

ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in Singapore)

(Company Registration Number 199407135Z)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

- ADJUSTMENT TO THE EXERCISE PRICE AND NUMBER OF OUTSTANDING OPTIONS

1 INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Arion Entertainment Singapore Limited (the “**Company**”) refers to the Company’s announcements dated 29 September 2018, 15 October 2018, 1 November 2018, 22 November 2018, 3 December 2018, 5 December 2018, 6 December 2018 and 19 December 2018 (the “**Announcements**”) relating to the proposed renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 507,397,641 new ordinary shares in the capital of the Company (the “**Rights Shares**”).

Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed to them in the Company’s announcement dated 29 September 2018.

2 ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As at the date of this announcement, there are 7,000,000 outstanding share options (the “**Options**”) which have not been exercised under the grant of options on 13 July 2015 pursuant to the Arion Entertainment Singapore Limited Employees’ Share Option Scheme 2014 (formerly known as Elektromotive Employees’ Share Option Scheme 2014) (“**ESOS 2014**”). These Options will expire on 13 July 2025. In accordance with the rules of the ESOS 2014, the Rights Issue constitutes an event that gives rise to an adjustment to the exercise price of each Option and the number of Options held by each holder of the such options (the “**Optionholder**”) (the “**Options Adjustments**”).

Following the Rights Issue and pursuant to the rules of the ESOS 2014, the exercise price and number of the Options will be adjusted in the following manner:

Grant Date and Scheme	Before Options Adjustments		After Options Adjustments	
	Exercise Price	Number of Share Options	Exercise Price	Number of Share Options
Options granted on 13 July 2015 under ESOS 2014	S\$0.028	7,000,000	S\$0.03 (rounded up to the nearest cent)	7,846,154

The Options Adjustments have been made pursuant to Rule 12 of the ESOS 2014 which provides that Options shall be adjusted in such manner as the Remuneration Committee (being the committee administering the ESOS 2014) determines to be appropriate. The Remuneration Committee with the concurrence of the Board (saved from those who have abstained as stated herein) has determined that the Options have been adjusted in an appropriate manner. The formula for adjustment has adopted the same formula for the adjustment of warrants as announced on 19 December 2018.

The adjusted Options held by each Optionholder will be rounded down to the nearest 1,000 Options.

As Mr Chou Kong Seng (“Mr Chou”) and Mr Kesavan Nair (“Mr Nair”) each holds 600,000 Options (prior to the Options Adjustments), Mr Chou and Mr Nair, who are members of the Remuneration Committee, have abstained from recommending and voting on all matters relating to the Options Adjustments.

3 NUMBER OF ADDITIONAL OPTIONS TO BE ISSUED

An estimated total of up to 846,154 additional Options will be issued to the Optionholders. The Options Adjustment shall take effect on 31 December 2018 on which the Company will issue the written notices to the Optionholders in accordance with the rules of ESOS 2014.

4 CONFIRMATION FROM AUDITORS

Pursuant to Rule 12.2 of the ESOS 2014, the Company’s auditors (“**Auditors**”), Nexia TS Public Accounting Corporation, has reviewed and found that the Options Adjustments are fair and reasonable from the procedures performed to evaluate whether the Options Adjustments are calculated in accordance with the specified formula determined to be appropriate by the Remuneration Committee as set out in Rule 12 of the ESOS 2014. The Auditors has also verified the mathematical accuracy of the new exercise price of each Option as well as the adjusted number of Options based on the formula determined to be appropriate by the Remuneration Committee as set out in Rule 12 of the ESOS 2014.

5. CAUTION IN TRADING

Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt to the action they should take should consult their stockbrokers, bank managers, solicitors, or other professional advisors.

Save for the Options Adjustments described above, the terms and conditions of the Options remain unchanged.

For and on behalf of the Board of Directors

Ng Kai Man
Executive Director
20 December 2018

*This announcement has been prepared by Arion Entertainment Singapore Limited (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 announcement.*

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

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).