

ARION ENTERTAINMENT SINGAPORE LIMITED

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

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

1. THE PROPOSED SHARE CONSOLIDATION

The Board of Directors wishes to announce that the Company is proposing to consolidate every ten (10) existing ordinary shares (collectively, referred to as “**Shares**” and each, a “**Share**”) in the capital of the Company into one (1) ordinary share (collectively, referred to as the “**Consolidated Shares**” and each, a “**Consolidated Share**”) (the “**Proposed Share Consolidation**”). Accordingly, under the Proposed Share Consolidation, every ten (10) shares registered in the name of each shareholder of the Company (“**Shareholder**”) as at a books closure date to be determined (the “**Books Closure Date**”) will be consolidated to constitute one (1) Consolidated Share.

1.1 Details of the Proposed Share Consolidation

Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at an extraordinary general meeting (“**EGM**”), under the Proposed Share Consolidation, every 10 Shares registered in the name of each Shareholder at Books Closure Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded. 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.

Shareholders should note that the number of Consolidated Shares which they will be entitled to, based on their holdings of the existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the implementation of 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 Board of Directors of the Company may, in its 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 fractions of Consolidated Shares which are disregarded.

As at the date of this announcement, 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.

The Proposed Share Consolidation will have no impact on the issued and paid-up capital of the Company. 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.

1.2 Rationale of 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), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation, which may result in excessive Share price volatility. The Board 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.

(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, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2. APPROVALS AND CONDITIONS

The Proposed Share Consolidation is subject to, inter alia:

- (i) the approval in-principle of the SGX-ST for the listing of and quotation for the Consolidated Shares on the SGX Catalist; and
- (ii) the approval of Shareholders at an EGM to be convened for the Proposed Share Consolidation.

An application will be made to the SGX-ST to obtain the SGX's approval in-principle for the listing of and quotation for the Consolidated Shares arising from the Proposed Share Consolidation. An announcement on the outcome of the application will be made in due course.

3. CIRCULAR

Further details of the Proposed Share Consolidation will be provided in the circular to Shareholders to be despatched to Shareholders in due course.

By Order of the Board
Arion Entertainment Singapore Limited

Ng Kai Man
Executive Director
8 June 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 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).