

ARION ENTERTAINMENT SINGAPORE LIMITED

Full Year Financial Statement And Dividend Announcement

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

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group		% Increase/ (Decrease)
		(Unaudited) 31/03/2021	(Audited) 31/03/2020	
		S\$'000		
Revenue				
Advertisement		57	100	(43.0)
Circulation		800	769	4.0
		<u>857</u>	<u>869</u>	(1.4)
Other gains	(i)	24	28	(14.3)
Direct costs:				
Printing and editorial costs		(488)	(452)	8.0
Employee compensation		(577)	(854)	(32.4)
Amortisation, depreciation and impairment		(3)	(4)	(25.0)
Operating lease expenses		(42)	(37)	13.5
Professional fees		(238)	(281)	(15.3)
Other operating expenses		(226)	(299)	(24.4)
Total expenses		<u>(1,574)</u>	<u>(1,927)</u>	(18.3)
Loss before income tax		(693)	(1,030)	(32.7)
Income tax expense		(6)	(6)	-
Net loss		(699)	(1,036)	(32.5)
Other comprehensive (loss)/ income				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences arising from consolidation				
- Gains		7	7	-
Total comprehensive loss for the year		<u>(692)</u>	<u>(1,029)</u>	(32.8)
Loss attributable to:				
- Equity holders of the company		<u>(699)</u>	<u>(1,036)</u>	(32.5)
Total comprehensive loss attributable to:				
- Equity holders of the company		<u>(692)</u>	<u>(1,029)</u>	(32.8)

	<u>Group</u>	
	S\$'000	
Note	(Unaudited) 31/03/2021	(Audited) 31/03/2020
Notes to income statement:		
(i) Included in other gains are:		
Publishing related income	6	6
Jobs Support Scheme	18	-
Interest income	-	8
Write off of trade creditors	-	13
Others	-	1
	<u>24</u>	<u>28</u>

(a) This relates to creditors that have been outstanding for more than six years and are statute barred.

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

	Group		Company	
	31/03/2021 (Unaudited) S\$'000	31/03/2020 (Audited) S\$'000	31/03/2021 (Unaudited) S\$'000	31/03/2020 (Audited) S\$'000
Current assets				
Cash and cash equivalents	3,050	2,099	2,690	1,813
Trade and other receivables	83	95	1	-
Other current assets	79	81	38	40
	<u>3,212</u>	<u>2,275</u>	<u>2,729</u>	<u>1,853</u>
Non-current assets				
Property, plant and equipment	8	11	-	-
	<u>3,220</u>	<u>2,286</u>	<u>2,729</u>	<u>1,853</u>
TOTAL ASSETS				
	<u>3,220</u>	<u>2,286</u>	<u>2,729</u>	<u>1,853</u>
Current liabilities				
Trade and other payables	375	385	233	259
Provision for taxation	3	-	2	-
	<u>378</u>	<u>385</u>	<u>235</u>	<u>259</u>
TOTAL LIABILITIES				
	<u>378</u>	<u>385</u>	<u>235</u>	<u>259</u>
NET ASSETS				
	<u>2,842</u>	<u>1,901</u>	<u>2,494</u>	<u>1,594</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	146,309	144,676	146,309	144,676
Share options reserve	259	259	259	259
Accumulated losses	(143,685)	(142,986)	(144,074)	(143,341)
Currency translation reserve	(41)	(48)	-	-
	<u>2,842</u>	<u>1,901</u>	<u>2,494</u>	<u>1,594</u>
TOTAL EQUITY				
	<u>2,842</u>	<u>1,901</u>	<u>2,494</u>	<u>1,594</u>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

As at 31/03/2021		As at 31/03/2020	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Amount repayable after one year

As at 31/03/2021		As at 31/03/2020	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	For the 12 months ended	
	31/03/2021 (Unaudited) S\$'000	31/03/2020 (Audited) S\$'000
Cash flows from operating activities		
Net loss	(699)	(1,036)
Adjustments for:		
Amortization and depreciation	3	4
Property, plant and equipment written off	-	1
Income tax expense	6	6
Interest income	-	(8)
Operating cashflow before working capital changes	(690)	(1,033)
Trade and other receivables	14	59
Trade and other payables	(10)	(96)
Cash used in operations	(686)	(1,070)
Income tax paid	(3)	(6)
Interest received	-	8
Net cash used in operating activities	(689)	(1,068)
Cash flows from investing activity		
Additions to property, plant and equipment	- *	-
Net cash used in investing activity	-	-
Cash flows from financing activity		
Proceeds from issue of new shares	1,633	-
Net cash provided by financing activity	1,633	-
Net increase/ (decrease) in cash and cash equivalents	944	(1,068)
Cash and cash equivalents at beginning of financial year	2,099	3,160
Effects of currency translation on cash and cash equivalents	7	7
Cash and cash equivalents at end of financial year	3,050	2,099

* less than S\$1,000

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

	Attributable to equity holders of the Company				Total S\$'000
	Share Capital S\$'000	Currency translation reserve S\$'000	Share options reserve S\$'000	Accumulated Losses S\$'000	
The Group					
2021					
Balance as at 01/04/2020	144,676	(48)	259	(142,986)	1,901
Issuance of new shares	1,633	-	-	-	1,633
Total comprehensive loss for the year	-	7	-	(699)	(692)
Balance as at 31/03/2021	146,309	(41)	259	(143,685)	2,842
2020					
Balance as at 01/04/2019	144,676	(55)	259	(141,950)	2,930
Total comprehensive loss for the year	-	7	-	(1,036)	(1,029)
Balance as at 31/03/2020	144,676	(48)	259	(142,986)	1,901
The Company					
2021					
Balance as at 01/04/2020	144,676	-	259	(143,341)	1,594
Issuance of new shares	1,633	-	-	-	1,633
Total comprehensive loss for the year	-	-	-	(733)	(733)
Balance as at 31/03/2021	146,309	-	259	(144,074)	2,494
2020					
Balance as at 01/04/2019	144,676	-	259	(142,539)	2,396
Total comprehensive loss for the year	-	-	-	(802)	(802)
Balance as at 31/03/2020	144,676	-	259	(143,341)	1,594

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

	Number of Shares	Share Capital S\$'000
As at 30/09/2020 and 31/03/2021	<u>933,951,593</u>	<u>146,309</u>
Treasury shares or subsidiary holdings		
As at 31/03/2020 and 31/03/2021	<u>-</u>	<u>-</u>

During the financial year ended 31 March 2021 ("FY 2021") and FY 2020, no options were granted pursuant to Arion Entertainment Singapore Limited Employees' Share Option Scheme 2014 ("ESOS"). As at 31 March 2021 and 31 March 2020, there are 7,846,154 options exercisable into 7,846,154 new ordinary shares of the Company.

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

The issued shares excluding treasury shares as at 31 March 2021 and 31 March 2020 is 933,951,593 shares and 622,940,542 shares respectively. The Company did not have any treasury shares as at 31 March 2021 and 31 March 2020.

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

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

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

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

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

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

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

Not applicable.

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

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

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

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

Not applicable. The Group's latest financial statements for the financial year ended 31 March 2020 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements for the financial year ended 31 March 2020.

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

Not applicable as there are no changes to the accounting policies or methods adopted by the Group since its most recently audited financial year ended 31 March 2020.

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

	31/03/2021	31/03/2020
Loss per share ("LPS") attributable to shareholders		
- on weighted average number of shares (Singapore cents)	(0.09)	(0.17)
- on a fully diluted basis (Singapore cents)	(0.09)	(0.17)

Notes:

(1) The weighted average number of ordinary shares outstanding is 804,367,339 and 622,940,542 for FY2021 and FY2020 respectively.

(2) The basic and diluted LPS for FY2021 and FY2020 were the same as the outstanding options and Warrants 2015 Issue (which expired on 5 May 2020) were out-of-money.

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

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Net asset value based on total number of issued shares as at the respective period (Singapore cents)	0.30	0.31	0.27	0.25
Issued number of shares ('000)	933,952	622,941	933,952	622,941

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

Revenue

Revenue from Malaysian publishing operations for the year ended 31 March 2021 ("FY2021") decreased marginally by 1.4% to S\$0.86 million as compared to S\$0.87 million in the previous corresponding period. The decrease is mainly due to lower advertisement revenue as Smart Investor was being published bi-monthly in FY2021 as a result of the ongoing pandemic as compared to being published monthly in FY2020. The decrease was partially offset by an increase in circulation revenue during FY2021 arising from the recognition of S\$62,000 revenue in relation to unsatisfied performance obligation for undelivered publications as at 31 March 2020 as the magazines were delivered in April 2020.

Other gains

Other gains decreased marginally to S\$24,000 as compared to S\$28,000 in FY2020 due mainly to the absence of write-off of trade creditors and interest income as reported in FY2020. This is partially offset by the grants received by the Company under the Singapore Government Jobs Support Scheme (please refer to note (i) to the income statement in page 2 for details).

Direct Costs

Printing and editorial costs increased by 8.0% to S\$0.49 million as compared to S\$0.45 million in FY2020 due to the following:

- (a) the Group's use of an alternative printer during the movement control period in Malaysia in April 2020, as the Group's regular printing service provider did not operate during that period; and
- (b) the printer that the Group was using in Malaysia ceased operations in July 2020 and the costs charged by the new printer was higher.

Employee compensation decreased by 32.4% to S\$0.58 million as compared to S\$0.85 million in FY2020 due mainly to a decrease in the remuneration of the Executive Director who had voluntarily reduced his remuneration commencing from January 2020.

The increase in operating lease expenses by 13.5% in FY2021 to S\$42,000 as compared to S\$37,000 in FY2020 is mainly due to the new co-work space leased by the Company commencing February 2020.

Professional fees decreased by 15.3% to S\$0.24 million as compared to S\$0.28 million in FY2020 as the Company engaged professionals for a prospective acquisition which did not come to fruition during FY2020.

Other expenses decreased by 24.4% to S\$0.23 million as compared to S\$0.30 million in FY2020 due to over accrual of S\$29,000 for the costs related to the preparation of the Company's annual report for FY2020 due to e-circulation of annual reports as allowed under Covid-19 measures. The over-accrual is written back in FY2021. The costs written back is offset by higher foreign exchange losses in FY2021 arising from the translation of inter-company balances between Singapore and Malaysia amounting to S\$10,000 as a result of the weaker Malaysian Ringgit.

Loss attributable to shareholders

Loss attributable to shareholders for FY2021 was S\$0.70 million as compared to a loss of S\$1.04 million in FY2020.

The improvement was mainly due to the decrease in employee compensation, professional fees and other operating expenses as explained above.

Balance sheet

The decrease in trade and other receivables in FY2021 was largely due to the lower advertising revenue attributed to Smart Investor magazine.

Cash and cash equivalents increased by S\$0.95 million due largely to the Company's issue of new shares (the "**Proposed Subscription**") which was completed on 14 September 2020. The gross proceeds from the Proposed Subscription amounted to approximately S\$1.63 million. Please refer to the section "Cash-flow" below for explanation on the cash flow.

Cash-flow

Cash and cash equivalents as at 31 March 2021 was S\$3.05 million as compared to S\$2.10 million as at 31 March 2020.

Cash used in operating activities was S\$0.69 million in FY2021. The net operating cash outflow was mainly due to operating loss before working capital changes of S\$0.69 million, which was adjusted for working capital inflow of S\$4,000.

Cash provided by financing activity was S\$1.63 million in FY2021 as a result from the Proposed Subscription as mentioned above.

The Group had a positive working capital of S\$2.83 million as at 31 March 2021 as compared to S\$1.90 million as at 31 March 2020.

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

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

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

On 16 February 2021, the Company obtained shareholders' approval to diversify into property business and moneylending business. The Company has plans to commence the moneylending business in Hong Kong in the next few months. The Company will update shareholders via SGXNet as and when there are material developments in relation thereto.

As mentioned previously in our HY2021 results which was announced on 12 November 2020, , the Group has plans to shift towards digital and online publishing which has yet to be initiated as at 31 March 2021 due to challenging economic conditions in Malaysia due to the pandemic. However, our Malaysian publishing operations plan to initiate digital publishing during the financial year ending 31 March 2022.

11. Dividend

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

None.

(b) (i) Amount per sharecents

None.

(ii) Previous corresponding periodcents

None.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been recommended for the financial year ended 31 March 2021 as the Group is not profitable.

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

The Group has not obtained a general mandate from shareholders for IPTs. There were no IPTs of S\$100,000 and above for the financial year ended 31 March 2021.

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

During FY2021, the Company struck off its wholly-owned dormant subsidiaries namely, Auston Technology Group Pte. Ltd. and TLG Properties Pte.Ltd. (as announced on 17 July 2020) and Panpac Tech Strategic Ltd. (as announced on 6 May 2020). Save as disclosed, the Company did not acquire or dispose of any shares resulting in any of the prescribed situations under Rule 706A in FY 2021.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers as required in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
 (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

By business segments

	Malaysia	Singapore	
	Publishing, exhibition & events S\$'000	HQ costs & Investments S\$'000	Total S\$'000
<u>For year ended 31 March 2021</u>			
Sales to external parties	857	-	857
Segment result	26	(743)	(717)
Other income, net	6	18	24
Profit/ (loss) before income tax	32	(725)	(693)
Income tax	(1)	(5)	(6)
Net profit/ (loss)	31	(730)	(699)
Net loss includes			
Amortisation, depreciation and impairment	3	-	3
Segment assets	491	2,729	3,220
Segment assets includes:			
Additions to property, plant and equipment	- *	-	- *
Segment liabilities	142	236	378

* less than S\$1,000

	Malaysia	Singapore	
	Publishing, exhibition & events S\$'000	HQ costs & Investments S\$'000	Total S\$'000
For year ended 31 March 2020			
Sales to external parties	869	-	869
Segment result	79	(1,137)	(1,058)
Other income, net	6	22	28
Profit/ (loss) before income tax	85	(1,115)	(1,030)
Income tax	-	(6)	(6)
Net profit/ (loss)	85	(1,121)	(1,036)
Net loss includes			
Amortisation, depreciation and impairment	4	-	4
Segment assets	432	1,854	2,286
Segment assets includes:			
Additions to property, plant and equipment	- *	-	-
Segment liabilities	129	256	385

* less than S\$1,000

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to section 8 above.

18. A breakdown of sales

	FY 2021 S\$'000	FY 2020 S\$'000	% (Decrease)
(a) Revenue reported for first half year	493	477	3.4
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(196)	(407)	(51.8)
(c) Revenue reported for second half year	364	392	(7.1)
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(503)	(629)	(20.0)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable. No dividend has been declared or recommended for FY2021 and FY2020.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Not applicable. There is no person occupying a managerial position in the Company and/or its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company and/or its subsidiaries as at 31 March 2021 pursuant to Rule 704(10) of the Catalist Rules.

21. Use of Net Proceeds

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

Purpose	Net proceeds utilised from 12 November 2020* till the date of announcement (S\$'000)	Net proceeds utilised as at the date of announcement (S\$'000)	Balance unutilised (S\$'000)
Publishing business	-	-	500
Working capital	448	972	405
- Wages and staff related costs	172	418	
- Creditors	158	436	
- Directors' fees	118	118	
Total	448	972	905

* The date on which the HY2021 results was announced.

The use of proceeds is consistent with the Company's proposed use of funds as set out in the announcement dated 29 September 2018.

The following relates to the net proceeds of S\$1.61 million raised from the Proposed Subscription of 311 million shares that was completed in September 2020:

Purpose	Net proceeds utilised as at the date of announcement (S\$'000)	Balance unutilised (S\$'000)
General working capital	-	1,290
Future corporate developments and new business opportunities (if any)	-	322
Total	-	1,612

As at the date of this announcement, there was no utilisation of the net proceeds raised from the Proposed Subscription. The Company will make periodic announcements via SGXNet on the utilisation of the Proposed Subscription proceeds as and when such proceeds are materially disbursed.

BY ORDER OF THE BOARD

Ng Kai Man
Executive Director
Singapore, 28 May 2021

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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