

CIRCULAR DATED 16 JULY 2018

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**This Circular is issued by Arion Entertainment Singapore Limited (the “Company”) and is important and requires your immediate attention. Please read it carefully. If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all of your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

*This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”), for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”). The Sponsor has not verified the contents of this Circular.*

*This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.*

*The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)*

## **ARION ENTERTAINMENT SINGAPORE LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199407135Z)

### **CIRCULAR TO SHAREHOLDERS**

in relation to:

**THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN) INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED.**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : Sunday, 29 July 2018 at 11.00 a.m.

Date and time of Extraordinary General Meeting : Tuesday, 31 July 2018 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same venue)

Place of Extraordinary General Meeting : The National University of Singapore Society (NUSS)  
Suntec City Guild House,  
3 Temasek Boulevard, #02-401/402,  
Suntec Tower 5, Singapore 038983

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## CONTENTS

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	<b>Page</b>
<b>DEFINITIONS</b> .....	3
 <b>LETTER TO SHAREHOLDERS</b>	
1. INTRODUCTION.....	6
2. PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT BOOKS CLOSURE DATE (AS DEFINED HEREIN) INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED .....	6
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST .....	12
4. EXTRAORDINARY GENERAL MEETING.....	13
5. ACTION TO BE TAKEN BY SHAREHOLDERS.....	13
6. DIRECTORS' RECOMMENDATION .....	13
7. DIRECTORS' RESPONSIBILITY STATEMENT .....	13
8. DOCUMENTS AVAILABLE FOR INSPECTION .....	14
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	N-1
 <b>PROXY FORM</b>	

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

<b>“AES ESOS”</b>	: Arion Entertainment Singapore Limited Employee Shares Option Scheme approved by Shareholders at an extraordinary general meeting held on 30 July 2014
<b>“AGM”</b>	: Annual general meeting of the Company
<b>“Board”</b>	: The board of directors of the Company for the time being
<b>“Books Closure Date”</b>	: The time and date, to be determined by the Directors and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the shareholding(s) of each Shareholder to the Consolidated Shares pursuant to the Proposed Share Consolidation
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Circular”</b>	: This circular to Shareholders dated 16 July 2018 in respect of the Proposed Share Consolidation
<b>“Companies Act”</b>	: The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<b>“Company”</b>	: Arion Entertainment Singapore Limited
<b>“Committee”</b>	: The remuneration committee of the Company which is responsible for the administration of the AES ESOS
<b>“Constitution”</b>	: The Constitution of the Company
<b>“Consolidated Shares”</b>	: The consolidated shares in the issued share capital of the Company held by Shareholders pursuant to the completion of the Proposed Share Consolidation
<b>“Directors”</b>	: The directors of the Company for the time being
<b>“Effective Trading Date”</b>	: Has the meaning given in Paragraph 2.4
<b>“EGM”</b>	: Extraordinary general meeting of the Company
<b>“Exercise Price”</b>	: The price at which a participant shall subscribe for each Share upon the exercise of an Option under the AES ESOS
<b>“Existing Shares”</b>	: Shares in issue prior to the Proposed Share Consolidation
<b>“Group”</b>	: The Company and its subsidiaries
<b>“Last Practicable Date”</b>	: 4 July 2018, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	: The Listing Manual of the SGX-ST as may be amended, supplemented or modified from time to time
<b>“LPS”</b>	: Loss per share

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## DEFINITIONS

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“Market Day”	: A day on which the SGX-ST is open for trading in securities
“New Share Certificates”	: Has the meaning given in Paragraph 2.5(i)
“Notice of EGM”	: The notice of the EGM to be held on 31 July 2018 which is set out on page N-1 of this Circular
“NTA”	: Net tangible assets
“Old Share Certificates”	: Has the meaning given in Paragraph 2.5(i)
“Option”	: The right to subscribe for Shares granted or to be granted to a participant pursuant to the AES ESOS and for the time being subsisting, and in respect of which the exercise price is determined in accordance with the rules of the AES ESOS
“Option Shares”	: The new Shares which may be issued from time to time pursuant to the exercise of AES ESOS
“Proposed Share Consolidation”	: The proposed consolidation of every ten (10) Existing Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded
“Register of Members”	: The register of members of the Company
“Rights cum Warrants 2015”	: The renounceable non-underwritten rights cum warrants issue undertaken by the Company in 2015 of 684,225,646 new ordinary shares in the capital of the Company at an issue price of S\$0.0045 for each rights share, with 1,368,451,292 free detachable warrants
“Securities Account”	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Registrar”	: The share registrar of the Company, being Tricor Barbinder
“Shareholders”	: Registered holders of Shares except what where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean that persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	: Ordinary shares in the issued share capital of the Company
“S\$” and “cents”	: Singapore dollars and cents respectively, the lawful currency of Singapore
“%” or “per cent.”	: Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

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## DEFINITIONS

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The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall where applicable, have the same meaning assigned to it under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or any modification thereof as the case may be, unless the context otherwise requires.

References to persons shall include corporations.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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## LETTER TO SHAREHOLDERS

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### ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199407135Z)

**Directors:**

Mr Ng Kai Man (Executive Director)  
Mr Chou Kong Seng (Independent Director)  
Mr Roy Ling Chung Yee (Independent Director)  
Mr Kesavan Nair (Independent Director)  
Mr Lee Keng Mun (Independent Director)

**Registered Office:**

9 Battery Road  
#15-01 MYP Centre  
Singapore 049910

16 July 2018

To: The Shareholders of Arion Entertainment Singapore Limited

Dear Sir/Madam

**THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT THE BOOKS CLOSURE DATE INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED.**

#### 1. INTRODUCTION

The Board is convening an EGM to be held on 31 July 2018 to seek the approval of shareholders for the Proposed Share Consolidation.

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Share Consolidation, and to seek Shareholders' approval for this resolution relating to the same. The Notice of EGM is set out on page N-1 of this Circular.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

#### 2. THE PROPOSED SHARE CONSOLIDATION

##### 2.1 Overview of the Proposed Share Consolidation

On 8 June 2018, the Company announced that it is proposing to seek Shareholders' approval to undertake the Proposed Share Consolidation, pursuant to which every ten (10) Existing Shares held by Shareholders as at Books Closure Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, the Register of Members and the transfer books of the Company will be closed on the Books Closure Date to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9.00 a.m. on the Market Day immediately following the Books Closure Date, every ten (10) Existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share.

Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

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## LETTER TO SHAREHOLDERS

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**Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to their nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractional Shares which are disregarded. Notwithstanding the above, Shareholders should note that the Proposed Share Consolidation is subject to such approvals and conditions as described in Paragraph 2.4 below.**

Shareholders whose shareholdings, as at the Books Closure Date, is less than ten (10) existing Shares or multiples of ten (10) Shares should note that the Proposed Share Consolidation may result in (a) such Shareholders being no longer Shareholders or (b) rounding down to the nearest whole Consolidated Share with any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded. As such, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/ return requirements, consider the possibility of purchasing additional Shares so as to increase the number of Existing Shares held to multiples of ten (10) Existing Shares prior to the Books Closure Date.

As at the Last Practicable Date, the Company has an issued share capital of S\$142,601,094.82 divided into 3,635,525,365 Existing Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued capital of S\$142,601,094.82 divided into approximately 363,552,536 Consolidated Shares, after disregarding fractional interests in the Consolidated Shares arising from the Proposed Share Consolidation.

**The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group.**

**Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.**

### **2.2 Rationale behind the Proposed Share Consolidation**

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(i) Reduction of volatility of the Share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices may translate to higher transaction costs, relative to the trading prices, for each trading of one board lot of Shares. In addition, low traded share prices are generally more prone to speculation and market manipulation, which may result in excessive Share price volatility. The Board therefore believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

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## LETTER TO SHAREHOLDERS

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- (ii) Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding. It is expected that, all other things being equal, the theoretical trading price and net tangible assets of each Consolidated Share would be higher than the trading price and net tangible assets of each Existing Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. This may increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

**Shareholders should note however that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this Paragraph 2.2, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

### 2.3 Financial Effects of the Proposed Share Consolidation

For the purposes of this Paragraph 2.3, the following assumptions apply:-

- (i) the pro forma financial effects of the Proposed Share Consolidation on the share capital, NTA per Share, LPS and gearing of the Company as presented below are purely for illustrative purposes only and are not projections of the actual future financial performance or financial position of the Company after the completion of the Proposed Share Consolidation. The pro forma financial effect have been computed based on the audited financial results of the Company for the financial year ended 31 March 2018 (“FY2018”);
- (ii) the number of Shares for the financial effects relating to the NTA per share and the share capital of the Company are based on 3,635,525,365 Shares as at 31 March 2018 (before the completion of the Proposed Share Consolidation);
- (iii) for the purpose of computing the LPS of the Company after the Proposed Share Consolidation, it is assumed that the Proposed Share Consolidation was completed on 1 April 2017; and
- (iv) for the purpose of calculating the NTA per Share and the gearing after the Proposed Share Consolidation, it is assumed that the Proposed Share Consolidation was completed on 31 March 2018.

**(a) Share Capital**

<b>As at 31 March 2018</b>	<b>Before the Proposed Share Consolidation</b>	<b>After the Proposed Share Consolidation</b>
Issued Share Capital (S\$'000)	142,601	142,601
Number of Shares	3,635,525,365	363,552,536

**(b) NTA per Share**

<b>As at 31 March 2018</b>	<b>Before the Proposed Share Consolidation</b>	<b>After the Proposed Share Consolidation</b>
NTA (S\$'000)	1,602	1,602
Number of Shares	3,635,525,365	363,552,536
NTA per Share (cents)	0.04	0.44



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## LETTER TO SHAREHOLDERS

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**(c) LPS**

<b>For the financial year ended 31 March 2018</b>	<b>Before the Proposed Share Consolidation</b>	<b>After the Proposed Share Consolidation</b>
Loss attributable to Shareholders (S\$'000)	(890)	(890)
Weighted average number of Shares for basic EPS	3,635,525,365	363,552,536
Weighted average number of Shares for diluted EPS	3,635,525,365	363,552,536
EPS – basic and diluted (S\$ cents) <sup>1</sup>	(0.02)	(0.24)

*Note:*

(1) *The basic and diluted LPS for FY2018 were the same as the outstanding warrants arising from the Rights cum Warrants 2015 and the 70,000,000 Options were out-of-money.*

**(d) Gearing**

The Proposed Share Consolidation will not have an impact on the gearing of the Company

### 2.4 Conditions of the Proposed Share Consolidation

The implementation of the Proposed Share Consolidation is subject to, inter alia:

- (i) the receipt of approval in-principle of the SGX-ST for the listing of and quotation for the Consolidated Shares; and
- (ii) the approval of Shareholders by way of an ordinary resolution at the EGM.

The SGX-ST has on 25 June 2018 granted its approval in-principle for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST subject to (a) Shareholder's approval for the Proposed Share Consolidation being obtained at the EGM and (b) compliance with the listing requirements of SGX-ST. Such approval is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company, its subsidiaries and their securities.

An announcement will be made by the Company in due course to notify Shareholders of the Books Closure Date, the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of one hundred (100) Consolidated Shares (the "**Effective Trading Date**").

### 2.5 Updating of Register of Members and Depository Register

If Shareholders' approval of the Proposed Share Consolidation is obtained, Shareholders' entitlements of the Consolidated Shares will be determined on the Books Closure Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date.

**(i) Deposit of Share Certificates with CDP**

Shareholders who hold physical share certificates for the Existing Shares ("**Old Share Certificates**") in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date.

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## LETTER TO SHAREHOLDERS

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After the Books Closure Date, CDP will only accept the deposit of share certificates for Consolidated Shares (“**New Share Certificates**”). Shareholders who wish to deposit their share certificates with CDP after the Books Closure Date must first deliver their Old Share Certificates to the Share Registrar at 80 Robinson Road #02-00 Singapore 068898 for cancellation and issuance of the New Share Certificates in replacement thereof as described below.

**(ii) Issue of New Share Certificates**

Depositors and Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar at 80 Robinson Road #02-00 Singapore 068898 as soon as possible after they have been notified of the Books Closure Date, and preferably not later than five (5) Market Days after the Books Closure Date, for cancellation and exchange for New Share Certificates. No acknowledgement of receipt will be issued by the Share Registrar for the receipt of any Old Share Certificates tendered. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is the later.

Shareholders are to deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out in this Paragraph 2.5 only after the announcement of the Books Closure Date by the Company.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been delivered to the Share Registrar for cancellation.

Shareholders should notify the Company’s Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members.

**(iii) Share Certificates Not Valid for Settlement of Trades on SGX-ST**

Shareholders are reminded that their physical share certificates are not valid for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, the Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

### 2.6 Trading Arrangement for the Shares and for Odd Lots

**(i) Trading Arrangements for the Shares**

Subject to the approval of the Shareholders for the Proposed Share Consolidation having been obtained at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of one hundred (100) Consolidated Shares. Accordingly, every ten (10) Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one Consolidated Shares with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

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## LETTER TO SHAREHOLDERS

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**(ii) Trading Arrangements for Odd Lots of Consolidated Shares**

All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Board may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

The Shares are currently traded in board lots of one hundred (100) Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the Unit Share Market which would allow trading in odd lots with a minimum size of one (1) Consolidated Share.

Shareholders who continue to hold odd lots of less than one hundred (100) Consolidated Shares may find difficulty and/or have to bear disproportionate transaction costs in realizing the fair market price of such Consolidated Shares.

### 2.7 Adjustments to Convertible Securities

**(i) Adjustment to AES ESOS**

As at Latest Practicable Date, 70,000,000 Options granted by the Company pursuant to the AES ESOS remains unexercised.

Under the terms of the AES ESOS, if, amongst others, a consolidation of Shares takes place, the exercise price for the Option Shares, class and/or number of Option Shares comprised in an Option to the extent unexercised, shall be adjusted in such manner as the Committee may determine to be appropriate and upon the written confirmation of the auditors of the Company that in their opinion such adjustment is fair and reasonable. The Company has obtained the necessary confirmation from its auditors on the aforementioned.

The adjustments to the Options will be effective on the date which the Company notifies each participants of the AES ESOS in writing and delivers to him/her statement setting forth the new Exercise Price thereafter in effect and the class and/or the number of Shares thereafter to be issued or delivered on the exercise of the Option.

The Committee has determined that following the Proposed Share Consolidation and based on the number of unexercised Options as at the Latest Practicable Date, adjustments shall be made to the number of Options and Exercise Price per Option as follows:-

Date of Grant	Expiry Date	No. of Options		Exercise Price per Option (S\$)	
		Before Adjustment	After Adjustment	Before Adjustment	After Adjustment
13.07.2015	13.07.2025	70,000,000	7,000,000	S\$0.028	S\$0.28

## LETTER TO SHAREHOLDERS

### (ii) Adjustment to outstanding warrants pursuant to Rights cum Warrants 2015

As at Latest Practicable Date, there are 1,368,451,292 outstanding warrants arising from the Rights cum Warrants 2015 which can be exercisable into 1,368,451,292 ordinary shares of the Company. Details of the outstanding warrants are as follows:

No. of new Shares which will be issued on exercise	Exercise price	Exercise period
1,368,451,292	S\$0.005	08.08.2015 to 07.08.2020

Pursuant to the deed poll dated 6 May 2015 constituting the Warrants 2015, the exercise price and the number of Warrants 2015 held by the warrant holders shall be adjusted pursuant to the Proposed Share Consolidation. Accordingly, the revised terms are as follows:

No. of new Shares which will be issued on exercise	Exercise price	Exercise period
136,845,129	S\$0.05	08.08.2015 to 07.08.2020

The Company has obtained a written confirmation from its auditor, that the above adjustments to be made following the Proposed Share Consolidation are, in their opinion, fair and reasonable.

### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

The interests of the Directors and Substantial Shareholders of the Company as at Latest Practicable Date are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Ng Kai Man	380,000,000	10.45	–	–
Chou Kong Seng	3,000,000	0.08	–	–
Roy Ling Chung Yee	3,000,000	0.08	–	–
Kesavan Nair	3,000,000	0.08	–	–
Lee Keng Mun	–	–	–	–

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chung Yuen Yee Kathy	350,000,000	9.63	–	–
Century Greenland (Hong Kong) Limited	300,000,000	8.25	–	–
Interlims (HK) Co., Limited	300,000,000	8.25	–	–
L127 Co., Ltd	300,000,000	8.25	–	–
Jin Xianghua <sup>(1)</sup>	–	–	300,000,000	8.25
Lim Ho <sup>(2)</sup>	–	–	300,000,000	8.25
Lee Sung Jin <sup>(3)</sup>	–	–	300,000,000	8.25

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## LETTER TO SHAREHOLDERS

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Notes:

- (1) Ms Jin Xianghua is deemed interested in 300,000,000 ordinary shares in the issued share capital of the Company held by Century Greenland (Hong Kong) Limited ("Century Greenland") by virtue of her 100% shareholding in Century Greenland.
- (2) Mr Lim Ho is deemed interested in 300,000,000 ordinary shares in the issued share capital of the Company held by Interlims (HK) Co., Limited ("Interlims") by virtue of his 100% shareholding in Interlims.
- (3) Mr Lee Sung Jin is deemed interested in 300,000,000 ordinary shares in the issued share capital of the Company held by L127 Co., Ltd ("L127") by virtue of his 100% shareholding in L127.

#### **4. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page N-1 of this Circular, will be held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on Tuesday, 31 July 2018 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of EGM.

#### **5. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event so as to arrive at the registered office of the Company at 9 Battery Road #15-01 MYP Centre Singapore 049910, not less than 48 hours before the time fixed for holding the EGM. The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of his proxy.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by the CDP at least 72 hours before the time fixed for the EGM or any adjournment thereof.

#### **6. DIRECTORS' RECOMMENDATION**

Having considered the rationale and terms of the Proposed Share Consolidation, the Directors are of the opinion that the Proposed Share Consolidation is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Share Consolidation as set out in the Notice of EGM.

#### **7. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation as set out herein, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

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## LETTER TO SHAREHOLDERS

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### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 9 Battery Road #15-01 MYP Centre Singapore 049910 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of the Company; and
- (ii) the annual report of the Company for the year ended 31 March 2018

**Yours faithfully,  
For and on behalf of the Board of Directors of  
Arion Entertainment Singapore Limited**

**Ng Kai Man  
Executive Director**

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199407135Z)

*Please note that unless otherwise defined, all capitalized terms used in this Notice bear the same meanings as ascribed to them in the Company's circular to Shareholders dated 16 July 2018 (the "Circular")*

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders (the "Shareholders") of Arion Entertainment Singapore Limited (the "Company") will be held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on Tuesday, 31 July 2018 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

#### ORDINARY RESOLUTION: THE PROPOSED SHARE CONSOLIDATION

##### THAT:

- (a) the proposed consolidation of every ten (10) Existing Shares as at the Books Closure Date, into one (1) Consolidated Share in the manner set out in the Circular;
- (b) any fractions of Consolidated Shares arising from the Proposed Share Consolidation shall be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company;
- (c) the Directors and each of them be hereby authorized to fix the Books Closure Date and the Effective Trading Date in their absolute discretion as they deem fit; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required, approving any amendments, alterations or modifications to any documents, and to sign, file, and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may in their/his absolute discretion consider expedient or necessary to give effect to this resolution.

#### BY ORDER OF THE BOARD

**Abdul Jabbar Bin Karam Din**  
**Chan Poh Kuan**  
Joint Company Secretaries  
16 July 2018

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### IMPORTANT: PLEASE READ NOTES

#### Notes:

1. A proxy need not be a member of the Company.
2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore, a member entitled to attend, speak and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead.
3. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
5. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
7. The instrument appointing a proxy must be deposited at the registered office of the Company at 9 Battery Road #15-01 MYP Centre Singapore 049910, not less than 48 hours before the time for holding the EGM.

#### Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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)

**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.

**PROXY FORM**

(Please see notes overleaf before completing this Form)

I/We\* \_\_\_\_\_ (Name and 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			

or failing him/her, the Chairman of the EGM, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on 31 July 2018 at 11.00 a.m. or immediately after the Annual General Meeting 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.

Ordinary Resolution	For *	Against *
The Proposed Consolidation of every ten (10) existing issued ordinary shares in the capital of the Company into one (1) ordinary share.		

*\*If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

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 BEFORE COMPLETING THIS PROXY FORM**



**Notes:**

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) a member entitled to attend, speak and vote at the Extraordinary General Meeting (the “**EGM**”) is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he 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 the member of the Company.
4. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediaries is entitled to appoint more than two proxies to attend, speak and vote at the EGM provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
5. The instrument appointing a proxy or proxies must be under the hand of the appointer 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 either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The instrument appointing a proxy or proxies shall be deposited at the registered office of the Company at 9 Battery Road #15-01 MYP Centre Singapore 049910 not less than 48 hours before the time appointed for the EGM.
8. Please indicate with an “√” in the spaces provided (alternatively, you may indicate the number of votes as appropriate) whether you wish your vote(s) to be for or against the Resolutions as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies.
10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
11. An investor who buys shares using CPF monies (“**CPF Investor**”) and/or SRS monies (“**SRS Investor**”) (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

**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 Extraordinary General Meeting dated 16 July 2018.