

ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in Singapore)

(Company Registration Number 199407135Z)

SALE AND PURCHASE AGREEMENT RELATING TO THE PROPOSED ACQUISITION OF SHARES IN AUSTON TECHNOLOGY GROUP PTE LTD

1. Introduction

- 1.1 The board of directors (the "**Board**") of Arion Singapore Entertainment Limited (the "**Company**") and together with its subsidiary corporations, the "**Group**") wishes to announce that the Company has on 6 August 2018 entered into separate shares purchase agreements (the "**SPA**") with (i) Chin Mui Har, Chng Meow Eng and Lim Cheng Choo Jenny; (ii) Yeo Poh Siah; and (iii) Lim Kim Hock (the "**Vendors**"), pursuant to which the Company has agreed to acquire, and the Vendors have agreed to sell, 1,090,920 shares (representing approximately 21.82%) in the issued and paid-up share capital of Auston Technology Group Pte Ltd ("**ATG**") (the "**Sale Shares**"), for an aggregate consideration of S\$200,000.00 (the "**Consideration**"), upon the terms and subject to the conditions of the SPA (the "**Proposed Acquisition**").
- 1.2 The Group currently owns 78.18% in ATG and upon Completion, ATG will be a wholly-owned subsidiary of the Company.

2. Information on ATG

- 2.1 ATG is a private limited company incorporated in Singapore on 14 December 2009 with its registered address at 9 Battery Road #15-01 MYP Centre Singapore 049910 and is an investment holding company.

3. The Vendors

- 3.1 The Vendors are private individuals who currently hold 5,117 shares in the Company as follow :

Vendor	Number of shares ⁽¹⁾
Chin Mui Har	5,038
Chng Meow Eng	32
Lim Cheng Choo Jenny	47

- (1) The number of shares held by the Vendor prior to the proposed consolidation of every ten (10) existing issued ordinary shares in the capital of the Company into one (1) ordinary share.
- 3.2 Save as disclosed above, there is no relationship between the Vendors and the Company, the directors of the Company (the "**Directors**"), the controlling shareholders of the Company, or their respective associates.

4. **Consideration**

The Consideration, which shall be fully satisfied in cash, was arrived at after arm's length negotiations on a willing buyer, willing seller basis and after taking into account the historical financials of ATG. The Consideration is payable in full upon Completion (as defined below). The Company will use internal resources to fund the Proposed Acquisition.

As at 31 March 2018, the audited Net Asset Value ("**NAV**") of ATG is approximately S\$3.44 million.

5. **Rationale for the Proposed Acquisition**

ATG has been dormant for the past few years and the Proposed Acquisition is part of the Group's restructuring efforts to streamline the Group's structure. Additionally, the Consideration represents a discount of S\$0.55 million attributable to the Sale Shares' NTA as at 31 March 2018.

6. **Salient Terms of the Proposed Acquisition**

6.1 Conditions Precedent to Completion

Completion of the Proposed Acquisition is subject to conditions precedent, including but not limited to:

- (a) The approval of the board of directors of the Company being obtained for the Proposed Acquisition and all other transactions in connection therewith and incidental thereto, and not amended or revoked prior to Completion;
- (b) All required approvals, consents, clearances, releases and/or waivers necessary or desirable for the Proposed Acquisition and all other transactions in connection therewith and incidental thereto being obtained from any relevant governmental body and not amended or revoked prior to Completion.

6.2 Completion to take place by 30 September 2018 or such other time, date and venue as may otherwise agree to in writing ("**Completion**").

7. Financial Effects of the Proposed Acquisition

The proforma financial effects of the Group after the Proposed Acquisition as set out in this announcement below are for illustrative purposes only and do not reflect the actual future financial position of the Group following the Completion of the Proposed Acquisition.

The proforma financial effects of the Proposed Acquisition are based on the following assumptions:

- (a) in the calculation of the net tangible assets (“NTA”) and NTA per share, for illustrative purposes, it is assumed that the Proposed Acquisition had been effected on 31 March 2018;
- (b) in the calculation of NTA per share, the number of shares is based on the total number of issued shares of 3,635,525,365 as at 31 March 2018;
- (c) in the calculation of loss per share (“LPS”), for illustrative purposes, it is assumed that the Proposed Acquisition had been effected on 1 April 2017;
- (d) in the calculation of LPS, the number of shares is based on the weighted average number of ordinary shares of 3,635,525,365 for the financial year ended 31 March 2018;
- (e) transaction costs incurred for the Proposed Acquisition are assumed to be insignificant and ignored for computational purposes

S\$'000	FY 2018	
	Before Proposed Acquisition	After Proposed Acquisition
Net Tangible Assets	1,602	2,152
NTA per share (Singapore cents)	0.04	0.06
Net losses before tax, MI and extraordinary items	(881)	(323)
Loss per share (Singapore cents)	(0.02)	(0.01)

8. Relative Figures under Rule 1006

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Rules of the Catalist of the Listing Manual of the SGX-ST (the "Rules of Catalist") based on the unaudited consolidated financial statements of the Group for the financial year ended 31 March 2018 ("FY 2018"), are as follows:-

Rule	Basis of Calculation	
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset	Not applicable
Rule 1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits	(0.84%) ⁽¹⁾
Rule 1006(c)	Aggregate value of Purchase Consideration given, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury	5.50% ⁽²⁾
Rule 1006(d)	Number of equity securities issued by the Company as the Purchase Consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items.

Not meaningful based on the net profits attributable to the Sale Shares of approximately S\$7,400 and the net loss of S\$0.88 million for the Group for the financial year ended 31 March 2018.

- (2) The market capitalisation of S\$3,635,525, which is determined by multiplying the issued share capital of the Company of 3,635,525,365 Shares in issue (as at the date of this Announcement) with the weighted average price of S\$0.001 (Source: *Shareinvestor.com*) transacted on the Catalist of SGX-ST on 3 August 2018 (being the last market day for which the Shares were traded prior to the day the SPA was entered into).

As the relative figures computed on the applicable bases set out in Rule 1006 of the Rules of Catalist exceeds 5 % but is less than 75%, the Proposed Acquisition therefore constitutes a disclosable transaction within the ambit of Chapter 10 of the SGX-ST Listing Manual.

9. Directors' and Controlling Shareholders' Interests

None of the Directors, controlling shareholders of the Company or their associates has any interest, direct or indirect, in the Proposed Acquisition (other than through their shareholdings in the Company).

10. Directors' Service Contracts

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.

11. Directors' 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.

12. Document Available for Inspection

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office address at 9 Battery Road #15-01, MYP Centre, Singapore 049910 for a period of three (3) months commencing from the date of this announcement.

13. Cautionary Statement

Shareholders and potential investors should exercise caution when trading in the Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

For and on behalf of the Board

Ng Kai Man

Executive Director

6 August 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)