

## ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199407135Z)  
(the “Company”)

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### PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF WIN WIN FINANCE LIMITED BY FAME HARVEST LIMITED

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#### 1. INTRODUCTION

- 1.1 The board of directors of the Company (the “**Board**”) wishes to announce that Fame Harvest Limited, a wholly-owned subsidiary of the Company, has on 10 February 2022 entered into a sale and purchase agreement (“**SPA**”) with Mr Gorman Kwong Chi Fai (the “**Vendor**”) for the acquisition of 1,000,000 ordinary shares in the issued and paid-up capital of Win Win Finance Limited (“**WWFL**” or the “**Target Company**”), representing the entire issued capital of WWFL (the “**Sale Shares**”) on the terms and conditions set out therein (the “**Proposed Acquisition**”).

#### 2. INFORMATION ON THE VENDOR AND TARGET COMPANY

*The information on the Vendor and Target Company was provided by the Vendor and the Target Company respectively and/ or extracted from publicly available sources. Although the Company has conducted due diligence on the Target Company, the Company and the Board have not independently verified the accuracy and correctness of the statements and information below and the Company and Board’s responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.*

##### 2.1 Information on the Vendor

Mr Gorman Kwong Chi Fai is chairman of 21 Finance Limited, a company providing loans to property owners and managing director of Century 21 On Hing Property Consultants (“**C21OH**”). C21OH is a franchisee of Century 21 Hong Kong Limited (“**C21HK**”), of which Mr Ng Kai Man (“**Mr Ng**”), Executive Director of the Company, is the ultimate shareholder. Other than as disclosed above, 21 Finance Limited and C21OH are not related entities of Century 21 Singapore Holdings Pte Ltd, Menkin Ltd and/ or C21HK, the latter three entities being associates of Mr Ng. The Vendor used to be a substantial shareholder of the Company but ceased to own any shares of the Company since August 2020.

The Vendor is an independent third party and is not related to any Directors or controlling shareholders or their respective associates.

Mr Ng knows the Vendor since 1994 when C21OH became a franchisee of C21HK. Mr Ng has been actively looking out to acquire a Hong Kong entity with a money lender’s license in order to kickstart the Group’s money lending business in Hong Kong. Having considered the complexity of the application process and also the time needed, the Company decided to acquire a shell company with a valid money lender’s license rather than applying for the license.

The SPA was negotiated between the Vendor and Mr Ng when Mr Ng approached the Vendor in late 2021 with the idea of the Proposed Acquisition.

## 2.2 Information on the Target Company

WWFL was incorporated on 26 February 2021 in the Hong Kong SAR as a private company limited by shares. As at the date of this announcement, it has an issued and paid-up capital of HK\$1,000,000 comprising 1,000,000 ordinary shares, and its sole shareholder is Mr Gorman Kwong Chi Fai. Mr Gorman Kwong and Mr Mok You Keung (“**Mr Mok**”) are the current directors of WWFL. Mr Mok will resign as a director of WWFL before/ on Completion Date (as defined below). WWFL is principally engaged in the money lending business and holds a money lender license in Hong Kong (the “**License**”). The License is valid for twelve months commencing 24 August 2021 and allows money lending to both individuals and corporations and there are no limits to the loan amount to be granted. The Directors understand that under applicable laws and rules governing money lending business in Hong Kong, WWFL would only be required to lodge the change in shareholder with the relevant authorities, process of which is expected to take no longer than six months.

Mr Ng will be appointed as a director of WWFL and oversee the money lending business upon completion of the Proposed Acquisition. To ensure continuity of the License while WWFL lodges the change in shareholder with the relevant authorities, the Vendor will remain as a director of WWFL for a period of six months from Completion Date. However, the Vendor will not be involved in the daily operations and management of WWFL during this period and consequently preventing any conflict of interests arising from his directorship at WWFL.

## 3. RATIONALE FOR THE PROPOSED ACQUISITION

- 3.1 The Company has previously obtained shareholders’ approval in February 2021 to diversify into the money lending business. The Proposed Acquisition would allow the Company to commence its money lending business in Hong Kong and thereby reducing the Group’s reliance on its existing business which has shown limited growth potential in the last few years, as well as provide Shareholders with diversified returns and potential long-term growth.
- 3.2 The Board also believes that the Proposed Acquisition is expected to bring about a new source of revenue, thereby improving its prospects and enhancing Shareholder’s value for the Company. Accordingly, the Board is of the view that the Proposed Acquisition is likely to enhance the long-term interests of the Company and its shareholders.

## 4. PRINCIPLE TERMS OF THE SPA

### 4.1 Consideration

The aggregate consideration for the purchase of the Sale Shares is HK\$1.25 million (approximately S\$0.22 million based on the exchange rate of HK\$1 = S\$0.1725). Such consideration shall be payable by the Company in cash.

The consideration was arrived at taking into account the unaudited cash reserves and assets of WWFL as at 16 December 2021 of approximately HK\$763,000 and HK\$500,000 for the costs and time taken to apply for the License following arms’ length negotiation between the Company and the Vendor, on a willing-buyer-willing-seller basis. The HK\$500,000 for cost and time taken to apply for the License was arrived at after taking into consideration factors such as the remaining validity of the License and quotes obtained from third party service providers.

Completion of the sale and purchase of the Sale Shares shall take place on the 5th business day after the date on which the last of the conditions precedent set out in the SPA is satisfied or waived in accordance to the terms and conditions therein (“**Completion Date**”).

#### 4.2 **Salient Conditions Precedent**

Completion of the Proposed Acquisition of WWFL is subject to, *inter alia*, the fulfilment of the following material conditions, including but not limited to:

- (a) WWFL having performed and complied with all agreements, obligations and covenants contained in the SPA that are required to be performed or complied with by them at or prior to the Completion Date;
- (b) satisfactory outcome of legal, business and financial due diligence investigations on WWFL;
- (c) all approvals, authorisations, exemptions, filings, licences, orders, permissions, permits, recordings or registrations required under the laws of Hong Kong SAR and Singapore (including but not limited to those from any regulatory authority or recognised stock exchange) for entering into and performance of the, and the transactions contemplated therein having been obtained and remaining valid and effective as of the Completion Date;
- (d) WWFL holding the License, and the License shall not be threatened with withdrawal, revocation or cancellation at any time prior to completion; and
- (e) undertaking from the Vendor to remain as a director of WWFL for six months at an agreed fee of HK\$5,500 per month (approximately S\$950 per month) commencing from the Completion Date; and
- (f) the representations and warranties given by the Vendor being true, valid and correct at all times up to Completion Date;

#### 5. **RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES**

Based on the unaudited consolidated financial statements of the Group for the half year ended 30 September 2021 (“**HY 2022**”), the relative figures for the Proposed Acquisition of WWFL computed on the bases set out in Rule 1006 of the Catalist Rules are set out below:

<b>Rule 1006</b>	<b>Bases of Calculation</b>	<b>Relative Figures (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value.	Not applicable <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired or disposed of, compared to with the Group’s net profits.	17.90 <sup>(2)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company’s market	2.57 <sup>(3)</sup>

	capitalisation based on the total number of issued shares excluding treasury shares.	
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable <sup>(4)</sup>

**Notes:**

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Based on the unaudited loss attributable to WWFL for HY 2022 of HK\$0.18 million (approximately S\$30,000), and the Group's audited net loss for HY 2022 of S\$0.17 million. Net profits/(loss) is defined to be profit or loss before income tax, minority interests and extraordinary items, in each case taking into account only the absolute values.
- (3) The consideration for the Proposed Acquisition of WWFL of S\$0.22 million represents approximately 2.57% of the Company's market capitalisation of approximately S\$8,405,564, determined by multiplying the number of shares in issue of the Company of 933,951,593 shares by the weighted average price of S\$0.009 of such shares transacted on 9 February 2022, being the market day preceding the date of execution of the SPA.
- (4) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules is less than 75%, the Proposed Acquisition does not require Shareholders' approval pursuant to Chapter 10 of the Catalist Rules and the diversification mandate granted by Shareholders in February 2021.

## **6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

### Bases and Assumptions

For illustration purposes only, the following is an analysis and illustration of the financial effects of the Proposed Acquisition on the Group based on: (i) the latest unaudited consolidated financial statements of the Group for HY 2022; and (ii) the financial information of WWFL.

The pro forma financial effects as set out herein do not reflect the actual financial results or the future financial performance and condition of the Group and WWFL and, following the completion of the Proposed Acquisition, the group comprising the Group and WWFL.

For the purposes of illustrating the pro forma financial effects of the Proposed Acquisition, the financial effects of the Proposed Acquisition were computed based on the following assumptions:

- (a) The financial effect on the Group's net tangible assets ("NTA") and gearing are computed on the assumption that the completion of the Proposed Acquisition occurred on 30 September 2021;
- (b) The financial effect on the Group's earnings is computed on the assumption that the completion of the Proposed Acquisition occurred on 1 April 2021;
- (c) The financial effects do not take into account any potential impact on the profit and loss or net assets of the Group arising from fair value adjustment as a result of acquisition accounting; and
- (d) Expenses in connection with the Proposed Acquisition have been disregarded for the purposes of calculating the financial effects.

S\$'000	As at 30 September 2021/HY2022	
	Before Proposed Acquisition	After Proposed Acquisition
Net Tangible Assets ("NTA")	2,673	2,600
NTA per share (cents)	0.29	0.28
Net losses after tax	(169)	(199)
Loss per share (cents)	(0.02)	(0.02)
Share capital (\$'000)	146,309	146,309

## 7. SERVICE AGREEMENT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

Nevertheless, in order to ensure continuity of the License while WWF lodges the change in shareholder with the relevant authorities, the Vendor will remain as a director of WWFL for six months commencing from the Completion Date and be paid an agreed fee of HK\$5,500 per month (approximately S\$950 per month). The Vendor will not be involved in the daily operations and management of WWFL during this period and consequently preventing any conflict of interests arising from his directorship at WWFL.

## 8. INTERESTS OF DIRECTORS

None of the Directors (other than in his capacity as Director or Shareholder) has any interest, direct or indirect, in the Proposed Acquisition.

## 9. CAUTIONARY STATEMENT

Shareholders of the Company and potential investors should note that the Proposed Acquisition is subject to the fulfilment of certain conditions precedent and are advised to exercise caution when trading in the shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors. The Company will make the necessary announcements as and when there are further developments.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA will be available for inspection during normal business hours at the Company's registered office at 138 Robinson Road, #26-03, Oxley Towers, Singapore 068906 for a period of three (3) months from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company's Corporate Secretarial Representative at +65 6236 9346 at least three (3) working days' in advance to make a prior appointment to attend at the registered office of the Company to inspect the SPA.

## 11. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 this announcement in its proper form and context.

BY ORDER OF THE BOARD

Ng Kai Man  
Executive Director  
10 February 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.*

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