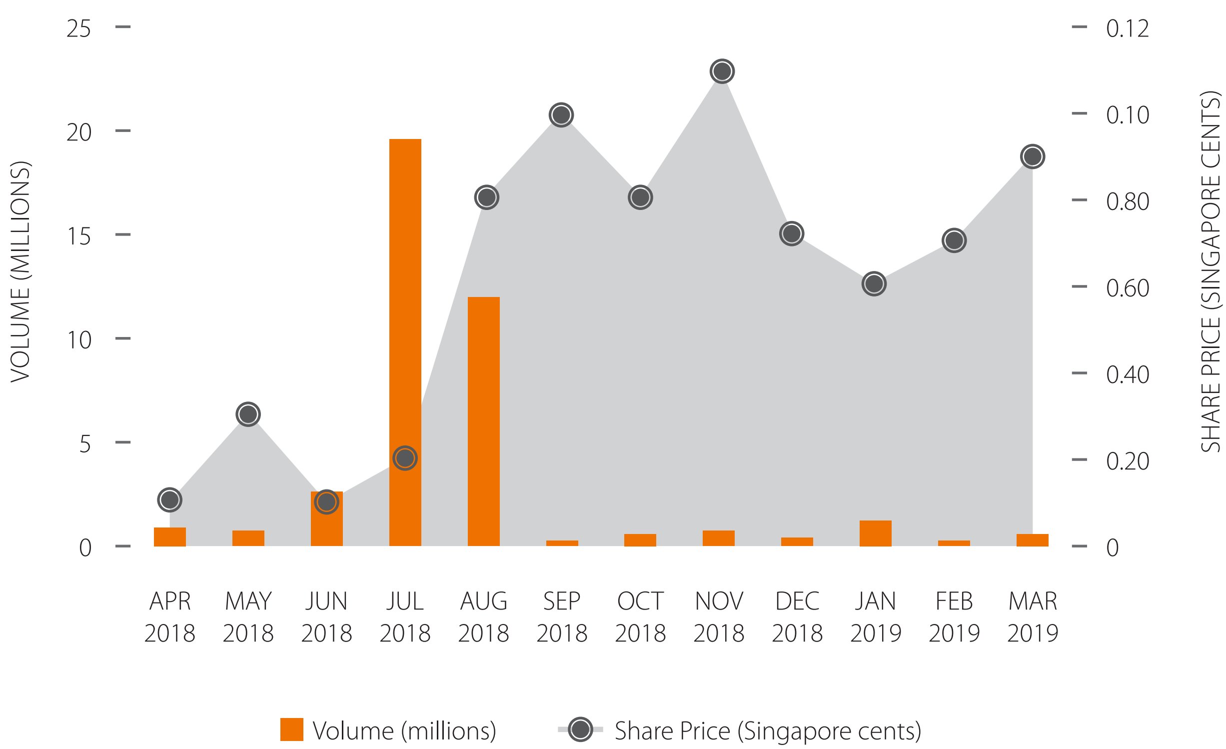
- China Real Estate Grp Ltd.

FINANCIAL HIGHLIGHTS

Year	Revenue * $'000	Loss Attributable to Shareholders $'000	Loss Per Share Cents
FY 2015	7,924	(2,793)	(0.44)
FY 2016	2,859	(6,320)	(0.44)
FY 2017	1,596 ^	(7,305)	(0.26)
FY 2018	1,208 ^	(890)	(0.02)
FY 2019	**1,007**	**(1,314)**	**(0.09)**

* Including other income and excluding discontinued operations
^ Excluding gain/ (loss) on disposal of subsidiary corporations (refer to Note 21 to the Financial Statements)

Share Price and Total Volume



Revenue * by Business Division

	March 2019 # $'million	March 2018 # $'million
Publishing & Events Management	1.0	1.1
HQ Costs & Investments	- @	0.1 ^

* Including other income
^ Excluding gain on disposal of subsidiary corporations (refer to Note 21 to the Financial Statements)
# Refer to Note 29
@ Less than S$0.1 million revenue

Operating Profit/ (Loss) by Business Division

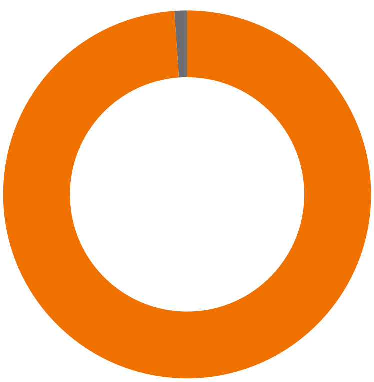
	March 2019 $'million	March 2018 $'million
Publishing & Events Management	0.1	0.2
HQ Costs & Investments	(1.4)	(1.1)

Staff Strength

	March 2019	March 2018
HQ & Investments	3	2
Publishing and Events Management	8	9
TOTAL	**11**	**11**

Revenue*^ By Geographical Region

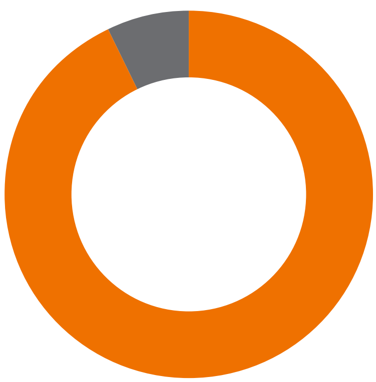
FY 2019



0.4%
Singapore

99.60%
Malaysia

FY 2018



7.53%
Singapore

92.47%
Malaysia

MANAGEMENT TEAM

MS. CHONG CHYE WAN
President, Publishing Malaysia

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

MS. NG HWEE LING
Chief Financial Officer

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

CORPORATE GOVERNANCE

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

This report describes the Company's corporate governance processes that were in place for the financial year ended 31 March 2019 ("**FY 2019**"), with specific reference made to the principles of Code of Corporate Governance 2012 (the "**Code**"), and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015. Where applicable, deviations from the Code are explained.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance which aims to encourage board renewal, strengthen director independence and enhance board diversity, which will initially take effect for annual reports covering financial years commencing from 1 January 2019 (the "New Code"). The Company will implement the New Code for its Annual Report for the financial year beginning 1 April 2019 and ending 31 March 2020 ("FY 2020").

BOARD MATTERS

(1) Board's Conduct of its Affairs

The Board holds meetings on a regular basis throughout the year to review and approve the Group's major strategic plans as well as major investments, disposals and funding matters. The Board is also responsible for the overall corporate governance of the Group. Ad-hoc meetings are also held when the need arises. Attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings during FY 2019 are as follows:

Attendance at Meetings

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Ng Kai Man	2	2	-	-	-	-	-	-
Chou Kong Seng	2	2	2	2	-	-	-	-
Roy Ling Chung Yee [1]	2	1	2	1	1	1	1	1
Kesavan Nair	2	2	2	2	1	1	-	-
Lee Keng Mun	2	2	1	1	-	-	1	1

Note:
[1] Prof. Roy Ling Chung Yee ceased as an Independent Non-Executive Director on 31 July 2018.

The Directors are updated regularly on changes in Company policies, Board processes, corporate governance and best practices.

CORPORATE GOVERNANCE

Key matters that are specifically reserved for the Board's consideration and decision include, but are not limited to, matters involving a conflict of interest for a substantial shareholder or Director, corporate planning, public release of periodic financial results, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, formulation of any dividend policy or the change of such dividend policy and declaration of dividends, and nomination of directors to the Board.

(2) Delegation of Authority to Board Committees

To facilitate effective management, the Board has delegated certain functions to the Board committees, namely the audit committee ("**Audit Committee**"), the remuneration committee ("**Remuneration Committee**") and the nominating committee ("**Nominating Committee**"), to ensure that there are appropriate checks and balances. These Board committees operate within clearly defined terms of reference which are reviewed from time to time. As at 31 March 2019, the Audit Committee, the Remuneration Committee and the Nominating Committee each comprises entirely of Independent Directors.

Orientation, briefings, and training provided for Directors

Newly appointed Directors will be briefed by the Executive Director on the Directors' duties and obligations, and on the Group's organization structure, business and governance practices. The Company will arrange and fund the requisite training as prescribed by the SGX-ST under Catalist Rule 406(3)(a) and Practice Note 4D within one year from the date of appointment for any newly appointed directors who do not possess any prior experience as a director of a Singapore public listed company.

During the financial year reported on, the Directors had received updates on the regulatory changes to the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Rules of Catalist**" or "**Catalist Rules**"), Companies Act from the Company Secretary and accounting standards from the independent auditors. The Executive Director updates the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group.

(3) Board Composition and Guidance

The Board comprises one Executive Director and three Independent Directors. The Company endeavours to maintain a strong independent element on the Board. Independent non-executive directors make up a majority of the Board. Key information regarding the Directors can be found under the "Board of Directors" section of this annual report.

The Company does not have any alternate directors.

The Independent Directors have confirmed that they do not have any relationship with the Company or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company. The Nominating Committee evaluates on an annual basis whether or not a Director is independent in accordance with the Code and Rule 406(3)(d) of the Catalist Rules. The Nominating Committee has reviewed and determined that the Independent Directors are independent, and that there are no Directors are deemed to be independent notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent. Each member of the Nominating Committee has abstained from the deliberations in respect of the assessment of his own independence.

There are no Independent Directors whom have served on the Board beyond nine years form the date of his first appointment.

CORPORATE GOVERNANCE

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

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

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

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

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

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

(4) Executive Director

Mr Ng Kai Man, the Executive Director of the Company, has full executive responsibilities over business directions and operational decisions of the Group. The Board reviews all major decisions made by the Executive Director. The Nominating Committee periodically reviews his performance and his appointment to the Board and the Remuneration Committee periodically reviews his remuneration package.

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

(5) Board Membership

The Nominating Committee comprises entirely Independent Directors, namely Messrs Kesavan Nair, Lee Keng Mun and Chou Kong Seng. Mr Nair is the Chairman of the Nominating Committee. The key responsibilities of the Nominating Committee are to (i) review the size and composition of the Board and Board Committees, (ii) ensure that the Board has the appropriate balance of expertise, skills, knowledge, experience, attributes and abilities, (iii) review Directors' independence and performance, and (iv) review the training and professional development programmes for Board members.

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

The Nominating Committee has recommended to the Board that Mr Chou Kong Seng and Mr Ng Kai Man be nominated for re-election at the Company's forthcoming AGM. Mr Chou will, upon re-appointment as a Director of the Company, remain as an Independent Non-Executive Director, the Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee. Mr Chou is considered independent for the purpose of Rule 704(7) of the Catalist Rules. Mr Ng Kai Man will, upon re-appointment as a Director of the Company, remain as an Executive Director. The information required under Rule 720(5) on the Directors nominated for re-election are set out in Appendix A to this corporate governance report.

The Nominating Committee may identify candidates for appointment as new Directors through business network of Board members or engage external independent professional advisors in the search for suitable candidates. The Nominating Committee will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance and business or management expertise. If the Nominating Committee decides that a candidate is suitable, the Nominating Committee would recommend its choice to the Board of Directors.

The Nominating Committee, after reviewing the respective list of directorships held by each Director as well as their attendance and time committed to the Company's affairs, is satisfied that all Directors who sit on multiple boards are able to devote adequate time and attention to the affairs of the Company and to fulfill their duties as Directors. The Board has set the maximum number of 10 listed company board representations which any Director of the Company may hold at any one time. All Directors have complied with this requirement.

(6) Board Performance

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

The view on the Board's effectiveness was formed by looking at various criteria including: the composition and size of the Board, Board processes, the effectiveness of the Board Committees, the Board's access to information and how the Board tracks performance and manages risks. In FY 2019, the Nominating Committee has conducted the assessment by preparing a questionnaire to be completed by each Director, of which were then collated and the findings analysed and discussed with a view to implement certain recommendations to further enhance the effectiveness of the Board.

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

The Nominating Committee has assessed the current Board's performance to-date and is of the view that performance of the Board as a whole has been satisfactory. No external facilitators were used in the evaluation process.

CORPORATE GOVERNANCE

(7) Access to Information

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

For the Board to fulfill its responsibilities, management has to provide adequate and timely information to the Board on affairs and issues that require the Board's decision as well as ongoing reports relating to operational and financial performance of the Company and the Group. Whenever appropriate, senior managers who can provide additional insight on the matters to be discussed are invited to attend the Board meetings. The Company Secretary and/ or his representative attends Board meetings.

The Board has separate and independent access to the senior management and the Company Secretary at all times. Where necessary, the Company will, upon the request of Directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties. The appointment and removal of the Company Secretary is decided by the Board as a whole.

Remuneration Matters

(8) Formal and transparent procedure for fixing remuneration packages of directors
(9) Level and Mix of Remuneration
(10) Disclosure of Remuneration

The function of the Remuneration Committee is to review the remuneration of the Executive Director and key management personnel of the Company and to provide a greater degree of objectivity and transparency in the determination of their remuneration.

The Remuneration Committee comprises entirely Independent Directors, namely Messrs Lee Keng Mun, Chou Kong Seng and Kesavan Nair. Mr. Lee is the Chairman of the Remuneration Committee.

The Remuneration Committee reviews and recommends to the Board, in consultation with management, a framework for all aspects of remuneration. The Remuneration Committee also determines the specific remuneration packages and terms of employment for the Executive Director of the Company including those employees related to the Executive Director and controlling shareholders of the Company as well as key management personnel. The recommendations of the Remuneration Committee are submitted for endorsement by the Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind are covered by the Remuneration Committee.

The Remuneration Committee has access to expert professional advice on compensation matters whenever there is a need to consult externally. In its deliberations, the Remuneration Committee takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry and the performance of the individual Directors. No remuneration consultants were engaged by the Company in FY 2019.

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

CORPORATE GOVERNANCE

The Non-Executive Directors receive directors' fees in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent serving on the Board and Board committees. The directors' fees are recommended by the Board and are subject to the approval of shareholders at the AGM.

There are no termination, retirement and post-employment benefits that may be granted to the Directors (including the Executive Director) and key management personnel.

Directors' Remuneration

Our Executive Director's remuneration consists of salary, allowances, bonuses and director's fees for attending to Board matters. No Director will be involved in deciding his own remuneration. Directors' fees for Independent Directors and Executive Directors are subject to approval of shareholders at the AGM.

The remuneration paid or payable to Directors during the financial year is as follows:

Name	Salary	Bonus	Allowances & Others	Directors' Fee	Total Remuneration
$250,000 to $500,000					
Ng Kai Man	90%	7%	-	3%	100%
$250,000 and below					
Chou Kong Seng	-	-	-	100%	100%
Kesavan Nair	-	-	-	100%	100%
Lee Keng Mun	-	-	-	100%	100%
Prof. Roy Ling Chung Yee [1]	-	-	-	100%	100%

Note:

[1] Prof. Roy Ling Chung Yee has ceased as a Non-Executive and Independent Director on 31 July 2018.

The Board is of the view that the information on Directors' and key management personnel's remuneration disclosed in the Annual Report would be sufficient for shareholders to have an adequate understanding of the Company's remuneration policies and practice. The Board believes that the disclosure provided is in the interest of the Company given the highly competitive business environment and allowing Directors and key management staff to maintain some degree of their personal confidentiality on remuneration matters.

The Board has also recommended a fixed fee for non-executive Directors, taking into account the effort, time spent and responsibilities of each non-executive Director.

All the Directors receive directors' fee for attending to Board matters. For chairing committees, a Director receives an additional nominal fee. A Director who serves for part of the financial year will receive pro-rated director's fee. Total directors' fee in FY 2019 amounted to S$140,972 (2018: S$183,770).

Remuneration of Key Management Personnel

The Group has only two key management personnel (who are not Directors or the CEO). The remuneration received by each of these key management personnel in FY 2019 is below $250,000.

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

The total remuneration paid to or accrued for the top two key management personnel (who are not Directors or the CEO) for FY 2019 was S$0.26 million.

There were no employee who was an immediate family member of any Director (including the Executive Director) of the Company and whose remuneration exceeded S$50,000 in FY 2019.

Share Incentive Scheme

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

On 30 July 2014, members of the Company approved and adopted the AES ESOS at an extraordinary general meeting ("**EGM**"). The AES ESOS is administered by the Remuneration Committee (the "**Committee**") comprising Mr Lee Keng Mun, being Chairman of the Committee, Mr Chou Kong Seng and Mr Kesavan Nair.

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

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

(a) Eligible participants

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

- Directors (both executive and non-executive) of the Company.

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

(b) Size and duration

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

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

Details of the share options granted can be found on pages 31 to 32 of the Annual Report.

Arion Entertainment Singapore Limited Performance Share Plan (the "AES PSP")

The AES PSP was approved and adopted by shareholders at an EGM of the Company held on 7 September 2007 and has lapsed on 6 September 2017.

Notwithstanding the expiry of the AES PSP, any awards made to the participants prior to such expiry or termination will continue to remain valid. For the avoidance of doubt there are no unvested share awards pursuant to the expiry of the AES PSP.

The Company has issued 47,500,000 performance shares (equivalent to 4,750,000 shares after the shares consolidation exercise in August 2018) since commencement of the AES PSP and prior to the expiry of the AES PSP in September 2017.

Details of the share awards granted can be found on page 33 of the Annual Report.

Remuneration of the Executive Director and key management personnel is driven by a pay-for-performance philosophy and is made up of three key components: a fixed pay component, a variable bonus component, and share-based incentives. The variable bonus is paid based on the Group's and individual's performance. Share options and share awards are tied to the achievement of set performance targets.

The Remuneration Committee has reviewed and is satisfied that the performance conditions were met for FY 2019.

Accountability and Audit

(11) Accountability

The Board continues to be accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with statutory reporting requirements. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

The management of the Company provides the Board with regular updates on the Group's business activities and financial performance by providing balanced and understandable management accounts of the Group's performance, position and prospects on a half-yearly basis. Such reports highlight key business indicators and major issues that are relevant to the Group's performance.

(12) Audit Committee

The Audit Committee is made up of three Independent Directors who possess relevant accounting experience and/or related financial management expertise. Mr Chou Kong Seng, chairs the Audit Committee. The other members of the Audit Committee are Mr Lee Keng Mun and Mr Kesavan Nair. None of the Audit Committee members were previous partners or directors of the Company's independent audit firm within the last twelve months and none of the Audit Committee members hold any financial interest in the independent audit firm.

The Audit Committee holds periodic meetings and primarily carries out the following functions together with the Executive Director and independent auditors:

(a) Reviews the scope and the results of internal audit procedures with the internal auditor.

(b) Reviews the audit plans set forth by the independent auditors, evaluates the report issued by the independent auditors from their examination of the Company's internal and accounting controls system;

(c) Reviews the operating results of the Group and Company, accounting policies and assistance given by the management to independent auditors;

(d) Reviews the financial statements of the Group and Company before submission to the Board;

(e) Reviews all interested person transactions; and

(f) Nominates the independent auditors for reappointment.

The Audit Committee has full access to and full co-operation of the management. The Audit Committee also has the power to conduct or authorize investigations into any matters within its terms of reference. The independent auditors have unrestricted access to the Audit Committee.

The Audit Committee has met up with the independent auditors without the presence of management, to discuss the results of their audit and their evaluation of the systems of internal accounting issues.

A breakdown of the audit fees paid to the Company's auditors is disclosed in page 42 of the Annual Report. The Audit Committee has reviewed the independent auditor's non-audit services to satisfy itself that the nature and extent of such services has not prejudiced the independence and objectivity of the independent auditors. The amount of non-audit services fees paid in FY 2019 was S$16,600.

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

The Audit Committee recognizes the need to maintain a balance between the independence and objectivity of the independent auditors and the work carried out by the independent auditors based on value for money consideration. The Audit Committee is satisfied with the independence and objectivity of the independent auditors and has recommended that Nexia TS Public Accounting Corporation, Singapore be re-appointed as the Company's independent auditor in respect of the financial year ending 31 March 2020.

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

(13) Risk Management and Internal Controls

The Board is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Audit Committee and the Board regularly review the adequacy and effectiveness of all internal controls to address the financial, operational, compliance and information technology risks and risk management controls of the Group.

Relying on the reports from the internal and independent auditors and management representation letters, the Audit Committee carried out assessments of the adequacy and effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the independent auditors to further improve the internal controls are reported to the Audit Committee. The Audit Committee in turn reports such discussions to the Board. The Audit Committee will also follow up on the actions taken by management in response to recommendations made by the independent auditors to ensure that they are implemented in a timely and appropriate manner. The Group's financial risk management objectives and policies are discussed under Note 28 of the Financial Statements.

In FY 2019, the Board has received assurances from the Executive Director and Chief Financial Officer of the Company that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the Group's risk management and internal control system were adequate and effective.

The Company has in place whistle-blowing policies and arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and appropriate follow up action, all whistle blowing reports are sent to the Audit Committee.

Based on the various management controls put in place and the reports from the internal and independent auditors, reviews by management and the management representation letters, as well as reviews carried out by the respective Board Committees, the Board with the concurrence of the Audit Committee is of the opinion that the system of internal controls (addressing financial, operational, compliance and information technology risks) and risk management systems maintained by the Group in FY 2019 were adequate and effective.

(14) Internal Audit

During the financial year, the Company has appointed Crowe Governance Sdn Bhd as the Group's internal auditor. The internal audit function covers the audits of subsidiary corporations and its primary line of reporting is to the Chairman of the Audit Committee.

The internal audit function has unfettered access to all the Group's documents, records, properties and personnel including direct access to the Audit Committee.

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

(15) Communication with Shareholders
(16) Conduct of Shareholder Meetings

We believe in regular and timely communication with shareholders as part of our organisation's development to build systems and procedures that will enable us to operate globally.

In line with continuous obligations of the Company pursuant to the Catalist Rules and the Companies Act (Cap 50, Singapore), it is the Board's policy that all shareholders be equally and timely informed of all major developments that will or is expected to impact the Company or the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and/or news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and EGM; and

(e) Company's website at www.egl.com.sg where shareholders can access information on the Group.

The Company's AGMs and EGMs are the principal forum for dialogue with the shareholders. The Chairman of the Audit, Remuneration and Nominating Committees are normally available at the meetings to answer any questions relating to the scope of work of these committees. The independent auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders during such general meetings.

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

CORPORATE GOVERNANCE

The Company has introduced the system of voting by poll and the results of each resolution put to vote at the AGM are announced with details of the percentage voting in favour and against. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are voted on. The results are also announced via SGXNET after the conclusion of the meeting.

The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.

Dividends

No dividends were declared or recommended for FY 2019 as the Group was loss-making.

Material Contracts

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

Dealings in Securities

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

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

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

Interested Persons Transactions

The Company has established a procedure for recording and reporting interested person transactions ("IPT"). There were no IPTs of S$100,000 and above for the financial year ended 31 March 2019.

CORPORATE GOVERNANCE

Use of Proceeds

The following relates to the net proceeds of S$2.55 million raised from the placement of 1.2 billion shares in December 2016:

Purpose	Net proceeds allocated (S$'000)	Net proceeds utilised as at the date of Annual Report (S$'000)	Balance unutilised (S$'000)
Working capital	2,550	2,270	280
- Wages and staff related costs	-	779	-
- Creditors	-	1,107	-
- FY 2018 directors' fees	-	184	-
- Acquisition of 21.8% stake in ATG	-	200	-
Total	**2,550**	**2,270**	**280**

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

Purpose	Net proceeds allocated (S$'000)	Net proceeds utilised as at the date of Annual Report (S$'000)	Balance unutilised (S$'000)
Working capital	**1,877**	**-**	**1,877**

Sponsorship

The Company paid non-sponsor fees of S$2,500 to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY 2019.

Sustainability Reporting

The Company is working towards the issuance of the sustainability report by 31 August 2019 and such report will be made available to shareholders on the SGXNet.

CORPORATE GOVERNANCE - APPENDIX A

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Directors nominated for re-election at the forthcoming AGM is set out below.

Name of Director	Chou Kong Seng	Ng Kai Man
Date Of Appointment	14 August 2012	9 March 2016
Date of last re-appointment (if applicable)	11 July 2017	11 July 2017
Age	64	64
Country Of Principal Residence	Singapore	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr. Chou Kong Seng's contribution as Independent Director, Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee of the Company, and has recommended that Mr. Chou Kong Seng be re-elected as Director of the Company.	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr. Ng Kai Man's contribution as Executive Director of the Company, and has recommended that Mr. Ng Kai Man be re-elected as Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Mr. Ng Kai Man is responsible for the Company's business development and sets the strategic directions of the Company.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director. Chairman of Audit Committee and a member of Nominating Committee and Remuneration Committee	Executive Director.

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man
Professional Qualifications	Mr. Chou Kong Seng was an associate member of the Institute of Chartered Accountants in England and a member of the Institute of Certified Public Accountants in Singapore. These memberships have since lapsed.	Master Degree of Science in Economics, University of London
Working experience and occupation(s) during the past 10 years	Mr Chou is presently the Chief Financial Officer of Acma Ltd. Mr. Chou was the non-Executive Chairman of Creative Master Bermuda Ltd from 2003 to 2010 and an Executive Director of Acma Ltd between March 1996 and October 2007.	Mr. Ng founded Century 21 Hong Kong Limited and has continued to served as its CEO. Mr. Ng served as an Executive Chairman of 21 Holdings Limited (now known as Huanxi Media Group Ltd) from 1 July 2009 to 10 April 2014 and has been its Executive Director from 23 July 2008 till 18 September 2015.
Shareholding interest in the listed issuer and its subsidiaries	600,000 ordinary shares in the Company (Direct Interest)	92,700,000 ordinary shares in the Company (Direct Interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man
Other Principal Commitments* including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Catalist Rule 704(8)	<u>Present Directorships</u> 1. Xenon Manufacturing Pte Ltd 2. Acot Holdings Pte Ltd 3. Acot Plastics (M) Sdn Bhd 4. Pivot Tech Sdn Bhd 5. Ray Tech Acot Singapore Pte Ltd 6. Acma Investments Pte Ltd 7. Lityan Systems (S) Pte Ltd 8. Acma Strategics Holdings Ltd 9. Acma ICCL Pte Ltd 10. Spageddies Pte Ltd 11. A L&W Ltd 12. Acma Engineers Private Limited 13. Global Tech Pte Ltd 14. Magnatech Pte Ltd <u>Past 5 years Directorships</u> N.A.	<u>Present Directorships</u> 1. 21 Group Limited 2. Kingswick Strategy Limited 3. Smart Arrow Limited 4. Century 21 Hong Kong Limited 5. Precheer Limited 6. China Perfect Limited 7. Menkin Limited 8. Hilyard Pacific Limited 9. Century 21 Surveyors Limited 10. Century 21 Property Agency Limited 11. New Leader Limited 12. Century 21 Apac Limited 13. One Culture Limited 14. Grand Rich Resources Limited 15. Richy Fame International Limited 16. Kingbox Investments Limited 17. Asset Expert Limited 18. Vigour Well Limited 19. Century 21 Limitada / Century 21 Limited 20. Century 21 Holdings Pte Ltd <u>Past 5 years Directorships</u> Huanxi Media Group Ltd (formerly known as 21 Holdings Limited)
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank. **If the answer to any question is “yes”, full details must be given.**		

CORPORATE GOVERNANCE - APPENDIX A

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

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	N.A. This relates to re-appointment of Director.	N.A. This relates to re-appointment of Director.
If Yes, please provide details of prior experience.	N.A.	N.A.

CORPORATE GOVERNANCE - APPENDIX A

Name of Director	Chou Kong Seng	Ng Kai Man
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).	N.A.	N.A.

Note:
N.A. – Not Applicable

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2019 and the balance sheet of the Company as at 31 March 2019.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 40 to 107 are drawn up so as to give a true and fair view of the balance sheets of the Company and of the Group as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Ng Kai Man
Chou Kong Seng
Kesavan Nair
Lee Keng Mun

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Holdings registered in name of director or nominee	
Company	**At 31.03.2019**	At 01.04.2018
(No. of ordinary shares)		
Ng Kai Man	**92,700,000** [(1)]	380,000,000
Chou Kong Seng	**600,000** [(1)]	3,000,000
Kesavan Nair	**300,000** [(1)]	3,000,000

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

	Number of unissued ordinary shares under option held by director	
Company	**At 31.03.2019**	At 01.04.2018
(No. of ordinary shares)		
Chou Kong Seng	**672,500** [2]	6,000,000
Kesavan Nair	**672,500** [2]	6,000,000

[1] The Company completed a shares consolidation exercise on 10 August 2018.
[2] Number of shares are adjusted pursuant to the shares consolidation exercise on 10 August 2018 and the rights issue on 26 December 2018.

The directors' interests in the ordinary shares of the Company as at 21 April 2019 were the same as those as at 31 March 2019.

Share options

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

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

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

(a) Eligible participants of the AES ESOS

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

- Directors (both executive and non-executive) of the Company

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

Share options (cont'd)

(b) Size and duration

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

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

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

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

Date of grant	Balance as at 1.4.2018	Shares Conso-lidation	Adjustment pursuant to rights issue	Options granted	Options cancelled or lapsed	Balance as at 31.03.2019	Exercise price per share	Exercisable period
	'000	'000	'000	'000	'000	'000		
13.07.2015	**70,000**	**(63,000)**	**846**	**-**	**-**	**7,846**	$0.03	13.07.2017-13.07.2025

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

	No. of unissued ordinary shares of the Company under option				
Name of director	Options granted during the financial year	Aggregate options granted since commencement of AES ESOS to 31.03.2019	Aggregate options exercised since commencement of AES ESOS to 31.03.2019	Aggregate options cancelled or lapsed since commencement of AES ESOS to 31.03.2019	Aggregate options outstanding as at 31.03.2019
	'000	'000	'000	'000	'000
Chou Kong Seng	-	672	-	-	672
Kesavan Nair	-	672	-	-	672
	-	**1,344**	**-**	**-**	**1,344**

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

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

Performance shares plan

The Arion Entertainment Singapore Limited Performance Shares Plan ("AES PSP") was approved and adopted by shareholders at an EGM of the Company held on 7 September 2007 and has lapsed on 6 September 2017.

Notwithstanding the expiry of the AES PSP, any awards made to the participants prior to such expiry or termination will continue to remain valid. For the avoidance of doubt, there are no unvested share awards pursuant to the expiry of the AES PSP.

The Company has issued 47,500,000 performance shares (equivalent to 4,750,000 shares after the shares consolidation exercise in August 2018) since commencement of the AES PSP. There were no unissued shares of the Company under the AES PSP during the financial year ended 31 March 2019.

On 31 July 2009, the Company awarded the 4,500,000 shares under AES PSP which have no vesting period as follows:

Name of Awardee	No. of shares awarded
	'000
Executive officers and employees	
Others	4,500

On 10 July 2015, the Company awarded 43,000,000 shares under AES PSP which have no vesting period as follows:

Name of Awardee	No. of shares awarded
	'000
Directors of the Company	
Ricky Ang Gee Hing [(1)]	12,000
Tan Chong Chai [(2)]	4,000
Ang Ghee Ann [(3)]	3,000
Chou Kong Seng	3,000
Kesavan Nair	3,000
Prof. Roy Ling Chung Yee [(4)]	3,000
Executive officers and employees	
Others	15,000

(1) Ricky Ang Gee Hing has resigned as a non-executive and non-independent chairman on 21 November 2016.
(2) Tan Chong Chai has resigned as an executive director on 23 May 2016.
(3) Ang Ghee Ann has resigned as an non-executive and non-independent director on 16 March 2016.
(4) Prof. Roy Ling Chung Yee has resigned as an independent director on 31 July 2018.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

Warrants

During the financial year ended 31 March 2016, the Company issued 1,368,451,292 free attached listed warrants upon the issuance of 684,225,646 new ordinary shares to shareholders (the "**Warrant 2015**"). Each warrant entitles the holder to subscribe for one new ordinary share in the Company at an exercise price of $0.005 per share, subject to the terms and conditions as stated in the Deed Poll of the Company. The warrants shall be exercised at any time from 8 May 2015 to the date immediately preceding the fifth anniversary of the date of the issuance of the warrants. The new shares into which the warrants can be converted will rank pari-passu in all respects with the existing ordinary shares of the Company.

On 10 August 2018, the Company completed a shares consolidation of every ten existing ordinary shares in the capital of the Company into one ordinary share (the "**Shares Consolidation**"). Pursuant to the Shares Consolidation, the outstanding warrants from Warrant 2015 issue were adjusted to 136,845,123 warrants. During the financial year, the Company carried out a rights issue. In this regard, 16,541,460 new warrants were issued pursuant to the rights issue adjustment.

During the financial year, no warrants have been exercised..

Audit committee

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

Chou Kong Seng (Chairman)
Kesavan Nair
Lee Keng Mun

All members of the Audit Committee are non-executive directors of the Company who are independent of the Group and Company's management.

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

- the scope and results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2019 before their submission to the Board of Directors.

The Audit Committee met 2 times during the financial year ended 31 March 2019. The Audit Committee has met with the independent auditor, without the presence of Management, to discuss issues of concern to them.

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

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

Independent Auditor

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

On behalf of the directors

....	....
Ng Kai Man	**Lee Keng Mun**
Director	Director

26 June 2019

INDEPENDENT AUDITOR'S REPORT

to the Members of Arion Entertainment Singapore Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Arion Entertainment Singapore Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the balance sheets of the Group and of the Company as at 31 March 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 40 to 107.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the 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 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
Revenue recognition For the financial year ended 31 March 2019, the Group recognised a total revenue of $996,000. Revenue is derived from multiple sources being sale of goods - circulation of magazines and periodicals, rendering of advertising services, event management and convention organisation and interest income. We focused on this area because revenue recognition has been identified as a significant risk in accordance with SSA 315 (revised) and because of judgments used in the first year adoption of SFRS(I) 15 – Revenue from Contracts with Customers. The accounting policies for revenue are set out in Note 2.3 to the financial statements and the different revenue streams for the Group has been disclosed in Note 20 to the financial statements.	With the involvement of the component auditor, our audit response comprise of substantive procedures as follows: ● Evaluated management's assessment of the application of SFRS(I) 15. Considered the appropriateness of the revenue recognition accounting policies, including those related to accounting for variable considerations and contract modifications, vis-à-vis the requirements under SFRS(I) 15; ● Reviewed contracts identified during the financial year and identified performance obligations in the contracts; ● Performed verification of revenue documentary evidences, including sales cut-off procedures at financial year end and ensured that revenue is recognised in the correct financial year; and ● Checked the Group's revenue recognition policy was consistently applied within the Group.

Other Information

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

26 June 2019

BALANCE SHEET - GROUP

As at 31 March 2019

	Note	31 March 2019	31 March 2018	1 April 2017
		$'000	$'000	$'000
ASSETS				
Current assets				
Cash and cash equivalents	5	**3,160**	2,547	3,863
Trade and other receivables	6	**178**	250	250
Inventories	7	**-**	-	2
Other current assets	8	**57**	40	40
		3,395	2,837	4,155
Non-current assets				
Property, plant and equipment	14	**16**	9	4
		16	9	4
Total assets		**3,411**	2,846	4,159
LIABILITIES				
Current liabilities				
Trade and other payables	16	**481**	494	890
Total liabilities		**481**	494	890
NET ASSETS		**2,930**	2,352	3,269
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	17	**144,676**	142,601	142,601
Accumulated losses		**(141,950)**	(141,186)	(140,296)
Other reserves	19	**204**	187	221
		2,930	1,602	2,526
Non-controlling interests	12	**-**	750	743
Total equity		**2,930**	2,352	3,269

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

BALANCE SHEET - COMPANY

As at 31 March 2019

	Note	31 March 2019	31 March 2018	1 April 2017
		$'000	$'000	$'000
ASSETS				
Current assets				
Cash and cash equivalents	5	**2,636**	2,281	3,667
Trade and other receivables	6	**-**	1	1
Inventories	7	**-**	-	-
Other current assets	8	**51**	33	33
		2,687	2,315	3,701
Non-current assets				
Property, plant and equipment	14	**-**	4	-
		-	4	-
Total assets		**2,687**	2,319	3,701
LIABILITIES				
Current liabilities				
Trade and other payables	16	**291**	3,780	4,030
Total liabilities		**291**	3,780	4,030
NET ASSETS/(LIABILITIES)		**2,396**	(1,461)	(329)
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	17	**144,676**	142,601	142,601
Accumulated losses	18	**(142,539)**	(144,321)	(143,151)
Other reserves	19	**259**	259	221
Total equity		**2,396**	(1,461)	(329)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2019	2018
		$'000	$'000
Revenue	20	996	1,021
Other gains	21	11	305
Expenses			
- Printing and editorial costs		(507)	(558)
- Audit fees paid/payable			
- Auditor of the Company		(38)	(39)
- Other auditor		(5)	(5)
- Non-audit fees paid/payable to auditor of the Company		(17)	-
- Amortisation, depreciation and impairment	22	(5)	(5)
- Employee compensation	23	(899)	(912)
- Operating lease		(37)	(58)
- Professional fees		(373)	(169)
- Other		(414)	(461)
Total expenses		(2,295)	(2,207)
Loss before income tax		(1,288)	(881)
Income tax expense	24	(26)	(2)
Net loss		(1,314)	(883)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains/(losses)		17	(72)
Other comprehensive income/(loss), net of tax		17	(72)
Total comprehensive loss		(1,297)	(955)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2019	2018
		$'000	$'000
Loss attributable to:			
- Equity holders of the Company		**(1,314)**	(890)
- Non-controlling interests		**-**	7
		(1,314)	(883)
Total comprehensive loss attributable to:			
- Equity holders of the Company		**(1,297)**	(962)
- Non-controlling interests		**-**	7
		(1,297)	(955)
Loss per share for loss attributable to the equity holders of the Company (cents per share)			
Basic and diluted loss per share	25	**(0.09)**	(0.02)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

		Attributable to the Company						
	Note	Share capital	Currency translation reserve	Share options reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2019								
Beginning of financial year		**142,601**	**(72)**	**259**	**(141,186)**	**1,602**	**750**	**2,352**
Acquisition of equity interests from non-controlling shareholders		**-**	**-**	**-**	**550**	**550**	**(750)**	**(200)**
Issuance of shares	17	**2,075**	**-**	**-**	**-**	**2,075**	**-**	**2,075**
Total comprehensive income/(loss) for the financial year		**-**	**17**	**-**	**(1,314)**	**(1,297)**	**-**	**(1,297)**
End of financial year		**144,676**	**(55)**	**259**	**(141,950)**	**2,930**	**-**	**2,930**
2018								
Balance as at 31 March 2017		142,601	2,779	221	(143,075)	2,526	743	3,269
Effect of adoption of SFRS (I)	2.2(a)(i)	-	(2,779)	-	2,779	-	-	-
Balance as at 1 April 2017		142,601	-	221	(140,296)	2,526	743	3,269
Total comprehensive (loss)/income for the financial year		-	(72)	-	(890)	(962)	7	(955)
Employee share option scheme:								
- Value of employee services	19(b)(i)	-	-	38	-	38	-	38
End of financial year		142,601	(72)	259	(141,186)	1,602	750	2,352

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	Group 2019	2018
		$'000	$'000
Cash flows from operating activities			
Net loss		**(1,314)**	(883)
Adjustments for:			
- Income tax expense	24	**26**	2
- Amortisation and depreciation	22	**5**	5
- Gain on disposal of subsidiary corporations	21	**-**	(118)
- Gain on disposal of property, plant and equipment	21	**(3)**	-
- Employee share option expense	23	**-**	38
		(1,286)	(956)
Change in working capital			
- Inventories		**-**	2
- Trade and other receivables		**55**	(16)
- Trade and other payables		**(13)**	(262)
Cash used in operations		**(1,244)**	(1,232)
Income tax paid		**(26)**	(2)
Net cash used in operating activities		**(1,270)**	(1,234)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**5**	-
Additions to property, plant and equipment		**(14)**	(10)
Acquisition of equity interest from non-controlling shareholders		**(200)**	-
Net cash used in investing activities		**(209)**	(10)
Cash flows from financing activity			
Proceeds from issue of new shares	17	**2,075**	-
Net cash provided by financing activity		**2,075**	-
Net increase/(decrease) in cash and cash equivalents		**596**	(1,244)
Cash and cash equivalents			
Beginning of financial year		**2,547**	3,863
Effects of currency translation on cash and cash equivalents		**17**	(72)
End of financial year	5	**3,160**	2,547

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

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

1. General information

Arion Entertainment Singapore Limited is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 9 Battery Road #15-01 MYP Centre Singapore 049910. The address of its principal place of business is 3 Bishan Place, #06-03 CPF Bishan Building Singapore 579838.

The principal activities of the Company are those of provision of management services and investment holding. The principal activities of its subsidiary corporations are set out in Note 12 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 First time adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 April 2018. These financial statements for the financial year ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for financial periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 April 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 March 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening balance sheet has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

2 Significant accounting policies (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(a) Optional exemptions applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I):

(i) Cumulative translation differences

The Group has elected to deem the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 April 2017. As a result, other reserves and retained profits as at 1 April 2017 was reduced/increased by S$2,779,000 respectively.

(ii) Short-term exemption on adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of SFRS 39 Financial Instruments: Recognition and Measurement are applied to financial instruments up to the financial year ended 31 March 2018. The Group is also exempted from complying with SFRS(I) 7 Financial Instruments: Disclosure to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

The Group has assessed the business models that are applicable on 1 April 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9.

As a result of the assessment, there are no adjustments to the Group's balance sheet line items.

The following financial assets were subjected to the expected credit loss impairment model under SFRS(I) 9:

- Trade receivables; and
- Other receivable at amortised cost.

The impairment methodology under SFRS and SFRS(I) for each of these classes of financial assets is different. The impairment methodology for each class of these financial assets under SFRS(I) 9 is disclosed in Notes 2.10 and 28(b) to the financial statements.

2 Significant accounting policies (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(a) Optional exemptions applied (cont'd)

(iii) Practical expedients on adoption of SFRS(I) 15 Revenue from Contracts with Customers

The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 April 2018 and have used the following practical expedients provided under SFRS(I) 15 as follows:

- for completed contracts with variable consideration, the Group has used the transaction price at the date the contract was completed, rather than estimating the variable consideration amounts in the comparative reporting period;
- for contracts which were modified before the date of transition, the Group did not retrospectively restate the contract for those contract modifications; and
- for the financial year ended 31 March 2019, the Group did not disclose the amount of transaction price allocated to the remaining performance obligations and explanation of when the Group expects to recognise that amount as revenue.

There was no impact arising from the application of the above exemption.

(b) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(i) SFRS(I) 9 Financial Instruments

The Group has adopted SFRS(I) 9 with effective for the financial year beginning on or after 1 April 2018. SFRS(I) 9 replaces the provision of FRS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group's accounting policy for financial instruments is disclosed in Note 2.10 to the financial statements.

Classification and measurement of financial assets

For financial assets held by the Group on 1 April 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under SFRS(I) 9.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Significant accounting policies (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(b) New and amended standards adopted by the Group (cont'd)

(i) SFRS(I) 9 Financial Instruments (cont'd)

Reclassification of financial assets from available-for-sale to FVPL

Investments in unquoted equity securities amounting to $Nil were reclassified from the "Available-for-sale" category to "FVPL" category. They are non-equity instruments that do not meet the criteria to be classified as amortised cost in accordance with SFRS(I) 9, because their cash flows do not represent solely payments of principal and interest. There are no related fair value gains transferred from the fair value reserve to retained earnings on 1 April 2018. For the financial year ended 31 March 2019, no fair value gains related to these investments were recognised in the profit or loss.

(ii) SFRS(I) 15 Revenue from Contracts with Customers ("SFRS(I) 15")

The Group has adopted SFRS(I) 15 effective for the financial year beginning on or after 1 April 2018. SFRS(I) 15 has replaced FRS 18 Revenue and related interpretations. Revenue is recognised when a customer obtains control of goods or services, i.e. when it has ability to direct the use of and obtain the benefits from the goods or services. The standard also provides guidance on the treatment of any costs to obtain and/or fulfil a contract that may be recognised as assets. The Group's accounting policy for revenue recognition is disclosed in Note 2.3 to the financial statements.

There was no impact of transition to SFRS(I) 15 on the Group's consolidated balance sheet and the Company's balance sheet as at 1 April 2017.

2.3 Revenue recognition

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

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

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

(b) Rendering of services – Advertising

Revenue from advertising services is recognised at the over time based on the date of publication.

2 Significant accounting policies (cont'd)

2.3 Revenue recognition (cont'd)

(c) Rendering of services – Event management and convention organisation

Revenue from event management and convention organisation is recognised at the point in time when the exhibition event has occurred, at which time the direct costs associated with the organisation of the event are matched with the respective revenue.

(d) Interest income

Interest income is recognised using the effective interest method.

2.4 Government grants

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

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

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

2.5 Group accounting

(a) Subsidiary corporations

(i) Consolidation

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

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

2 Significant accounting policies (cont'd)

2.5 Group accounting (cont'd)

(a) Subsidiary corporations (cont'd)

(i) Consolidation (cont'd)

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

2 Significant accounting policies (cont'd)

2.5 Group accounting (cont'd)

(a) Subsidiary corporations (cont'd)

(iii) Disposals

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

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

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

(b) Transactions with non-controlling interests

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

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

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

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

(i) Acquisitions

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

2. Significant accounting policies (cont'd)

2.5 Group accounting (cont'd)

(c) Associated companies and joint ventures

(ii) Equity method of accounting

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

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

(iii) Disposals

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

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

2.6 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

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

2. Significant accounting policies (cont'd)

2.6 Property, plant and equipment (cont'd)

(a) Measurement (cont'd)

(ii) Components of costs

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

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

(b) Depreciation

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

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

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

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

(c) Subsequent expenditure

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

2. Significant accounting policies (cont'd)

2.6 Property, plant and equipment (cont'd)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.7 Intangibles assets

Goodwill on acquisition

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

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

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

2.8 Investments in subsidiary corporations, associated companies and joint ventures

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

2.9 Impairment of non-financial assets

(a) Goodwill

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

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

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

2. Significant accounting policies (cont'd)

2.9 Impairment of non-financial assets (cont'd)

(a) Goodwill (cont'd)

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

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

(b) Intangible assets
Property, plant and equipment
Investments in subsidiary corporations, associated companies and joint ventures

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

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

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

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

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

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

2. Significant accounting policies (cont'd)

2.10 Financial assets

The accounting for financial assets before 1 April 2018 are as follows:

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Group does not hold any of the financial assets except for loans and receivables and available-for-sale financial assets.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 6) and "cash and cash equivalents" (Note 5) on the balance sheet.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2. Significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

The accounting for financial assets before 1 April 2018 are as follows: (cont'd)

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2. Significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

The accounting for financial assets before 1 April 2018 are as follows: (cont'd)

(e) Impairment (cont'd)

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

The accounting for financial assets from 1 April 2018 are as follows:

(a) Classification and measurement

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

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

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

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

The Group's and the Company's financial assets were classified as amortised cost and fair value through profit or loss as at the financial year end.

At initial recognition

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

2. Significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

The accounting for financial assets from 1 April 2018 are as follows: (cont'd)

(a) Classification and measurement (cont'd)

At subsequent measurement

(i) Debt instruments

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

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

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised costs and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- Fair value through other comprehensive income ("FVOCI"): Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movement in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

- Fair value through profit or loss ("FVPL"): Debt instruments that are held for trading as well as those do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains".

2. Significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

The accounting for financial assets from 1 April 2018 are as follows: (cont'd)

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28(b)(ii) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

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

(c) Recognition and derecognition

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

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

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

2.11 Offsetting of financial instruments

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

2.12 Trade and other payables

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

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

2. Significant accounting policies (cont'd)

2.13 Fair value estimation of financial assets and liabilities

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

2.14 Leases

(a) When the Group is the lessee:

The Group leases motor vehicles under finance leases from non-related parties, equipment and other facilities under operating lease from non-related parties and office premises under operating lease from related parties.

(i) Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Work-in-progress relates to costs incurred in the production of magazines and periodicals which have not been issued and exhibitions that have not been launched as at the end of the financial year.

2. Significant accounting policies (cont'd)

2.16 Income taxes

Current income tax for current and prior financial periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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

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

2.17 Provisions

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

2. Significant accounting policies (cont'd)

2.18 Employee compensation

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

(a) Defined contribution plans

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

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

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

(c) Performance shares

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's share on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vested, with the corresponding adjustment made in equity.

Cancellation of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

(d) Employees leave entitlement

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

2. Significant accounting policies (cont'd)

2.19 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

(c) Translation of Group entities' financial statements

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

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

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

2.20 Segment reporting

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

2. Significant accounting policies (cont'd)

2.21 Cash and cash equivalents

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

2.22 Share capital

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

3. Critical accounting estimates, assumptions and judgements

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

3.1 Critical accounting estimates and assumptions

Impairment of trade receivables

As at 31 March 2019, the Group's trade receivables amounted to $178,000 (Note 6), arising from the Group's different revenue segments – advertisements, circulation and exhibitions and events.

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

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year.

The Group's and the Company's credit risk exposure for trade receivables are set out in Note 28(b)(ii) to the financial statements.

4. Going concern

As at 31 March 2019, the Group incurred a net loss and net cash outflows from operating activities of S$1,314,000 (2018: Net loss of S$883,000) and S$1,270,000 (2018: Net cash outflows of S$1,234,000) respectively. These financial results indicate the existence of a material uncertainty on the Group's and the Company's ability to continue as going concerns. Nevertheless, the financial statements of the Group and the Company have been prepared on a going concern basis as the management is of the view that there are sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due.

5. Cash and cash equivalents

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Cash at bank and on hand	**3,160**	2,547	3,863	**2,636**	2,281	3,667

6. Trade and other receivables

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Trade receivables						
- Non-related parties	**178**	244	332	**-**	-	-
Less: Loss allowance [Note 28(b)(iii)]	**-**	-	(101)	**-**	-	-
Trade receivables – net	**178**	244	231	**-**	-	-
Non-trade receivables						
- Non-related parties	**-***	6	28	**-**	1	1
- Subsidiary corporations	**-**	-	-	**26,567**	26,366	27,266
	-	6	28	**26,567**	26,367	27,267
Less: Loss allowance [Note 28(b)]	**-**	-	(9)	**(26,567)**	(26,366)	(27,266)
Non-trade receivables - net	**-**	6	19	**-**	1	1
	178	250	250	**-**	1	1

* Less than S$1,000

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

7. Inventories

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Work-in-progress	**-**	-	2

Work-in-progress relates to costs incurred in the production of magazines and periodicals which have not been issued at the end of the financial year.

8. Other current assets

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Prepayments	**51**	33	23	**51**	33	22
Deposits	**6**	7	17	**-**	-	11
	57	40	40	**51**	33	33

9. Available-for-sale financial assets

	Group and Company		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Beginning of financial year	**-**	853	853
Reclassification at 1 April 2018* (Note 10)	**-**	-	-
Allowance for impairment	**-**	(853)	(853)
End of financial year	**-**	-	-

* See Note 2.2(b)(i) for details of reclassification as at 1 April 2018 on adoption of SFRS(I) 9.

The Group's and the Company's available-for-sale financial assets comprise of unlisted securities in Grandview Financial Limited. The unquoted equity securities were measured at cost less impairment losses as the investment does not have a quoted market price in an active market and other methods of determining fair value do not result in a reasonable estimate.

10. Financial assets, at FVPL

	Group and Company		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Beginning of financial year	**-**	-	-
Reclassified from available-for-sale financial assets* (Note 9)	**-**	-	-
End of financial year	**-**	-	-

* See Note 2.2(b)(i) for details of reclassification as at 1 April 2018 on adoption of SFRS(I) 9.

The Group's and the Company's financial assets, at FVPL comprise of unlisted securities in Grandview Financial Limited. The instruments are all mandatorily measured at fair value through profit or loss and as at 31 March 2019, the instruments have $Nil fair value.

11. Investment in a joint venture

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Equity investments at cost	**1,500**	1,500	1,500
Less : Allowance for impairment	**(1,500)**	(1,500)	(1,500)
	-	-	-

11. Investment in a joint venture (cont'd)

Set out below are the joint ventures of the Group as at 31 March 2019 and 2018 and 1 April 2017. The joint ventures have share capital consist solely of ordinary shares, which are held directly by the Company.

Name of entity	Country of incorporation and place of business	Effective equity held by the Group		
		31 March 2019	31 March 2018	1 April 2017
		%	%	%
Held by Company				
Tom N Toms International Pte. Ltd.	Singapore	**50**	50	50
Held by Tom and Toms International Pte Ltd				
Tom N Toms Retail Pte. Ltd. [(1)]	Singapore	**-**	50	50

(1) On 4 May 2018, the Company completed the struck off of its 50% interests in Tom n Toms Retail Pte. Ltd.. Consequently, Tom n Toms Retail Pte. Ltd. ceased to be its joint venture.

The summarised financial information of the joint venture, not adjusted for the proportion of ownership interest held by the Company, is as follows:

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Assets	**-**	-	-
Liabilities	**-***	-*	-*
Net loss	**-***	-*	-*

* Less than S$1,000

The Group has not recognised its share of losses of the joint venture, Tom N Toms International Pte Ltd, amounting to $5,683 (2018: $108) as the Group's cumulative share of losses has exceeded its interest in the entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses of this entity are $198,541 (2018: $192,858) at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

12. Investments in subsidiary corporations

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Equity investment at cost			
Beginning of financial year	**42,905**	68,024	87,424
Additions[(a)]	**200**	1,030	-
Disposal of subsidiary corporations[(b)]	**(635)**	(26,149)	(19,400)
End of financial year	**42,470**	42,905	68,024
Accumulated impairment			
Beginning of financial year	**42,905**	68,024	83,505
Additions[(a)]	**200**	1,030	-
Disposals of subsidiary corporations[(b)]	**(635)**	(26,149)	(15,481)
End of financial year	**42,470**	42,905	68,024
Carrying amount			
End of financial year	**-**	-	-

(a) On 13 August 2018, the Company completed the acquisition of a 21.82% equity interest of Auston Technology Group Pte Ltd ("ATG") with a consideration of $200,000. Consequently, ATG became a wholly-owned subsidiary corporation of the Company.

During the financial year ended 31 March 2019, the management has used the value-in-use method to determine the recoverable amount of the subsidiary corporations and recognised an impairment of $200,000 (31 March 2018: $1,030,000, 1 April 2017: $Nil) as the recoverable amount is lower than its carrying amount.

(b) On 9 January 2019, the Company completed the struck off of E-Motive (Asia) Pte Ltd ("EMA"), a wholly-owned subsidiary corporation of the Company. Consequently, EMA ceased to be a subsidiary corporation of the Company.

On 12 February 2019, the Company completed the struck off of Romulus Holdings Pte Ltd ("Romulus"). Consequently, Romulus ceased to be a subsidiary corporation of the Company.

12. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 March 2019 and 2018 and 1 April 2017:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company			Proportion of ordinary shares held by the Group			Proportion of ordinary shares held by non-controlling interest		
			31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
			%	%	%	%	%	%	%	%	%
Panpac Marketing & Circulation Pte Ltd [5]	Publishing and sale of periodicals and magazines - currently dormant	Singapore	-	-	100	-	-	100	-	-	-
Lexicon F&B Pte Ltd [5]	Operating of cafes and restaurants - currently dormant	Singapore	-	-	100	-	-	100	-	-	-
TLG Specialist Magazines Pte Ltd [5]	Publishing and sale of periodicals and magazines - currently dormant	Singapore	-	-	100	-	-	100	-	-	-
SmartInvestor Pte Ltd[5]	Publishing and sale of periodicals and magazines - currently dormant	Singapore	-	-	100	-	-	100	-	-	-
Panpac Tech Strategic Ltd[2]	Investment holding - currently dormant	British Virgin Islands	**100**	100	100	**100**	100	100	-	-	-
Auston Technology Group Pte Ltd[1]	Investment holding - currently dormant	Singapore	**100**	78.2	78.2	**100**	78.2	78.2	-	21.8	21.8
Inovatif Media Asia Sdn. Bhd.[3]	Media Publishing	Malaysia	**100**	100	100	**100**	100	100	-	-	-

12. Investments in subsidiary corporations (cont'd)

The Group has the following subsidiary corporations as at 31 March 2019 and 2018 and 1 April 2017: (cont'd)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company			Proportion of ordinary shares held by the Group			Proportion of ordinary shares held by non-controlling interest		
			31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
			%	%	%	%	%	%	%	%	%
Lifestyle Magazines Publishing Pte Ltd(5)	Publishing and sale of periodicals and magazines - currently dormant	Singapore	-	-	100	-	-	100	-	-	-
E-Motive (Asia) Pte Ltd(4)	Investment holding - currently dormant	Singapore	-	100	100	-	100	100	-	-	-
Sun China Media (BJ) Culture Distribution Ltd(5)	Media Publishing - currently dormant	People's Republic of China	-	-	100	-	-	100	-	-	-
MOB Holdings Pte Ltd(5)	Investment holding - currently dormant	Singapore	-	-	100	-	-	100	-	-	-
Romulus Holdings Pte Ltd(4)	Investment holding - currently dormant	Singapore	-	60	60	-	60	60	-	40	40
TLG Properties Pte Ltd(1)	Investment holding	Singapore	100	100	100	100	100	100	-	-	-
AES Business Ventures Pte Ltd(5)	Installation of electrobays for electric and plug-in hybrid vehicles – currently dormant	Singapore	-	-	100	-	-	100	-	-	-

12. Investments in subsidiary corporations (cont'd)

(1) Dormant and opted for audit exemption.

(2) Not required to be audited by the laws of their countries of incorporation.

(3) Audited by YTS & Associates, Malaysia. For the purpose of the consolidated financial statements, these financial statements are reviewed by Nexia TS Public Accounting Corporation, Singapore.

(4) These entities completed struck off during the financial year ended 31 March 2019.

(5) These entities have commenced the striking off application during the financial year ended 31 March 2018.

Carrying value of non-controlling interests

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Auston Technology Group Pte Ltd	-	750	743

12. Investments in subsidiary corporations (cont'd)

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below are the summarised financial information for Auston Technology Group Pte Ltd, that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial years ended 31 March 2019 and 2018 and 1 April 2017.

	Auston Technology Group Pte Ltd		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Summarised balance sheet			
Current			
Assets	-	3,447	3,414
Liabilities	-	(5)	(6)
Total current net assets	-	3,442	3,408
Non-current			
Assets			
Liabilities	-	-	-
Total non-current net assets	-	-	-
	-	-	-
Net assets	-	-	-

12. Investments in subsidiary corporations (cont'd)

Summarised financial information of subsidiary corporations with material non-controlling interests (cont'd)

	Group and Company		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Summarised statement of comprehensive income			
Revenue	-	-	-
Profit before income tax	-	34	164
Income tax expense	-	(2)	-
Net profit	-	32	164
Total comprehensive income	-	32	164
Total comprehensive income allocated to non-controlling interests	-	7	36

	Auston Technology Group Pte Ltd		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Summarised cash flows			
Cash provided by/(used in) operations	-	2	(2)
Income tax expense	-	(2)	-
Net cash used in operating activities	-	-	(2)
Net decrease in cash and cash equivalents	-	-	(2)
Cash and cash equivalents at beginning of year	-	-	2
Cash and cash equivalents at end of financial year	-	-	-

13. Investment in associated company

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Equity investment at cost			
Beginning of financial year	-	83	83
Share of loss of an associated company	-	(83)	(83)
End of financial year	-	-	-

Details of the associated company as at 31 March 2019 and 2018 and 1 April 2017 are as follows:

Name of entity	Principal activities	Country of incorporation and place of business	% of ownership interest		
			31 March 2019*	31 March 2018	1 April 2017
			%	%	%
Held by E-Motive (Asia) Pte Ltd					
Beijing Xinke Yi Neng Technologies Ltd	Research, develop and localise products for electric vehicle charging equipment	People's Republic of China	-	40	40

The Group has not recognised its share of losses of the associated company because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses with respect to this entity amount to $32,000 (2018: $32,000) at the balance sheet date.

* On 9 January 2019, the Company completed the struck off of E-Motive (Asia) Pte Ltd ("EMA"), a wholly-owned subsidiary corporation of the Company (Note 12). Upon completion of the struck off, EMA ceased to be a subsidiary corporation of the Company, consequently, Beijing Xinke Yi Neng Technologies Ltd ceased to the an associated company of the Company.

There are no contingent liabilities relating to the Group's interest in the associated company.

14. Property, plant and equipment

Group	Furniture and fittings	Office equipment	Computers	Renovation	Total
	$'000	$'000	$'000	$'000	$'000
2019					
Cost					
Beginning of financial year	17	64	152	42	275
Currency translation differences	-*	(1)	(3)	(1)	(5)
Additions	-	-*	14	-	14
Disposals	-	-	(5)	-	(5)
End of financial year	17	63	158	41	279
Accumulated depreciation					
Beginning of financial year	15	63	146	42	266
Currency translation differences	-*	(1)	(3)	(1)	(5)
Depreciation charge (Note 22)	-*	-*	5	-	5
Disposals	-	-	(3)	-	(3)
End of financial year	15	62	145	41	263
Net book value					
End of financial year	**2**	**1**	**13**	**-**	**16**
2018					
Cost					
Beginning of financial year	16	71	147	39	273
Currency translation differences	1	5	11	3	20
Additions	2	1	7	-	10
Written off	(2)	(13)	(13)	-	(28)
End of financial year	17	64	152	42	275
Accumulated depreciation					
Beginning of financial year	16	70	145	38	269
Currency translation differences	1	5	11	3	20
Depreciation charge (Note 22)	-	1	3	1	5
Written off	(2)	(13)	(13)	-	(28)
End of financial year	15	63	146	42	266
Net book value					
End of financial year	2	1	6	-	9

* Less than S$1,000

14. Property, plant and equipment (cont'd)

	Company		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Computers			
Cost			
Beginning of financial year	**6**	-	138
Additions	**-**	6	-
Disposals	**(5)**	-	-
Written off	**-**	-	(138)
End of financial year	**1**	6	-
Accumulated depreciation			
Beginning of financial year	**2**	-	136
Depreciation charge	**2**	2	2
Disposals	**(3)**	-	-
Written off	**-**	-	(138)
End of financial year	**1**	2	-
Net book value			
End of financial year	**-**	4	-

15. Intangible assets

The Group's intangible assets comprise of goodwill on consolidation amounted to $Nil as at the financial years ended 31 March 2019 and 2018 and 1 April 2017.

Group	Goodwill on consolidation
	$'000
31 March 2019	
Cost	
Beginning and end of financial year	**178**
Accumulated amortisation and impairment	
Beginning and end of financial year	**178**
Net book value	
End of financial year	**-**
31 March 2018	
Cost	
Beginning and end of financial year	178
Accumulated amortisation and impairment	
Beginning and end of financial year	178
Net book value	
End of financial year	-

16. Trade and other payables

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Trade payables						
- Non-related parties	**88**	61	212	**-**	-	-
Non-trade payables						
- Non-related parties	**83**	81	190	**68**	69	228
- Subsidiary corporations	**-**	-	-	**-**	3,447	3,413
	83	81	190	**68**	3,516	3,641
Deferred revenue	**19**	22	15	**-**	-	-
Accruals for operating expenses	**291**	330	473	**223**	264	389
	481	494	890	**291**	3,780	4,030

The non-trade amounts due to subsidiary corporations are unsecured and repayable on demand.

17. Share capital

	No. of ordinary shares	Amount
Group and Company		**$'000**
Issued share capital		
2019		
Beginning of financial year	**3,635,525,365**	**142,601**
Shares consolidation [(a)]	**(3,271,972,847)**	**-**
Shares issued [(b)]	**259,388,024**	**2,075**
Beginning and end of financial year	**622,940,542**	**144,676**
2018		
Beginning and end of financial year	3,635,525,365	142,601
2017		
Beginning of financial year	1,735,525,365	136,549
Shares issued	1,900,000,000	6,052
End of financial year	3,635,525,365	142,601

17. Share capital (cont'd)

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

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

(a) On 10 August 2018, the Company completed a shares consolidation of every ten existing ordinary shares in the capital of the Company into one ordinary share (the "Shares Consolidation").

(b) On 26 December 2018, the Company issued and allotted 259,388,024 ordinary shares for a total consideration of $2,075,000 pursuant to a rights issue.

(a) Share options

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

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

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

(i) Eligible participants of the AES ESOS

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

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

17. Share capital (cont'd)

(a) *Share options (cont'd)*

(ii) *Size and duration*

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

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

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

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

31 March 2019

Date of grant	Balance as at 1.4.2018	Shares Conso-lidation	Adjustment pursuant to rights issue	Options granted	Options cancelled or lapsed	Balance as at 31.03.2019	Exercise price per share	Exercisable period
	'000	'000	'000	'000	'000	'000		
13.07.2015	**70,000**	**(63,000)**	**846**	**-**	**-**	**7,846**	**$0.03**	**13.07.2017-13.07.2025**

31 March 2018

Date of grant	Balance as at 1.4.2017	Options granted	Options cancelled or lapsed	Balance as at 31.03.2018	Exercise price per share	Exercisable period
	'000	'000	'000	'000		
13.07.2015	70,000	-	-	70,000	$0.028	13.07.2017-13.07.2025

17. Share capital (cont'd)

(a) Share options (cont'd)

(ii) Size and duration (cont'd)

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

	Options granted during the financial year	Aggregate options granted since commencement of AES ESOS	Aggregate options exercised since commencement of AES ESOS	Aggregate options cancelled or lapsed since commencement of AES ESOS	Aggregate options outstanding
	'000	'000	'000	'000	'000
31 March 2019					
Non-executive directors	-	1,345	-	-	1,345
Directors (ceased office)	-	4,932	-	-	4,932
Employees	-	3,169	-	(1,600)	1,569
	-	9,446	-	(1,600)	7,846
31 March 2018					
Non-executive directors	-	18,000	-	-	18,000
Directors (ceased office)	-	38,000	-	-	38,000
Employees	-	30,000	-	(16,000)	14,000
	-	86,000	-	(16,000)	70,000
1 April 2017					
Non-executive directors	-	18,000	-	-	18,000
Directors (ceased office)	-	38,000	-	-	38,000
Employees	-	30,000	-	(16,000)	14,000
	-	86,000	-	(16,000)	70,000

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

17. Share capital (cont'd)

(a) *Share options (cont'd)*

(ii) *Size and duration (cont'd)*

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

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

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

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

(b) *Performance share plan*

The Arion Entertainment Singapore Limited Performance Share Plan ("AES PSP") was approved and adopted by shareholders at an EGM of the Company held on 7 September 2007 and has lapsed on 6 September 2017.

17. Share capital (cont'd)

(b) *Performance share plan (cont'd)*

Notwithstanding the expiry of the AES PSP, any awards made to the participants prior to such expiry or termination will continue to remain valid. For avoidance of doubt, there are no unvested share awards pursuant to the expiry of the AES PSP.

On 10 July 2015, the Company granted 43,000,000 ordinary shares in the capital of the Company pursuant to the AES PSP to directors and certain employees of the Company. The new shares were allotted on 13 July 2015 at the market price of $0.003.

As at 31 March 2019, the Company has granted 47,500,000 performance shares (equivalent to 4,750,000 shares after the shares consolidation exercise in August 2018) since commencement of the AES PSP. There were no unissued shares of the Company under the AES PSP during the financial year ended 31 March 2019.

On 31 July 2009, the Company awarded the following shares under AES PSP which have no vesting period.

Name of Awardee	No. of shares awarded
	'000
Executive officers and employees	
Others	4,500

On 10 July 2015, the Company awarded the following shares under AES PSP which have no vesting period.

Name of Awardee	No. of shares awarded
	'000
Directors of the Company	
Ricky Ang Gee Hing (ceased office)	12,000
Tan Chong Chai (ceased office)	4,000
Ang Ghee Ann (ceased office)	3,000
Chou Kong Seng	3,000
Kesavan Nair	3,000
Prof. Roy Ling Chung Yee (ceased office)	3,000
Executive officers and employees	
Others	15,000

18. Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Beginning of financial year	**(144,321)**	(143,151)	(137,059)
Net profit/(loss)	**1,782**	(1,170)	(6,092)
End of financial year	**(142,539)**	(144,321)	(143,151)

19. Other reserves

(a) Composition:

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Share option reserve	**259**	259	221	**259**	259	221
Currency translation reserve	**(55)**	(72)	-	**-**	-	-
	204	187	221	**259**	259	221

19. Other reserves (cont'd)

(b) Movements:

(i) Share option reserve

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Beginning of financial year	**259**	221	113	**259**	221	113
Employee share option scheme						
- Lapse of share options [(1)]	**-**	-	(21)	**-**	-	(21)
- Value of employee services (Note 23)	**-**	38	129	**-**	38	129
End of financial year	**259**	259	221	**259**	259	221

(1) The lapsed share options pertain to employees who had ceased office during the financial year.

(ii) Currency translation reserve

	Company		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Beginning of financial year	**(72)**	2,779	2,759
Effect of adoption SFRS (I) 9 (Note 2.2(a)(i))	**-**	(2,779)	-
Beginning of financial year	**(72)**	-	2,759
Net currency translation differences of financial statements of foreign subsidiary corporations	**17**	(72)	20
End of financial year	**(55)**	(72)	2,779

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

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

Other reserves are non-distributable.

20. Revenue

Disaggregation of revenue from contracts with customers

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

	At a point in time	**Over time**	**Total**
	$'000	**$'000**	**$'000**
2019			
Malaysia			
Circulation of magazines and periodicals	**835**	-	**835**
Advertisements	**4**	**157**	**161**
	839	**157**	**996**

	At a point in time	Over time	Total
	$'000	$'000	$'000
2018			
Malaysia			
Circulation of magazines and periodicals	859	-	859
Advertisements	-	162	162
	859	162	1,021

21. Other gains

	Group	
	2019	2018
	$'000	$'000
Gain on disposal of subsidiary corporations	**-**	118
Write off of trade creditors	**-**	90
Publishing related income	**8**	7
Gain on disposal of property, plant and equipment	**3**	-
Foreign exchange gains	**-**	89
Other	**-**	1
	11	305

22. Amortisation, depreciation and impairment

	Group	
	2019	2018
	$'000	$'000
Depreciation of property, plant and equipment (Note 14)	**5**	5

23. Employee compensation

	Group	
	2019	2018
	$'000	$'000
Wages, salaries and bonuses	**846**	821
Employer's contribution to defined contribution plans, including Central Provident Fund	**47**	45
Employee share options expense [Note 19(b)(i)]	**-**	38
Other short-term benefits	**6**	8
	899	912

24. Income taxes

	Group	
	2019	2018
	$'000	$'000
Tax expense attributable to loss is made up of:		
Under provision in prior financial year		
- Current income tax	**(26)**	(2)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

24. Income taxes (cont'd)

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

	Group	
	2019	2018
	$'000	$'000
Loss before tax	**(1,288)**	(881)
Tax calculated at tax rate of 17% (2018: 17%)	**(219)**	(149)
Effects of:		
- Expenses not deductible for tax purposes	**29**	3
- Deferred income tax assets not recognised	**191**	149
- Income not subject to tax	**(1)**	(3)
- Under provision of prior year tax	**(26)**	(2)
Tax charge	**(26)**	(2)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of $19,998,000 (2018: $19,998,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in Singapore. The tax losses have no expiry date.

25. Loss per share

(a) Basic loss per share

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

	Total	
	2019	2018
Net loss attributable to equity holders of the Company ($'000)	**(1,314)**	(890)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**1,540,673**	3,635,525
Basic loss per share (cents)	**(0.09)**	(0.02)

25. Loss per share (cont'd)

(b) Diluted loss per share

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

The Group has no dilution in its loss per share as at 31 March 2019 and 2018. The dilutive potential ordinary shares arising from warrants and share options have not been included in the calculation of diluted loss per share because they are anti-dilutive.

26. Related party transactions

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

(a) Sales and purchases of goods and services

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Purchase of goods and/or service from				
- Related parties	**20**	5	**14**	5

Related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Wages and salaries	**624**	625	**559**	559
Employer's contribution to defined contribution plans, including Central Provident Fund	**22**	22	**14**	14
Share option expense	**-**	38	**-**	38
	646	685	**573**	611

Included in the above is total compensation to directors of the Company amounting to $390,000 (2018: $390,000).

27. Operating lease commitments

The Group leases equipment, and other facilities from non-related parties and office premises from related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2019	2018
	$'000	$'000
Not later than one year	**33**	14

28. Financial risk management

Financial risk factors

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

(a) Market risk

(i) Currency risk

The Group operates in Singapore and Malaysia. Entities in the Group regularly transact in their respective functional currencies. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. The Group and the Company has no exposure of currency risk during the financial years ended 31 March 2019 and 2018 and 1 April 2017.

(ii) Price risk

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

(iii) Cash flow and fair value interest rate risks

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

28. Financial risk management (cont'd)

(b) Credit risk

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

(i) Risk management

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

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

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

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

The trade receivables of the Group comprise 2 debtors (2018: 2 debtors) that individually represented > 10% of trade receivables.

28. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Credit rating

The Group and the Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Under performing	Borrower or issuer for which there is a significant increase in credit risk; as significant in credit risk is presumed if interest and/or principal repayment are 90 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal payments are 90 days past due	Lifetime expected credit losses
Write-offs	Interest and/or principal repayments relating to debtor that failing to engage in a repayment plan with the Company and have no reasonable expectation of recovery	Assets are written-off

(iii) Impairment of financial assets

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

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

28. Financial risk management (cont'd)

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

(iii) *Impairment of financial assets (cont'd)*

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

As at 31 March 2019, management has assessed the application of the expected credit loss model. There are no credit risk exposure in relation to the Group's trade receivables from customers and the Company's amounts due from subsidiary corporations have been rated as non-performing.

Consequently, no loss allowance have been recognised by the Group and the Company has recognised loss allowance amounted to $26,567,000 (Note 6) for amounts due from subsidiary corporations.

Previous accounting policy for impairment of trade receivables

During the financial year ended 31 March 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 90 days overdue).

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposure.

The Group's credit risk exposure in relation to trade receivables under SFRS 39 Financial Instruments: Recognition and Measurement as at 31 March 2018 and 1 April 2017 are set out as follows:

	Group	
	31 March 2018	1 April 2017
	$'000	$'000
Past due < 3 months	236	221
Past due 3 to 6 months	4	10
Past due over 6 months	4	101
	244	332

28. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(iii) Impairment of financial assets (cont'd)

Previous accounting policy for impairment of trade receivables (cont'd)

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record and good supply record with the Group. The Group has no trade receivables past due or impaired that were re-negotiated during the financial year.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables and other receivables.

Trade receivable – Non-related parties

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	31 March 2018	1 April 2017
	$'000	$'000
Past due < 3 months	236	221
Past due 3 to 6 months	4	10
Past due over 6 months	4	101
	244	332
Less: Allowance for impairment	-	(101)
	244	231
Beginning of financial year	101	133
Currency translation differences	7	(9)
Allowance utilised	(108)	-
Disposal of subsidiary corporations	-	(21)
Allowance written back	-	(2)
End of financial year (Note 6)	-	101

28. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(iii) Impairment of financial assets (cont'd)

Previous accounting policy for impairment of trade and other receivables (cont'd)

Financial assets that are past due and/or impaired (cont'd)

The impaired trade receivables arise mainly from sales to customers and distributors of which the balances have been long overdue and where customers have defaulted on the payments and thus the likelihood of recoverability is low.

The write-back of the impaired trade receivables arose mainly from receipts received from customers during the financial year.

Other receivables

The carrying amount of other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	31 March 2018	1 April 2017	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000
Gross amount	6	28	26,366	27,266
Less: Allowance for impairment	-	(9)	(26,366)	(27,266)
	6	19	-	-
Beginning of financial year	9	185	27,266	28,850
Allowance made	-	-	129	144
Allowance written back	-	-	(1,029)	(936)
Allowance utilised	(9)	(176)	-	(792)
End of financial year (Note 6)	-	9	26,366	27,266

28. Financial risk management (cont'd)

(c) Liquidity risk

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

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

	Less than 1 year
	$'000
Group	
At 31 March 2019	
Trade and other payables	**462**
At 31 March 2018	
Trade and other payables	472
At 1 April 2017	
Trade and other payables	875
Company	
At 31 March 2019	
Trade and other payables	**291**
At 31 March 2018	
Trade and other payables	3,780
At 1 April 2017	
Trade and other payables	4,030

28. Financial risk management (cont'd)

(d) Capital risk

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

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

	Group			Company		
	31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Total liabilities	**481**	494	890	**291**	3,780	4,030
Total equity	**2,930**	2,352	3,269	**2,396**	(1,461)	(329)
Liabilities-equity ratio	**16%**	21%	27%	**12%**	N.M.	N.M.

*N.M. - Not meaningful

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2019 and 2018 and 1 April 2017.

(e) Fair value measurements

The assets and liabilities are measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

28. Financial risk management (cont'd)

(e) *Fair value measurements (cont'd)*

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values.

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

	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Group			
Loans and receivables	**-**	2,804	4,130
Financial assets at amortised cost	**3,344**	-	-
Financial liabilities at amortised cost	**462**	472	875

	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Company			
Loans and receivables	**-**	2,282	3,679
Financial assets at amortised cost	**2,636**	-	-
Financial liabilities at amortised cost	**291**	3,780	4,030

28. Financial risk management (cont'd)

(f) Offsetting financial assets and financial liabilities

(i) Financial assets

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

	Related amounts set off in the balance sheet		
	Gross amounts – financial assets (a)	Gross amounts – financial liabilities (b)	Net amounts– financial assets presented in the balance sheet (c) = (a)-(b)
	$'000	$'000	$'000
As at 31 March 2019			
Non-trade receivables	**26,763**	**(196)**	**26,567**
As at 31 March 2018			
Non-trade receivables	26,562	(196)	26,366
As at 1 April 2017			
Non-trade receivables	27,495	(229)	27,266

	Related amounts set off in the balance sheet		
	Gross amounts – financial liabilities (a)	Gross amounts – financial assets (b)	Net amounts– financial liabilities presented in the balance sheet (c) = (a)-(b)
	$'000	$'000	$'000
As at 31 March 2019			
Trade and other payables	**196**	**(196)**	**-**
As at 31 March 2018			
Trade and other payables	3,643	(196)	3,447
As at 1 April 2017			
Trade and other payables	3,642	(229)	3,413

29. Segment information

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

The CODM considers the Group's businesses from both geographical and business segment perspectives. Geographically, management manages and monitors the businesses in the two primary geographic areas: Singapore and Malaysia. Malaysia is engaged in publishing, exhibition and events and Singapore is engaged in HQ costs and investments.

Subsequent to the disposal of Elektromotive Limited and its subsidiary corporations during the financial year ended 31 March 2017, the Group's only business segment is principally the publishing of magazines, exhibition and events and investments holding in Singapore and Malaysia.

The segment information provided to the CODM for the reportable segments for the financial year ended 31 March 2019 are as follows:

	Malaysia	Singapore	
	Publishing, exhibition and events	HQ costs and investments	Total
	$'000	$'000	$'000
Group			
2019			
Sales to external parties	996	-	996
Segment results	121	(1,420)	(1,299)
Other gains	7	4	11
Profit/(loss) before income tax	128	(1,416)	(1,288)
Income tax expense	-	(26)	(26)
Net profit/(loss)	128	(1,442)	(1,314)
Net profit includes depreciation and amortisation	3	2	5
Segment assets	708	2,703	3,411
Segment assets includes:			
Additions to property, plant and equipment	12	2	14
Segment liabilities	164	317	481

29. Segment information (continued)

The segment information provided to the CODM for the reportable segments for the financial year ended 31 March 2018 are as follows:

	Continuing operations		
	Malaysia	Singapore	
	Publishing, exhibition and events	HQ costs and investments	Total
	$'000	$'000	$'000
Group			
2018			
Sales to external parties	1,021	-	1,021
Segment results	100	(1,286)	(1,186)
Other gains	96	209	305
Profit/(loss) before income tax	196	(1,077)	(881)
Income tax expense	-	(2)	(2)
Net profit/(loss)	196	(1,079)	(883)
Net profit includes depreciation and amortisation	4	1	5
Segment assets			
Segment assets includes:			
Additions to property, plant and equipment	527	2,319	2,846
Segment liabilities	127	367	494

(a) Revenue from major products and services

Revenue from external customers are derived from the publishing, exhibition and events and electric vehicle charging equipment. Breakdown of the revenue is as follows:

	2019	2018
	$'000	$'000
Publishing, exhibition and events	**996**	1,021

29. Segment information (cont'd)

(b) Geographical information

The Group's two business segments operate in three main geographical areas:

- Singapore – the company is headquartered and has operations in Singapore. The operations in this area are principally investments holdings.
- Malaysia – the operations in this area are principally the publishing of magazines, exhibition and events.

	Sales	
	2019	2018
	$'000	$'000
Singapore	**-**	-
Malaysia	**996**	1,021
	996	1,021

	Non-current assets	
	2019	2018
	$'000	$'000
Singapore	**-**	4
Malaysia	**16**	5
	16	9

There are 2 customers (2018: 2) contributing more than 10% to the revenue to the Group.

30. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2019 and which the Group has not early adopted:

(a) SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

30. New or revised accounting standards and interpretations (cont'd)

(a) SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019) (cont'd)

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

As at 31 March 2019, the Group has non-cancellable operating lease commitments of S$33,000 (Note 27). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's loss and classification of cash flows.

(b) SFRS(I) INT 23 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored

(iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment

(iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and

(v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

30. New or revised accounting standards and interpretations (cont'd)

Effective for annual periods beginning on or after 1 January 2020

- Amendments to References to the Conceptual Framework in SFRS(I) Standards
- Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements
- Amendments to SFRS(I) 3 - Business Combinations – definition of a business
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

Effective for annual periods beginning on or after 1 January 2021

- SFRS(I) 17 Insurance Contracts

Effective date: to be determined*

- Amendments to SFRS(I) 10 and SFRS(I) 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* *The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore ("ASC") in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.*

31. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Arion Entertainment Singapore Limited on 26 June 2019.

SHAREHOLDINGS STATISTICS

TWENTY LARGEST SHAREHOLDERS AS AT 26 JUNE 2019

S/N	Names of shareholder	No. of shares	% of shares
1.	Ng Kai Man	92,700,000	14.88
2.	Chung Yuen Yee Kathy	70,000,000	11.24
3.	UOB Kay Hian Pte Ltd	51,697,260	8.30
4.	CGS-CIMB Securities (Singapore) Pte Ltd	39,340,635	6.32
5.	Lee Ka Chung @ William Lee	31,500,000	5.06
6.	Century Greenland (Hong Kong) Limited	30,000,000	4.82
7.	Choo Yeow Ming	30,000,000	4.82
8.	Interlims (HK) Co., Limited	30,000,000	4.82
9.	L127 Co., Ltd.	30,000,000	4.82
10.	Lim Chye Huat @ Bobby Lim Chye Huat	28,000,000	4.49
11.	DBS Nominees Pte Ltd	27,723,298	4.45
12.	Chan Shui Sheung Ivy	13,745,500	2.21
13.	Maybank Kim Eng Securities Pte Ltd	8,843,585	1.42
14.	Phillip Securities Pte Ltd	6,570,679	1.05
15.	Tan Chong Chai	5,000,000	0.80
16.	Ang Gee Hing	3,696,000	0.59
17.	Frankie Quek Swee Heng	3,523,590	0.57
18.	Yap Mee Lee	3,030,000	0.49
19.	Wong Sin Ting	3,000,000	0.48
20.	Lee Chung Hong (Li Zhongkang)	2,800,000	0.45
	Total	**511,170,547**	**82.08**

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 26 JUNE 2019

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 -99	2,105	32.56	56,650	0.01
100 – 1,000	2,617	40.48	1,008,341	0.16
1,001 – 10,000	1,051	16.26	4,415,778	0.71
10,001 – 1,000,000	647	10.01	64,999,114	10.43
1,000,001 and above	45	0.69	552,460,659	88.69
Total	**6,465**	**100.00**	**622,940,542**	**100.00**

SHAREHOLDINGS STATISTICS

TWENTY LARGEST WARRANTHOLDERS (W200505) AS AT 26 JUNE 2019

S/N	Names of warrantholder	No. of warrants	% of warrants
1.	Chew Soo Lin	44,835,164	29.23
2.	CGS-CIMB Securities (Singapore) Pte Ltd	14,588,404	9.51
3.	Lim Chye Huat @ Bobby Lim Chye Huat	12,185,500	7.94
4.	Phillip Securities Pte Ltd	4,076,178	2.66
5.	Chua Keng Loy	3,362,637	2.19
6.	Frankie Quek Swee Heng	3,362,637	2.19
7.	Lim Ting Sa	2,690,109	1.75
8.	Tan Wang Cheow	2,504,043	1.63
9.	Chua Siew Lian	2,421,098	1.58
10.	Tan Eng Chua Edwin	2,386,992	1.56
11.	UOB Kay Hian Pte Ltd	2,285,130	1.49
12.	Lee KunFeng Daniel	2,241,758	1.46
13.	Teo Yong Ping (Zhang Rongbin)	2,121,824	1.38
14.	Tan Hai Leck (Chen Hailu)	1,681,318	1.10
15.	Ang Wern Ling Alison	1,602,072	1.04
16.	Lee Chung Hong (Li Zhongkang)	1,457,142	0.95
17.	Ronnie Poh Tian Peng	1,345,054	0.88
18.	Tee Siew Kiong	1,345,054	0.88
19.	DBS Nominees Pte Ltd	1,281,967	0.84
20.	Wong Walter	1,120,912	0.73
	Total	**108,894,993**	**70.99**

DISTRIBUTION OF WARRANTHOLDERS BY SIZE OF WARRANTHOLDINGS (W200505) AS AT 26 JUNE 2019

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 -99	8	1.89	324	0.00 *
100 – 1,000	19	4.48	8,150	0.01
1,001 – 10,000	90	21.22	381,636	0.25
10,001 – 1,000,000	285	67.22	41,971,250	27.36
1,000,001 and above	22	5.19	111,025,223	72.38
Total	**424**	**100.00**	**153,386,583**	**100.00**

* less than 0.01%

SHAREHOLDINGS STATISTICS

SUBSTANTIAL SHAREHOLDER AS AT 26 JUNE 2019

		Direct Interest		Deemed Interest	
S/N	Name of Substantial Shareholder	Number of Shares	%	Number of Shares	%
1.	Ng Kai Man	92,700,000	14.88	-	-
2.	Chung Yuen Yee Kathy	70,000,000	11.24	-	-
3.	Kwong Chi Fai Gorman	50,960,000	8.18	-	-
4.	Lee Thaim Seng	39,091,800	6.28	-	-
5.	Lee Ka Chung @ William Lee	31,500,000	5.06	-	-

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

As at 26 June 2019, there were 337,788,742 shares in the hands of the public as defined in the Rules of Catalist representing approximately 54.22% of the issued share capital of the Company. The Company confirms that Rule 723 of the Catalist Rules is complied with.

SHARE CAPITAL

Number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	:	622,940,542
Class of shares	:	Ordinary
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting rights	:	One vote per ordinary share (excluding treasury shares)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ARION ENTERTAINMENT SINGAPORE LIMITED will be held at 3 Bishan Place #06-03 CPF Bishan Building Singapore 579838 on Tuesday, 30 July 2019 at 9.30 a.m., for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 March 2019 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$140,972 for the financial year ended 31 March 2019 (2018: S$183,770). **(Resolution 2)**

3. To re-elect Mr Chou Kong Seng, a Director retiring under Article 107 of the Company's Constitution. [See Explanatory Note (a)] **(Resolution 3)**

4. To re-elect Mr Ng Kai Man, a Director retiring under Article 107 of the Company's Constitution. [See Explanatory Note (b)] **(Resolution 4)**

5. To re-appoint Messrs Nexia TS Public Accounting Corporation as the Company's Independent Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS:

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

7. **SHARE ISSUE MANDATE**

THAT authority be hereby given to the Directors of the Company pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Rules of Catalist**") and notwithstanding the provisions of the Constitution of the Company, to:

(a) (i) 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, the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares; and/or

(iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution is in force,

provided that:

(i) the aggregate number of Shares issued pursuant to this resolution (including Shares issued in pursuance to any Instruments made or granted pursuant to this resolution), does not exceed one hundred per cent. (100%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares of the Company shall be calculated based on the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares of the Company at the time of the passing of this resolution, after adjusting for:

(A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this resolution; and

(B) any subsequent bonus issue or consolidation or subdivision of Shares;

(iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Companies Act, the Rules of Catalist (including supplemental measures hereto) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall 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 the earlier.
[See Explanatory Note (c)] **(Resolution 6)**

8. **AUTHORITY TO ISSUE SHARES UNDER THE ARION ENTERTAINMENT SINGAPORE EMPLOYEES' SHARE OPTION SCHEME 2014**

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

   (Resolution 7)

By Order of the Board

Loh Lee Eng
Joint Company Secretary

Singapore, 15 July 2019

Notes:-

1. Save as provided in the Constitution, a member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

3. The instrument appointing a proxy must be lodged at the registered office of the Company at 9 Battery Road #15-01 MYP Centre Singapore 049910 not less than forty-eight (48) hours before the time fixed for the Annual General Meeting.

* A Relevant Intermediary is:

(i) 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; or

(ii) 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

(iii) 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.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(a) **Resolution 3** – Re-election of Mr Chou Kong Seng, a Director retiring under Article 107 of the Company's Constitution.

Mr Chuo Kong Seng, will, upon re-election, continue as an Independent Director of the Company and the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees. Mr Chuo Kong Seng will be considered Independent for the purposes of rule 704(7) of the Rules of Catalist.

Detailed information on Mr Chou Kong Seng can be found under the sections "Board of Directors" and "Corporate Governance - Appendix A" of the Company's Annual Report 2019.

(b) **Resolution 4** – Re-election of Mr Ng Kai Man, a Director retiring under Article 107 of the Company's Constitution.

Mr Ng Kai Man, will, upon re-election, continue as an Executive Director of the Company.

Detailed information on Mr Ng Kai Man can be found under the sections "Board of Directors" and "Corporate Governance - Appendix A" of the Company's Annual Report 2019.

(c) **Resolution 6** proposed in item 7 above, if passed, is to empower the Directors to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 6 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent (100%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares of the Company, with a sub-limit of fifty per cent (50%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares of the Company will be calculated based on the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares of the Company at the time of the passing of Resolution 6, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 6, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

(d) **Resolution 7** is to empower the Directors of the Company to offer and grant options in accordance with the provision of the Scheme and pursuant to Chapter 8 of Rules of Catalist, and to allot and issue Shares under the Scheme. The size of the Scheme is limited to twenty per cent (20%) of the total number of issued Shares, excluding treasury shares of the Company on the day preceding the relevant date of grant.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) 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 member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) 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.

ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in Singapore)
(Registration No. 199407135Z)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____________________ (Name) ____________________ (NRIC/Passport Number/ Company Regn. No.)

of ____ (Address)

being a member/members of Arion Entertainment Singapore Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or failing him/her (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 3 Bishan Place #06-03 CPF Bishan Building Singapore 579838 on 30 July 2019 at 9.30 a.m. and at any adjournment thereof.

The proxy/proxies shall vote on the Resolutions set out in the notice of Meeting in accordance with my/our directions as indicated hereunder. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, on any matter at the Meeting or at any adjournment thereof.

No.	Resolutions relating to:	For *	Against *
	ROUTINE BUSINESS		
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2019 (Resolution 1)		
2.	Approval of Directors' Fees of S$140,972 for the financial year ended 31 March 2019 (Resolution 2)		
3.	Re-election of Mr Chou Kong Seng as a Director retiring under Article 107 of the Company's Constitution (Resolution 3)		
4.	Re-election of Mr Ng Kai Man as a Director retiring under Article 107 of the Company's Constitution (Resolution 4)		
5.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as auditors of the Company and to authorise the Directors of the Company to fix their remuneration (Resolution 5)		
	SPECIAL BUSINESS		
6.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 (Resolution 6)		
7.	Authority to allot and issue shares under the Arion Entertainment Singapore Employees' Share Option Scheme 2014 (Resolution 7)		

* *If you wish to exercise all your votes "For" or "Against", please indicate with an "x" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of ____________ 2019

Total Number of Shares held in:	
CDP Register	
Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. 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.

2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 9 Battery Road #15-01 Singapore 049910 not less than 48 hours before the time set for the meeting.

4. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50 and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* 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; or

(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 a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 July 2019.

Designed
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ARION ENTERTAINMENT SINGAPORE LIMITED

Annual Report 2019

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