



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Arion Entertainment Singapore Limited

Security: Arion Entertainment Singapore Limited

Meeting details:

Date: 31 July 2018

Time: 10.00 a.m.

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

Company Description

Arion Entertainment Singapore Limited, an investment holding company, publishes and sells periodicals and magazines in Singapore and Malaysia. The company also engages in event management and convention organization business; and advertising business. It publishes approximately 10 titles in different languages. The company was formerly known as Elektromotive Group Limited and changed its name to Arion Entertainment Singapore Limited in January 2017. Elektromotive Group Limited was incorporated in 1994 and is headquartered in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5VU)

1. The group's remaining operation is that of publishing in Malaysia, generating about \$1.0 million in revenue for the financial year ended 31 March 2018. While it is expected to be cash flow positive in the next twelve months, the group has been actively seeking new business opportunities, including but not limited to acquisitions that may result in a reverse takeover transaction.

In November 2017, the company announced that it was in negotiation with Bio-Nexus Ltd. to acquire certain assets in the area of cyber security following the signing of a non-binding memorandum of understanding.

In January 2018, the negotiation ceased.

Between November 2016 and March 2017, the group was in discussion to acquire a South Korea artiste management company.

- (i) Can the board elaborate further on the process that it has gone through to search for new business opportunities?**
- (ii) Has the company used professional brokers, investment banks and business consultants to help it in its search for a new business?**
- (iii) What roles did the independent directors play in the deal sourcing process?**
- (iv) Is the board limiting the search for a new business to certain areas that are within the circles of competencies of the company, its management and/or its directors?**

2. On 8 June 2018, the company proposed a share consolidation of every ten existing ordinary shares in the capital of the company into one ordinary consolidated share.

The reasons given were:

- Reduction of volatility of the Share price
- Increase in the market interest and attractiveness of the Company and its Shares

- (i) Has the board considered how the consolidation might further depress the group's valuation should the consolidated shares trend down following the share consolidation?**
- (ii) The market interest and attractiveness of the company and its shares is primarily a function of the company's assets and business prospects. Would the board and the company be proposing a share consolidation for the wrong purpose if it thinks that it will increase the market interest and the attractiveness of the company and its shares?**
- (iii) What are the costs associated with the share consolidation?**
- (iv) Would the board reconsider the share consolidation?**

3. Mr. Kesavan Nair was first appointed on the board on 14 February 2013 and was last elected in 28 July 2016. Mr. Nair is the chairman of the nominating committee, member of the remuneration committee and the audit committee.

At the company's annual general meeting scheduled on Tuesday, 31 July 2018 at 10.00 a.m., Mr Nair, who is retiring under Article 107 of the company's constitution, is seeking his re-election.

As seen in Mr Nair's profile (page 5), Mr Nair sits on the boards of four other listed companies, one of which is holding its AGM on 31 July 2018 at 10.00 a.m. in Lion Building at Arumugam Road.

- (i) Can the company/Mr Nair confirm that Mr Nair will be present at the company's annual general meeting?**

- (ii) Would Mr Nair be reviewing his other commitments so that shareholders are certain that he is able to devote sufficient time, energy and attention to the company's affairs?**

A copy of the questions for the Annual Report for the financial year ended 31 March 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Arion%20Entertainment%20Singapore%20Ltd>

The company's response could be found here: -----