

ARION ENTERTAINMENT SINGAPORE LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2022

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

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

	S\$'000		%	S\$'000		%
	6 months ended		Increase/	12 months ended		Increase/
Note	31/03/2022	31/03/2021	(Decrease)	31/03/2022	31/03/2021	(Decrease)
Revenue						
Advertising	18	27	(33.3)	54	57	(5.3)
Circulation	360	337	6.8	846	800	5.8
	<u>378</u>	<u>364</u>	3.8	<u>900</u>	<u>857</u>	5.1
Other gains	(i) 3	7	(57.1)	7	24	(70.8)
Expenses						
Printing and editorial costs	(231)	(215)	7.4	(525)	(488)	7.6
Employee compensation	(480)	(298)	61.1	(746)	(577)	29.3
Amortisation, depreciation and impairment	(8)	(1)	> 100.0	(10)	(3)	> 100.0
Operating lease expenses	(25)	(21)	19.0	(45)	(42)	7.1
Professional fees	(123)	(141)	12.8	(188)	(238)	(21.0)
Other operating expenses	(270)	(192)	40.6	(318)	(226)	40.7
Total expenses	<u>(1,137)</u>	<u>(868)</u>	31.0	<u>(1,832)</u>	<u>(1,574)</u>	16.4
Loss before income tax	(756)	(497)	52.1	(925)	(693)	33.5
Income tax expense	(4)	(6)	(33.3)	(4)	(6)	(33.3)
Net Loss	<u>(760)</u>	<u>(503)</u>	51.1	<u>(929)</u>	<u>(699)</u>	32.9
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Loss	8	8	-	8	7	14.3
Total comprehensive loss for the period	<u>(752)</u>	<u>(495)</u>	51.9	<u>(921)</u>	<u>(692)</u>	33.1
Loss attributable to:						
- Equity holders of the company	<u>(760)</u>	<u>(503)</u>	51.1	<u>(929)</u>	<u>(699)</u>	32.9
Total comprehensive loss attributable to:						
- Equity holders of the company	<u>(752)</u>	<u>(495)</u>	51.9	<u>(921)</u>	<u>(692)</u>	33.1

NM denotes not meaningful

Notes to income statement:

(i) Included in other gains are:

Publishing related revenue	3	2	6	6
Jobs Support Scheme	-	5	1	18
	<u>3</u>	<u>7</u>	<u>7</u>	<u>24</u>

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

	Group		Company	
	31/03/2022 (Unaudited) S\$'000	31/03/2021 (Audited) S\$'000	31/03/2022 (Unaudited) S\$'000	31/03/2021 (Audited) S\$'000
Current assets				
Cash and cash equivalents	2,083	3,050	1,459	2,690
Trade and other receivables	99	83	1	1
Other current assets	88	79	26	38
	<u>2,270</u>	<u>3,212</u>	<u>1,486</u>	<u>2,729</u>
Non-current assets				
Investment in subsidiary corporations	-	-	- *	-
Property, plant and equipment	142	8	-	-
Goodwill on consolidation	92	-	-	-
	<u>2,504</u>	<u>3,220</u>	<u>1,486</u>	<u>2,729</u>
TOTAL ASSETS	<u>2,504</u>	<u>3,220</u>	<u>1,486</u>	<u>2,729</u>
Current liabilities				
Trade and other payables	581	375	376	233
Provision for taxation	2	3	2	2
	<u>583</u>	<u>378</u>	<u>378</u>	<u>235</u>
TOTAL LIABILITIES	<u>583</u>	<u>378</u>	<u>378</u>	<u>235</u>
NET ASSETS	<u>1,921</u>	<u>2,842</u>	<u>1,108</u>	<u>2,494</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	146,309	146,309	146,309	146,309
Accumulated losses	(144,614)	(143,685)	(145,460)	(144,074)
Share option reserve	259	259	259	259
Currency translation reserve	(33)	(41)	-	-
	<u>1,921</u>	<u>2,842</u>	<u>1,108</u>	<u>2,494</u>
TOTAL EQUITY	<u>1,921</u>	<u>2,842</u>	<u>1,108</u>	<u>2,494</u>

* less than S\$1,000

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

Amount repayable in one year or less, or on demand

As at 31/03/2022		As at 31/03/2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Amount repayable after one year

As at 31/03/2022		As at 31/03/2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral

Not applicable.

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

	For the 12 months ended	
	31/03/2022 (Unaudited) S\$'000	31/03/2021 (Audited) S\$'000
Cash flows from operating activities		
Net loss	(929)	(699)
Adjustments for:		
Amortization and depreciation	10	3
Income tax expense	4	6
	(915)	(690)
Changes in working capital, net effects from acquisition of subsidiaries		
Trade and other receivables	(25)	14
Trade and other payables	199	(10)
Cash used in operations	(741)	(686)
Income tax paid	(5)	(3)
Interest received	-	-
Net cash used in operating activities	(746)	(689)
Cash flows from investing activities		
Additions to property, plant and equipment	(144)	- *
Acquisition of subsidiaries, net of cash	(85)	-
Net cash used in investing activities	(229)	-
Cash flows from financing activity		
Proceeds from issue of new shares	-	1,633
Net cash provided by financing activity	-	1,633
Net (decrease)/ increase in cash and cash equivalents	(975)	944
Cash and cash equivalents at beginning of financial year	3,050	2,099
Effects of currency translation on cash and cash equivalents	8	7
Cash and cash equivalents at end of financial year	2,083	3,050

* less than S\$1,000

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

	Attributable to equity holders of the Company				
	Share Capital	Currency translation reserve	Share options reserve	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group					
<u>2021</u>					
Balance as at 01/04/2021	146,309	(41)	259	(143,685)	2,842
Total comprehensive loss for the year	-	8	-	(929)	(921)
Balance as at 31/03/2022	146,309	(33)	259	(144,614)	1,921
<u>2021</u>					
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
The Company					
<u>2022</u>					
Balance as at 01/04/2021	146,309	-	259	(144,074)	2,494
Total comprehensive loss for the year	-	-	-	(1,386)	(1,386)
Balance as at 31/03/2022	146,309	-	259	(145,460)	1,108
<u>2021</u>					
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

Notes to the condensed interim consolidated financial statements:

N1. Corporate information

Arion Entertainment Singapore Limited is listed on the Catalist Board of the Singapore Exchange and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements as at and for the second half and full year ended 31 March 2022 comprise the Company and its subsidiary corporations (the "Group").

The registered office is at 138 Robinson Road, #26-03, Oxley Tower, Singapore 068906 and the principal place of business is at 350 Orchard Road, #11-08, Shaw House, Singapore 238868.

The principal activities of the Company are those of provision of management services and investment holding. The principal activities of its subsidiary corporations are those of media publishing and money lending business.

N2. Basis of preparation

The condensed interim financial statements for the second half and full year ended 31 March 2022 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last financial statements for the full year ended 31 March 2021 and the public announcement made by the Company during the interim reporting period.

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

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

N2.1 New and amended standards adopted by the Group

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

N2.2 Use of judgment and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 March 2021.

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

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

N2.3 Going concern

The Group reported net loss of \$929,000 (financial year ended 31 March 2021: \$699,000) for the year ended 31 March 2022 and as at that date, total cash and cash equivalents decreased by \$746,000 (2021: \$689,000) from outflows of cash from operating activities. These financial results indicate the existence of material uncertainties on the Group's and the Company's ability to continue as going concerns. Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the year ended 31 March 2022 is appropriate after taking into consideration the following:

- the Group and the Company will have sufficient cash flows to meet the operating requirements, based on a 12-month cash flows projection; and
- the Group has commenced its moneylending operations in March 2022 resulting in potentially a new revenue stream.

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

N2.4 Goodwill on consolidation

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.

N2.5 Investment in subsidiary corporations

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

N3. Seasonal operations

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

N4. Related party transactions

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

N5. Revenue*Disaggregation of revenue from contracts with customers*

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

	At a point in time S\$'000	Over time S\$'000	Total S\$'000
6 months ended 31/03/2022			
<i>Malaysia</i>			
Circulation of magazines and periodicals	360	-	360
Advertisements	-	18	18
	<u>360</u>	<u>18</u>	<u>378</u>
6 months ended 31/03/2021			
<i>Malaysia</i>			
Circulation of magazines and periodicals	337	-	337
Advertisements	-	27	27
	<u>337</u>	<u>27</u>	<u>364</u>
12 months ended 31/03/2022			
<i>Malaysia</i>			
Circulation of magazines and periodicals	846	-	846
Advertisements	-	54	54
	<u>846</u>	<u>54</u>	<u>900</u>
12 months ended 31/03/2021			
<i>Malaysia</i>			
Circulation of magazines and periodicals	800	-	800
Advertisements	-	57	57
	<u>800</u>	<u>57</u>	<u>857</u>

N6. Financial assets and financial liabilities

The Group and the Company financial assets and liabilities as at 31 March 2022 and 31 March 2021 are as follows:

	31/03/2022 S\$'000	31/03/2021 S\$'000
<u>Group</u>		
Financial assets at amortised cost	2,192	3,142
Financial liabilities at amortised cost	<u>566</u>	<u>355</u>
<u>Company</u>		
Financial assets at amortised cost	1,464	2,694
Financial liabilities at amortised cost	<u>376</u>	<u>233</u>

N7. Impairment of trade and other receivables

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 and other receivables.

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

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

As at 31 March 2022, 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.

The Company's amount due from subsidiary corporation comprises advances to Fame Harvest Limited for working capital purposes.

Consequently, no loss allowance have been recognised by the Group for the second half and full year ended 31 March 2022. The Company has recognised loss allowance amounted to S\$1,400,000 (2021:S\$900,000) for amounts due from subsidiary corporations.

N8. Property, plant and equipment

During the six months and full year ended 31 March 2022, the Group acquired assets amounting to S\$144,000 (full year ended 31 March 2021: S\$Nil*) and did not dispose of assets (full year ended 31 March 2021: S\$Nil).

* less than S\$1,000

N9. Segment information

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

The CODM considers the Group's businesses from both geographical and business segment perspectives. Geographically, management manages and monitors the businesses in the three primary geographic areas: Singapore, Malaysia and Hong Kong. Malaysia is engaged in publishing, exhibition and events, Hong Kong is engaged in publishing, exhibition and events and moneylending and Singapore is engaged in HQ costs and investments. The business operations in Hong Kong commenced in the second half of the financial year ended 31 March 2022.

The segment information provided to the CODM for the reportable segments for the 6 months and full year ended 31 March 2022 and 31 March 2021 are as follows:

	Malaysia	Hong Kong		Singapore	
	Publishing, exhibition & events S\$'000	Money lending S\$'000	HQ costs & investments S\$'000	Total S\$'000	
For year ended 31 March 2022					
Sales to external parties	900	-	-	-	900
Segment result	52	(60)	(37)	(887)	(932)
Other gains, net	6	-	-	1	7
Profit/ (loss) before income tax	58	(60)	(37)	(886)	(925)
Income tax	(1)	-	-	(3)	(4)
Net profit/ (loss)	57	(60)	(37)	(889)	(929)
Net loss includes					
Amortisation, depreciation and impairment	3	4	3	-	10
Segment assets	571	236	212	1,485	2,504
Segment assets includes:					
Additions to property, plant and equipment	2	48	94	-	144
Segment liabilities	161	9	31	382	583

	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 gains, 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	Hong Kong		Singapore	
	Publishing, exhibition & events		Money lending	HQ costs & Investments	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For 6 months ended 31 March 2022					
Sales to external parties	378	-	-	-	378
Segment result	(28)	(60)	(37)	(634)	(759)
Other gains, net	3	-	-	-	3
Loss before income tax	(25)	(60)	(37)	(634)	(756)
Income tax	(1)	-	-	(3)	(4)
Net loss	(26)	(60)	(37)	(637)	(760)
Net loss includes					
Amortisation, depreciation and impairment	1	4	3	-	8
Other information					
Additions to property, plant and equipment	2	48	94	-	144

	Malaysia	Singapore	
	Publishing, exhibition & events	HQ costs & Investments	Total
	S\$'000	S\$'000	S\$'000
For the 6 months ended 31 March 2021			
Sales to external parties	364	-	364
Segment result	(25)	(479)	(504)
Other gains, net	2	5	7
Profit/ (loss) before income tax	(23)	(474)	(497)
Income tax	(1)	(5)	(6)
Net profit/ (loss)	(24)	(479)	(503)
Net loss includes			
Amortisation, depreciation and impairment	1	-	1
Additional information:			
Additions to property, plant and equipment	- *	-	- *

* less than S\$1,000

N10. Subsequent events

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

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

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

During the financial year ended 31 March 2022 ("FY 2022") and FY 2021, no options were granted pursuant to Arion Entertainment Singapore Limited Employees' Share Option Scheme 2014 ("ESOS"). As at 31 March 2022 and 31 March 2021, there are 7,846,154 options exercisable into 7,846,154 new ordinary shares of the Company.

Save for the above, the Company did not have any other outstanding options and convertibles as at 31 March 2022 and 31 March 2021.

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

The issued shares excluding treasury shares as at 31 March 2022 and 31 March 2021 are 933,951,593 shares. The Company did not have any treasury shares as at 31 March 2022 and 31 March 2021.

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

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

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

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

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

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

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

Not applicable.

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

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

Not applicable. The Group's latest financial statements for the financial year ended 31 March 2021 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 2021.

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 2021.

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.

	6 months ended		12 months ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Net loss attributable to equity holders of the Company (S\$'000)	(760)	(503)	(929)	(699)
Weighted average number of ordinary shares outstanding for basic loss of share ('000)	933,952	933,952	933,952	804,367
Basic loss per share (cents)	(0.08)	(0.05)	(0.10)	(0.09)

The Group has no dilution in its loss per share as at 31 March 2022 and 31 March 2021. The dilutive potential ordinary shares arising from share options have not been included in the calculation of diluted loss per share because they are anti-dilutive.

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

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Net asset value based on existing issued share capital as at the respective period (Singapore cents)	0.21	0.30	0.12	0.27
Issued number of shares ('000)	933,952	933,952	933,952	933,952

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

Review of Financial Performance

2HFY22 vs 2HFY21

Revenue

Revenue from Malaysian publishing operations for the six months ended 31 March 2022 ("2HFY22") increased marginally to S\$0.38 million as compared to S\$0.36 million in the previous corresponding period was attributable to an increase in circulation revenue for Calibre and Feng due to the gradual lifting of Covid-19 movement restriction. The increase is offset by a decrease in advertising revenue attributable to Smart Investor and Calibre as a result of challenging economic conditions in Malaysia.

Other gains

Other gains decreased by S\$4,000 largely due to the absence of grants received by the Company under the Singapore Government's Jobs Support Scheme during 2HFY22.

Direct costs

Printing and editorial costs increased marginally to S\$0.23 million as compared to S\$0.22 million in 2HFY21 due to a 9% increase in the printing costs for both Calibre and Feng magazines from February 2022.

Employee compensation increased by 61.1% to S\$0.48 million as compared to S\$0.30 million in 2HFY21 due to (a) the revision of the remuneration of the Executive Director in October 2021 resulting in an increase amounting to S\$0.14 million; and (b) the employment of personnel in Hong Kong for Smart Investor for which the Group commenced publishing operations during 2HFY22 and the moneylending business of about S\$36,000.

Amortisation, depreciation and impairment increased to S\$8,000 as compared to S\$1,000 in 2HFY21 due to additions of property, plant and equipment for the new office premises in Hong Kong division.

Professional fees decreased by 12.8% to S\$0.12 million as compared to S\$0.14 million in 2HFY21 due to the costs incurred relating to the extraordinary general meeting held on 16 February 2021 to obtain shareholders' approval for the diversification of the Group's business to include the property business and the moneylending business.

Operating lease expenses increased by 19.0% to S\$25,000 as compared to S\$21,000 in 2HFY21 due to new office premises in Hong Kong for the publishing and money lending operations.

Other operating expenses increased by 40.6% to S\$0.27 million as compared to S\$0.19 million in 2HFY21 due to an increase in the business development expenses incurred by the Executive Director of about S\$36,000 and expenses incurred by our Hong Kong operations with the commencement of the publishing and money lending business of about S\$47,000.

Loss attributable to shareholders

Loss attributable to shareholders for 2HFY22 was S\$0.76 million as compared to a loss of S\$0.50 million in the previous corresponding period.

The higher loss was largely due to an increase in employee compensation and other operating expenses as explained above. In addition, our Hong Kong division commenced operations in 2HFY22 and incurred a loss of S\$0.1 million.

FY2022 vs FY2021

Revenue

Revenue from Malaysian publishing operations for FY2022 increased by 5.1% to S\$0.90 million as compared to S\$0.86 million in the previous corresponding period attributable to an increase in circulation revenue for Calibre and Feng due to the gradual lifting of Covid-19 movement restriction.

Other gains

Other gains decreased by S\$17,000 largely due to a decrease in the grants received by the Company under the Singapore Government's Jobs Support Scheme during FY2022.

Direct costs

Printing and editorial costs increased to S\$0.53 million as compared to S\$0.49 million in FY2021 due to higher costs imposed by the new printer vendor which our Malaysia operations started using in July 2020 and a 9% increase in printing costs for Calibre and Feng from February 2022 .

Employee compensation increased by 29.3% to S\$0.75 million as compared to S\$0.58 million in FY2021 due to (a) the revision of the remuneration of the Executive Director in October 2021 resulting to an increase amounting to S\$0.14 million; and (b) the employment of personnel in Hong Kong for Smart Investor for which the Group commenced publishing operations during 2HFY22 and the moneylending business of about S\$36,000.

Amortisation, depreciation and impairment increased to S\$10,000 as compared to S\$3,000 in FY2021 due to additions of property, plant and equipment for the new office premises in Hong Kong division.

Professional fees decreased by 21.0% to S\$0.19 million as compared to S\$0.24 million in FY2021 due to the (a) non-recurring fees incurred in FY2021 in relation to the placement of new shares which was completed in September 2020; and (b) costs incurred relating to the extraordinary general meeting held on 16 February 2021 to obtain shareholders' approval for the diversification of the Group's business to include the property business and the moneylending business.

Operating lease expenses increased by 7.1% to S\$45,000 as compared to S\$42,000 in FY2021 due to new office premises in Hong Kong for the publishing and money lending operations.

Other operating expenses increased by 40.7% to S\$0.32 million as compared to S\$0.23 million in FY2021 due to (a) an increase in the business development expenses incurred by the Executive Director of about S\$36,000; (b) expenses incurred by our Hong Kong operations with the commencement of the publishing and money lending business of about S\$47,000; and (c) the overaccrual of S\$29,000 for the costs related to the preparation of the Company's annual report for FY2020 which is written back during FY2021.

Loss attributable to shareholders

Loss attributable to shareholders for FY2022 was S\$0.93 million as compared to a loss of S\$0.70 million in the previous corresponding period.

The higher loss was largely due to an increase in employee compensation and other operating expenses as explained above. In addition, our Hong Kong division commenced operations in FY2022 and incurred a loss of S\$0.1 million.

Review of Financial Position

Balance sheet

The increase in trade and other receivables is mainly due to the longer period required to collect payments from the customers of our Malaysia's publishing operations in view of the difficult market situation amidst Covid-19 pandemic. Our Malaysian subsidiary has subsequently collected S\$82,000 of the amounts outstanding as at 31 March 2022.

The increase in property, plant and equipment is due to purchases of computers, office equipment and furniture and fittings by our publishing and money lending operations in Hong Kong which commenced in FY2022.

Goodwill on consolidation is attributable to the acquisition of Win Win Finance Limited (“WWFL”). As the purchase price allocation (“PPA”) is not completed as at 31 March 2022, this is a provisional amount and will be adjusted accordingly upon the completion of the PPA.

The increase in trade and other payables is mainly due to accruals for the payments to the Executive Director relating to his remuneration package amounting to S\$0.14 million, as well as accrued expenses for our new Hong Kong operations of about S\$40,000.

Cash and cash equivalents decreased by S\$746,000 due to the utilisation of cash for operating activities and S\$229,000 for investing activities. Please refer to the “cash-flow” section below for explanation on the cash flow.

Cash-flow

Cash and cash equivalents as at 31 March 2022 was S\$2.08 million as compared to S\$3.05 million as at 31 March 2021.

Cash used in operating activities was S\$0.75 million in FY2022. The net operating cash outflow was due to operating loss before working capital changes of S\$0.92 million adjusted for working capital inflows of S\$0.17 million which were mainly attributable to an increase in trade and other payables during the period.

Cash used in investing activities was S\$0.23 million in FY2022 due to purchases of property, plant and equipment of S\$0.14 million mainly by our Hong Kong operations and S\$85,000 utilised in the acquisition of WWFL.

The Group had positive working capital of S\$1.69 million as at 31 March 2022 as compared to S\$2.83 million as at 31 March 2021.

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

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

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

The Company’s wholly-owned subsidiary, Fame Harvest Limited, has acquired WWFL in March 2022 and the Group has commenced its moneylending operations in Hong Kong through WWFL. Additionally, the Group has also launched a website, www.smartinvestor.hk, for Smart Investor in Hong Kong, a website with articles on property, stock market and investments which is freely accessible by the public.

Due to current economic conditions, our Malaysian operations have not commenced digital publishing as yet. The management in Malaysia will implement these plans when the economic conditions in Malaysia have improved.

The Group will continue to grow its money lending operations in Hong Kong taking into account the financial resources available.

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 2022 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 2022.

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

During FY2022, the Company's wholly-owned subsidiary, Fame Harvest Limited acquired the entire issued share capital of WWFL for a cash consideration of HK\$1.25 million (about S\$0.22 million) as announced on 10 February 2022. WWFL holds a money lender's license and its principal activity is that of a licensed money lender. 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 2022.

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

16. 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.

17. A breakdown of sales

	FY 2022 S\$'000	FY 2021 S\$'000	% (Decrease)
(a) Revenue reported for first half year	522	493	5.9
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(169)	(196)	(13.8)
(c) Revenue reported for second half year	378	364	3.8
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(760)	(503)	51.1

18. 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 FY2022 and FY2021.

19. 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).

Name	Age	Family relationship with any director and/ substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ng Yan Pui, Amber	31	Daughter of Executive Director of the Company, Mr Ng Kai Man	Appointed as director of Win Win Finance Limited on 10 March 2022. Duties - Corporate compliance and review of loan portfolio reports and management accounts.	Not applicable as Ms Ng Yan Pui, Amber was appointed during the financial year.

20. Use of Net Proceeds

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

Purpose	Net proceeds allocated (S\$'000)	Reallocation of net proceeds (S\$'000)	Net proceeds utilised from 9 November 2021* 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	(339)	119	119	42
- Wages and staff related costs			36	36	
- Creditors			35	35	
- Property, plant and equipment			48	48	
Working capital	1,377	-	64	1,377	-
- Wages and staff related costs			48	581	
- Creditors			16	560	
- Directors' fees			-	236	
Money lending business	-	339	339	339	-
- Wages and staff related costs		22	22	22	
- Creditors		7	7	7	
- Property, plant and equipment		94	94	94	
- Acquisition of Win Win Finance Limited	-	216	216	216	
Total	1,877	-	522	1,835	42

* The date on which the HY2022 results was announced.

In the announcement dated 29 September 2018, the intended use of the net proceeds were allocated 26.2% to publishing businesses and 73.8% to general working capital. The actual use of proceeds differs from that as stated in the announcement due mainly to a change in the Group's strategy to diversify into property and moneylending businesses. The reallocation of net proceeds for the moneylending business and the acquisition of Win Win Finance Limited is set out in the table above.

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

Purpose	Net proceeds allocated (S\$'000)	Net proceeds utilised as at the date of announcement (S\$'000)	Balance unutilised (S\$'000)
General working capital	1,290	269	1,021
- Wages and staff related costs		205	
- Creditors		64	
Future corporate developments and new business opportunities (if any)	322	-	322
Total	1,612	269	1,343

The use of proceeds raised from the placement is consistent with the Company's proposed use of funds as set out in the announcement dated 5 August 2020.

BY ORDER OF THE BOARD

Ng Kai Man
Executive Director
30 May 2022

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

The contact person for the Sponsor is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.