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If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of mm2 Asia Ltd. (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the stockbroker, bank or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee, subject to the distribution restriction set out in this Circular.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Hong Leong Finance Limited (the “**Sponsor**”), for compliance with the Singapore Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Listing Rules**”). The Sponsor has not independently verified the contents of this Circular including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, telephone: (65) 6415 9886.



mm2 Asia Ltd.

(Company Registration Number: 201424372N)
(Incorporated in Singapore on 20 August 2014)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

- (1) DIVERSIFICATION OF CORE BUSINESS TO INCLUDE THE CINEMA MANAGEMENT AND OPERATIONS BUSINESS (INCLUDING BY WAY OF THE PROPOSED ACQUISITION OF 50% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF DARTINA DEVELOPMENT LIMITED)**
- (2) THE PROPOSED CONDITIONAL PLACEMENT OF 26,315,790 NEW ORDINARY SHARES IN MM2 ASIA LTD. TO STARHUB LTD AT THE PLACEMENT PRICE OF S\$0.57 PER PLACEMENT SHARE**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 16 July 2017 at 10.00 a.m. (Singapore time)

Date and time of Extraordinary General Meeting : 18 July 2017 at 10.00 a.m. (Singapore time)

Place of Extraordinary General Meeting : Six Battery Road, #10-01
Singapore 049909

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated.

“Act”	:	Companies Act (Cap 50) of Singapore, as amended, modified or supplemented from time to time
“Board”	:	The board of Directors of the Company as at the date of this Circular
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended or modified from time to time
“Cathay Acquisition”	:	Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 3 July 2017
“Company”	:	mm2 Asia Ltd.
“Completion”	:	Has the meaning ascribed to it in paragraph 3.4 of this Circular
“Conditions Precedent”	:	Conditions Precedent to the GV Acquisition as set out in the Share Sale and Purchase Agreement
“Core Business”	:	Has the meaning ascribed to it in paragraph 4.1 of this Circular
“Cut-off Date”	:	Has the meaning ascribed to it in paragraph 9.5 of this Circular
“Dartina”	:	Dartina Development Limited
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 18 July 2017 at 10.00 a.m.
“EPS”	:	Earnings per share
“Golden Screen”	:	Golden Screen Limited
“Group”	:	The Company together with its subsidiaries
“GV Acquisition”	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
“Hong Kong Acquisition”	:	Has the meaning ascribed to it in paragraph 2.2 of this Circular
“HSBC”	:	The Hong Kong and Shanghai Banking Corporation Limited
“Latest Practicable Date”	:	29 June 2017
“Lotus Acquisition”	:	Has the meaning ascribed to it in paragraph 2.1.2 of this Circular

DEFINITIONS

“Malaysian Acquisitions”	:	Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Mega Acquisition”	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular
“mm2 Screen”	:	mm2 Screen Management Sdn Bhd
“Net Proceeds”	:	Has the meaning ascribed to it in paragraph 8.1.1 of this Circular
“Notice of EGM”	:	The notice of the EGM as set out on pages N-1 – N-2 of this circular.
“NTA”	:	Net tangible assets
“Placee”	:	StarHub Ltd
“Placement Agreement”	:	The placement agreement dated 29 June 2017 entered into between the Company and the Placee, under which the Placee had agreed to subscribe for, and the Company agreed to allot and issue 26,315,790 Placement Shares to the Placee at the Placement Price of S\$0.57 per Placement Share for a placement consideration of S\$15,000,000.30
“Placement Completion Date”	:	Has the meaning ascribed to it in paragraph 9.4 of this Circular
“Placement Shares”	:	26,315,790 Shares to be issued to the Placee pursuant to the Placement Agreement, and Placement Share shall be construed accordingly
“Placement Price”	:	S\$0.57 per Placement Share
“Placement LQN”	:	Has the meaning ascribed to it in paragraph 7.1.2 of this Circular
“Proposals”	:	The Proposed Diversification and Proposed Placement collectively
“Proposed Diversification”	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
“Proposed Placement”	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
“Proxy Form”	:	The proxy form as appended to this Circular
“Purchase Consideration”	:	Has the meaning ascribed to it in paragraph 3.3.1 of this Circular
“Share Sale and Purchase Agreement” or “SPA”	:	The share sale and purchase agreement entered into with the Seller for the purchase by the Group of the Seller’s entire stake in Dartina which comprises 50% of the issued share capital of Dartina
“Sale Shares”	:	Has the meaning ascribed to it in paragraph 3.1 of this Circular

DEFINITIONS

“SBA”	:	Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
“Securities Account”	:	The securities account(s) maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Seller”	:	Village Cinemas Australia Pty Ltd
“SFA”	:	Securities and Futures Act (Cap. 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shareholders Agreement”	:	Shareholders Agreement between the Seller and Golden Screen
“Shares”	:	Ordinary shares in the share capital of the Company
“Singapore Subsidiaries”	:	Singapore incorporated subsidiaries held by Dartina Development Limited
“Sponsor”	:	Hong Leong Finance Limited
“Substantial Shareholder”	:	A person who has an interest in one or more voting shares in a company and the total votes attached to such share(s) is not less than 5.0% of the total votes attached to all the voting shares in the company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“Transaction Entities”	:	Has the meaning ascribed to it in paragraph 3.2.1 of this Circular
“UnUsUaL”	:	UnUsUaL Pte. Ltd.
“%” or “per cent”	:	Percentage or per centum
“15 June Placement Agreement”	:	The placement agreement dated 15 June 2017 entered into between the Company, DBS Bank Ltd. and Maybank Kim Eng Securities Pte Ltd as joint placement agents

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**Subsidiary**” shall have the meaning ascribed to it in Section 5 of the Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

References to persons, where applicable, shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act or the Catalist Rules or any modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act or the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

LETTER TO SHAREHOLDERS

MM2 ASIA LTD.

(Company Registration Number: 201424372N)
(Incorporated in Singapore on 20 August 2014)

Board of Directors

Melvin Ang Wee Chye (Executive Chairman)
Tan Liang Pheng (Lead Independent Director)
Jack Chia Seng Hee (Independent Director)
Thomas Lei Chee Kong (Independent Director)
Mak Chi Hoo (Non-Executive Director)
Mock Pak Lum (Non-Executive Director)

Registered Office

1002 Jalan Bukit Merah
#07-11
Singapore 159456

3 July 2017

To: The Shareholders of mm2 Asia Ltd.

Dear Sir/Madam,

- (1) **DIVERSIFICATION OF CORE BUSINESS TO INCLUDE THE CINEMA MANAGEMENT AND OPERATIONS BUSINESS (INCLUDING BY WAY OF THE PROPOSED ACQUISITION OF 50% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF DARTINA DEVELOPMENT LIMITED)**
- (2) **THE PROPOSED CONDITIONAL PLACEMENT OF 26,315,790 NEW ORDINARY SHARES IN MM2 ASIA LTD. TO STARHUB LTD AT THE PLACEMENT PRICE OF S\$0.57 PER PLACEMENT SHARE**

1. INTRODUCTION

1.1 Overview

The Directors propose to convene an EGM to be held on 18 July 2017 at 10.00 a.m. to seek Shareholders' approval for the following resolutions:

- (a) the diversification of core business to include the cinema management and operations business (including by way of the proposed acquisition of 50% of the issued and paid-up share capital of Dartina Development Limited (the "**GV Acquisition**") (the "**Proposed Diversification**"); and
- (b) the proposed conditional placement of 26,315,790 shares in mm2 Asia Ltd. to StarHub Ltd at the Placement Price of S\$0.57 per Placement Share (the "**Proposed Placement**"),

(collectively, the "**Proposals**").

1.2 Purpose of Circular

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the Proposals to be tabled at the EGM, and to seek Shareholders' approval for the resolutions relating to the same.

The Sponsor and the SGX-ST assumes no responsibility for the correctness of any statements made or reports contained or opinions expressed in this Circular. This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.

LETTER TO SHAREHOLDERS

2. INFORMATION ON THE PREVIOUS ACQUISITIONS

2.1 The Malaysian Acquisitions

In line with the Group's overarching plan to diversify into business opportunities along the downstream value chain of the business, the Group began undertaking certain acquisitions in 2015 to enter into the cinema management and operations business to provide an additional source of recurring income and future growth for the Group. Within the last 12 months as of the date of this Circular, the Group has completed the Mega Acquisition and the Lotus Acquisition (each as defined below).

2.1.1 Mega Acquisition

On 1 July 2016, the Company through its wholly-owned subsidiary, mm2 Screen Management Sdn Bhd ("**mm2 Screen**") completed the acquisition of Mega Cinemas Management Sdn Bhd business operations at three locations in Malaysia (the "**Mega Acquisition**").

2.1.2 Lotus Acquisition

On 17 May 2017, the Company through its indirect wholly-owned subsidiary, mm2 Star Screen Sdn Bhd entered into a sale of business agreement (the "**SBA**") with Lotus Fivestar Cinemas (M) Sdn Bhd for the acquisition of the business of a chain of thirteen cinemas, which is targeted to complete within four months of the signing of the SBA (or such other date which both parties may mutually agree in writing) (the "**Lotus Acquisition**" and, together with the Mega Acquisition, the "**Malaysian Acquisitions**").

By way of additional information, on 1 November 2015, the Company had through mm2 Screen, earlier completed the acquisition of Cathay Cineplexes Sdn Bhd business operations at two locations in Malaysia (the "**Cathay Acquisition**").

2.2 The Hong Kong Acquisition

On 3 May 2017, the Company through its wholly-owned subsidiary mm2 Entertainment Pte. Ltd. entered into a binding memorandum of understanding with Cinema Pro Limited and Kbro Media Co. Limited to acquire 3,200,000 new shares (totaling 19.68% of the enlarged share capital) in Cinema Pro Limited. Cinema Pro Limited provides an all-in-one cinema management service and allowed the Group to increase its presence in new cinema project opportunities across Asia (the "**Hong Kong Acquisition**").

3. INFORMATION ON THE GV ACQUISITION

3.1 Introduction

On 13 June 2017, the Board announced that the Company had entered into the Share Sale and Purchase Agreement (the "**SPA**") with Village Cinemas Australia Pty Ltd (the "**Seller**") for the purchase by the Group of the Seller's entire stake in Dartina Development Limited ("**Dartina**") which comprises 50% of the issued share capital of Dartina (the "**Sale Shares**"). The GV Acquisition is likely to be a major contributor to the Group's stream of revenue and income.

3.2 Details of the GV Acquisition

3.2.1 Information on Dartina

Dartina is an investment holding company incorporated in Hong Kong which holds, through its Singapore incorporated subsidiaries (the "**Singapore Subsidiaries**", and together with Dartina, the "**Transaction Entities**"), the Golden Village cinema business in Singapore.

The Golden Village business is one of Singapore's leading cinema exhibitors, with 11 multiplexes housing 92 screens with locations in various parts of Singapore as of the date of this Circular.

LETTER TO SHAREHOLDERS

3.2.2 Information on the Seller

The Seller is a private company limited by shares incorporated in Australia and is a wholly-owned subsidiary of Village Roadshow Limited, a company listed on the Australian Securities Exchange.

3.2.3 Value of Dartina

Based on the unaudited combined financial statements of the Singapore Subsidiaries for the financial year ended 31 December 2015 (being the latest publicly available financial statements of the Singapore Subsidiaries as at the date of the execution of the SPA), the aggregate net tangible asset value of the Singapore Subsidiaries attributable to the Sale Shares as at 31 December 2015 was S\$16,952,762 and the net profit of the Singapore Subsidiaries attributable to the Sale Shares for the financial year ended 31 December 2015 amounted to S\$12,558,965.

3.3 **Terms of the GV Acquisition**

3.3.1 Consideration

The purchase consideration payable by the Company is estimated to be S\$184,253,623, being a 10.5 multiple of the aggregate earnings of the Singapore Subsidiaries before interest, taxes, depreciation and amortisation for the period ended 31 December 2016 (the “**Purchase Consideration**”). The Purchase Consideration was arrived at on a willing buyer willing seller basis.

3.3.2 Completion

Completion of the GV Acquisition is subject to certain Conditions Precedents, as described in the Company’s announcements dated 13 June 2017.

For more information on the terms of the GV Acquisition, please refer to the Company’s announcements dated 13 June 2017.

3.4 **Rationale for the GV Acquisition**

The GV Acquisition is a strategic investment by the Group in line with the Group’s overarching strategy to further strengthen its presence in the downstream value chain of film distribution. When viewed together with the Malaysian Acquisitions and the Hong Kong Acquisition, the Company believes the GV Acquisition will complement its current cinema operations, synergise with the Core Business, provide a source of recurring income, and strengthen the Group’s operational and financial position.

4. **DIVERSIFICATION OF THE CORE BUSINESS**

4.1 **Existing Business**

The Group’s footprint across the entertainment industry has grown since its incorporation. Prior to the Malaysian Acquisitions and the Hong Kong Acquisition, the Group was principally engaged in the business of film and TV/online content production. As a producer, the Group provides services that cover the entire filmmaking process, including securing financing, producing and distributing as well as securing advertising and sponsorship (the “**Core Business**”).

In July 2016, the Company sought Shareholders’ approval for its acquisition of a majority stake in UnUsUaL Pte. Ltd. (“**UnUsUaL**”), a leading event and concert production business company, which unlocked new opportunities and access to greater content and industry contacts. In April 2017 after obtaining shareholders’ approval for the spinoff, UnUsUaL had its trading debut on the Catalist of the SGX-ST.

LETTER TO SHAREHOLDERS

4.2 Proposed Diversification of Core Business

As described in paragraph 2 above, the Group has, through certain strategic acquisitions over the course of 2015 and 2016, entered into the cinema management and operations business. Upon completion of the Lotus Acquisition, the Group will be the fourth largest cinema operator in Malaysia.

The Company is of the view that the GV Acquisition will reinforce the Group's position in the business of cinema management and operations, and allow it to maintain a competitive advantage. The GV Acquisition has the potential to significantly contribute to the Group's revenue, and directly enhances the existing distributorship channels for the Group's productions.

4.3 Rationale for the Proposed Diversification

In its bid to become a leading entertainment group and a major player in the industry, the Group has actively sought out opportunities to improve Shareholders' long-term return. As part of the Group's strategy to broaden its stream of revenue and income, the Group intends to devote its resources to actively pursue the cinema management and operations business. This expansion of the Core Business to include the cinema management and operations business, which includes the GV Acquisition, is expected to cement the Group's foothold in the cinema management and operations business.

The Board is supportive of the expansion of the Core Business as such expansion is likely to:

- (a) provide a diversified return and additional stream of potential earnings for the Group;
- (b) expand the Group's footprint across the entertainment sector, therefore enabling closer linkages with industry and enhanced synergies;
- (c) be complementary to its distribution business; and
- (d) enable the Group to participate in the long-term growth of the entertainment industry in the region.

4.4 Risk Factors

However, it should also be noted that the nature of the cinema management and operations business and the risks involved may be different from that of the Core Business. In view of the foregoing, the Proposed Diversification will increase the Group's exposure to fluctuations in the cinema management and operations business.

To the best of the Directors' knowledge and belief, the key risk factors that are material to the Shareholders in making an informed decision on the Proposed Diversification are set out below. Shareholders should carefully consider and evaluate the risk factors set out herein and all other information contained in this Circular.

Any of the risks described below could materially and adversely affect the Group's ability to comply with its obligations, including its obligations under the Catalist Rules, and have a material adverse effect on the Company's or the Group's business, financial condition, operations and prospects. In that event, the market price of the Shares may decline, and Shareholders may lose all or part of their investments in the Shares.

The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face. The Group could be affected by a number of risks which relate to the industries and countries in which the Group intends to operate as well as those which may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. Additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may also impair the Company's or the Group's business, financial condition, operations and prospects.

LETTER TO SHAREHOLDERS

The following are potential risks associated with the expansion of the Core Business:

4.4.1 The cinema business may not be as profitable due to the increasingly quick turnover from movie theatre to online release

Movies are generally released through multiple channels over a period of time in order to maximise revenue for each channel. Typically, movie distributors will agree not to license their movies to other distribution channels for a particular period of time – i.e. the period of time between a theatrical release and the release of the movie on online or DVD platforms.

Distributors have however started to release movies on online or DVD platforms closer to their theatrical release dates. Consumers who are aware of this trend may be willing to forgo watching a new movie at the cinema theatre, electing instead to wait for the release of the movie on such online or DVD platforms. This shortens the window for companies in the cinema management and operations business to maximise profits

4.4.2 The cinema business may not be as profitable due to the increase in online movie downloads and streaming

Internet usage is increasing, with greater internet and download speeds available. This improvement in technology has led to the development of online movie streaming services. On top of the available cable television in Singapore, the introduction of streaming businesses such as Netflix, or smart TVs like Apple TV make movies more accessible to consumers.

In recent years, increased internet speeds and usage has also led to an increase in the piracy of films, which has also proved to be a challenge to the film industry.

4.4.3 The cinema business may not be as profitable due to a greater variety in entertainment and cinema alternatives

There is an increase in movie viewing devices such as computers, smartphones, tablets, in-home entertainment systems, and 3D televisions among others. This makes cinemas only one of many options available to consumers to watch movies. With an increase in consumers' disposable income and ease of access in purchasing these alternative devices, these additional options may potentially impact the cinema business in Singapore negatively.

4.4.4 The Group may face increasing competition from existing competitors

The cinema business is competitive in Singapore, with strong competition from fellow established industry participants such as Shaw Theatres and Cathay Cineplex. These competitors have large financial resources as well as a strong track record in Singapore. The Group would thus have to be able to provide comparable services and respond as quickly to market trends to stay competitive. There is no assurance that the Group can compete with these competitors effectively.

4.5 Management

On 25 April 2017, the Company announced the appointment of Mr Hock S. Ong as the new Chief Executive Officer for the Group's cinema business, and Chief Corporate Development Officer for mm2 Asia Ltd. which commenced on 1 May 2017.

Together with the talent and expertise built up through the Malaysian Acquisitions and the Hong Kong Acquisition, the Group is in a good position to chart the way forward in the cinema management and operations business. In addition, the Group will continue to acquire and develop suitable talent over time, and the Board and senior management of the Group is comprised of individuals with varied qualifications who will provide the strategic vision on this expansion. Where necessary, the Group will consider appointing external consultants, industry experts and professional advisers.

LETTER TO SHAREHOLDERS

4.6 Funding

Aside from the GV Acquisition, the Company continues to explore potential opportunities relating to the cinema management and operations business.

If such opportunities arise, the Company may seek financing for these projects through a combination of internal resources, borrowings from financial institutions and other forms of funding including equity and quasi-equity. The Board will determine the optimal mix of internal funding and bank borrowings, taking into account the cash flow of the Group and the prevailing costs. As and when necessary and deemed appropriate by the Board, the Group may explore secondary fund raising exercises by tapping into the capital markets.

5. FINANCIAL EFFECTS OF THE GV ACQUISITION

5.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the GV Acquisition taken as a whole are set out below. The pro forma effects have been prepared based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 March 2017, and do not necessarily reflect the actual future financial position and performance of the Group following completion of the GV Acquisition.

5.2 For illustration purposes only, the financial effects of the GV Acquisition on the Company's issued and paid-up share capital are set out below:

	Latest Practicable Date	After GV Acquisition
Share Capital (S\$'000) ⁽¹⁾	S\$88,212	S\$88,212
Number of issued and paid-up Shares ⁽¹⁾	1,047,781,420	1,047,781,420

Notes:

⁽¹⁾ The figures as stated do not include the (i) 959,400 Shares issued on 31 May 2017 pursuant to the Company's performance share plan and (ii) 87,748,000 Shares to be issued pursuant to the 15 June Placement Agreement.

5.3 NTA

For illustration purposes only, the financial effects of the GV Acquisition on the Group's NTA per Share, based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 March 2017, are set out below:

	31 March 2017	Latest Practicable Date	After GV Acquisition
NTA (S\$'000) ⁽¹⁾	S\$48,746 ⁽²⁾	S\$87,823 ⁽³⁾⁽⁴⁾	S\$87,823
Number of issued and paid-up Shares for the purpose of calculating NTA ⁽⁵⁾	1,047,781,420	1,047,781,420	1,047,781,420
NTA per Share (Singapore cents)	4.65	8.38	8.38

Notes:

⁽¹⁾ NTA is computed based on the total assets less total liabilities and less intangible assets. (Note: intangible assets comprise of film inventories, software development and goodwill).

⁽²⁾ The NTA as at 31 March 2017 had taken the Mega Acquisition into account.

⁽³⁾ The NTA as at the Latest Practicable Date, taking into account the Malaysian Acquisitions and the Hong Kong Acquisition.

⁽⁴⁾ The NTA includes the net cash proceeds from the 15 June Placement Agreement.

⁽⁵⁾ The figures as stated do not include the (i) 959,400 Shares issued on 31 May 2017 pursuant to the Company's performance share plan and (ii) 87,748,000 Shares to be issued pursuant to the 15 June Placement Agreement.

LETTER TO SHAREHOLDERS

5.4 EPS

For illustration purposes only, the financial effects of the GV Acquisition on the Group's EPS, based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 March 2017, are set out below:

	31 March 2017	Latest Practicable Date	After GV Acquisition
Profits attributable to Shareholders (after minority interests)(S\$'000)	S\$18,816 ⁽¹⁾	S\$18,777 ⁽²⁾	S\$29,322
Number of issued and paid-up Shares for the purpose of calculating EPS ⁽³⁾	1,047,781,420	1,047,781,420	1,047,781,420
EPS per Share (Singapore cents)	1.80	1.79	2.80

Notes:

⁽¹⁾ The net profits as at 31 March 2017 had taken into account of Mega Acquisition.

⁽²⁾ The net profits taking into account (i) the Lotus Acquisition and (ii) the Hong Kong Acquisition based on the unaudited financial statements for the period of 12 months as at 31 December 2016.

⁽³⁾ The figures as stated do not include the (i) 959,400 Shares issued on 31 May 2017 pursuant to the Company's performance share plan and (ii) 87,748,000 Shares to be issued pursuant to the 15 June Placement Agreement.

5.5 Gearing

The Proposed Placement will not have any effect on the gearing of the Group.

6. CHAPTER 10 OF THE CATALIST RULES

6.1 Relative figures computed on the bases set out in Rule 1006 of the Catalist Rules following the GV Acquisition

The following relative figures computed on the applicable bases set out in Rule 1006 of the Catalist Rules are in respect of the GV Acquisition aggregated with the Malaysian Acquisitions and the Hong Kong Acquisition (being the relevant acquisitions completed within the last 12 months as of the date of this Circular in accordance with Rule 1005 of the Catalist Rules), and based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 March 2017:

Listing Rules	Content	Relative Figure
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable
1006(b)	The net profits attributable to the assets acquired, compared with the Group's net profits. ⁽¹⁾	50.80% ⁽²⁾
1006(c)	The aggregate value of the consideration given, compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares.	35.12% ⁽³⁾⁽⁴⁾

LETTER TO SHAREHOLDERS

Listing Rules	Content	Relative Figure
1006(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.	0.95% ⁽⁵⁾
1006 (e)	The aggregate volume or amount of proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

Notes:

- ⁽¹⁾ For the purpose of computation of these figures, net profits means profit or loss before income tax and minority interests.
- ⁽²⁾ The net profits attributable to the assets acquired consist of businesses under the Malaysian acquisitions and the Hong Kong acquisition.
- ⁽³⁾ This aggregate value of consideration is computed based on actual consideration paid for (i) the Lotus Acquisition and (ii) the Hong Kong Acquisition.
- ⁽⁴⁾ The market capitalisation of the Company, determined by multiplying 1,048,740,820 shares in issue as at the date of this announcement by the weighted average price of the Company's shares of approximately S\$0.6262 on 12 June 2017, which is the market day preceding the date of the SPA.
- ⁽⁵⁾ As per the announcement dated 6 May 2016, the exact number of Consideration Shares will only be determined in accordance with the Applicable Exchange Rate, the Company may issue up to 9,944,558 Consideration Shares on the assumption that the Applicable Exchange Rate is no lower than S\$1:RM2.85.

6.2 Application of Chapter 10 of the Catalist Rules to the Proposed Diversification

- 6.2.1 As each of the Malaysian Acquisitions and the Hong Kong Acquisition, when viewed individually, constituted "Discloseable Transactions" under Chapter 10 of the Catalist Rules, the Company was not required to obtain prior Shareholders' approval for the Malaysian Acquisitions or the Hong Kong Acquisition. The Company had, at the appropriate points in time, made announcements setting out details of each of such acquisitions in accordance with the Catalist Rules.
- 6.2.2 With the GV Acquisition, the Company's revenue stream will have shifted significantly to include the enlarged cinema management and operations business. As the nature of the Proposed Diversification marks an expansion from the Core Business and the Group's venture into a new business sector, the Shareholders shall be given an opportunity to have their say and accordingly, the resolution on the Proposed Diversification has been included in this Circular for Shareholders' Approval.
- 6.2.3 Upon Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the cinema management and operations business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into future transactions relating to the cinema management and operations Business and which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when such potential transactions arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

LETTER TO SHAREHOLDERS

7. THE PROPOSED CONDITIONAL PLACEMENT OF 26,315,790 NEW ORDINARY SHARES IN MM2 ASIA LTD. TO STARHUB LTD AT THE PLACEMENT PRICE OF S\$0.57 PER PLACEMENT SHARE

7.1 Introduction

- 7.1.1 On 29 June 2017, the Company announced that it had entered into a placement agreement with StarHub Ltd (the “**Placee**”) under which the Placee had agreed to subscribe for, and the Company had agreed to allot and issue 26,315,790 Placement Shares to the Placee at the Placement Price of S\$0.57 for a Placement Consideration of S\$15,000,000.30 on the terms and subject to the conditions of the Placement Agreement (the “**Placement Agreement**”).
- 7.1.2 An application was made by the Sponsor to the SGX-ST, for and on behalf of the Company for the listing of and quotation for the Placement Shares. The Company will make the necessary announcement(s) once the approval in-principle for the listing of and quotation for the Placement Shares has been obtained from the SGX-ST (the “**Placement LQN**”).
- 7.1.3 **The Placement LQN is not to be taken as an indication of the merits of the Placement Shares, the Proposed Placement, the Group and their securities.** Shareholders are advised that the SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.
- 7.1.4 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Placement and to seek Shareholders’ approval for the Proposed Placement at the EGM.

8. RATIONALE FOR SEEKING SHAREHOLDERS’ APPROVAL

8.1 Rationale of the Proposed Placement

8.1.1 Net Proceeds from the Proposed Placement

The estimated proceeds from the Proposed Placement (after deducting estimated expenses of approximately S\$40,000) are approximately S\$14.96 million (the “**Net Proceeds**”).

The Company intends to use up to 100% of the Net Proceeds to finance the GV Acquisition and new productions. The balance of the Net Proceeds (if any) is intended for general working capital purposes.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company’s interim and full-year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit from time to time.

8.1.2 Working Capital

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

LETTER TO SHAREHOLDERS

The Directors are of the opinion that, after taking into consideration the present bank facilities and Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Company has decided to undertake the Proposed Placement to strengthen its financial position in order to meet its anticipated general working capital requirements and business expansion, and for greater flexibility to capitalise on growth opportunities.

8.2 Information on the Placee

The Placee is a public company limited by shares incorporated in Singapore and listed on the Mainboard of the SGX-ST, with its registered address at 67 Ubi Avenue 1, #05-01 StarHub Green, Singapore 408942. It is a fully-integrated info-communications company, offering a full range of information, communications and entertainment services for both consumer and corporate markets.

As at the Latest Practicable Date, the Placee holds 88,000,000 Shares representing 8.4% of the issued and paid-up share capital of the Company and is a Substantial Shareholder of the Company.

The Placee had previously supported the Company in its fund raising activities, such as the Company's previous placement to the Placee in 2016. The Placee's subscription of the Placement Shares is for strategic investment purposes.

After the completion of the Proposed Placement, the Placee's shareholding interest will represent approximately 9.8% of the enlarged issued and paid-up share capital of the Company, taking into account the 87,748,000 new ordinary Shares to be issued pursuant to the 15 June Placement Agreement.

8.3 Rule 812 of the Listing Rules

Rules 812(1) and 812(2) of the Listing Rules state:

- (1) *An issue must not be placed to any of the following persons:*
 - (a) *the issuer's directors and substantial shareholders;*
- (2) *Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.*

The Placee is a Substantial Shareholder of the Company. In accordance with Rule 812(2) of the Catalist Rules, specific approval from Shareholders is required for the issue and allotment of any Placement Shares to the Placee pursuant to the Proposed Placement. Accordingly, the Directors propose to seek specific approval from Shareholders for the issue of the Placement Shares to the Placee pursuant to Rule 812(2) of the Listing Rules. Please refer to paragraph 9 of this Circular for further details on the Proposed Placement.

9. THE PROPOSED PLACEMENT

9.1 Summary of the Proposed Placement and Placement Price

On 29 June 2017, the Company announced that it had entered into a placement agreement with the Placee under which the Placee had agreed to subscribe for, and the Company agreed to allot and issue 26,315,790 Placement Shares to the Placee at the Placement Price of S\$0.57 for a Placement Consideration of S\$15,000,000.30 on the terms and subject to the conditions of the Placement Agreement.

LETTER TO SHAREHOLDERS

The Placement Price of S\$0.57 represents a premium of approximately 0.6% to the volume weighted average price of S\$0.5666 for each Share, based on trades done on the SGX-ST on 28 June 2017 (being the full preceding day the SGX-ST is open for trading in securities on which the Placement Agreement was signed). The Placement Price is also equal to the placement price per placement share in the 15 June Placement Agreement.

9.2 Ranking of Placement Shares

The Placement Shares shall be issued free from any and all claims, mortgages, assignment of receivables, debentures, liens, charges, pledges, title retention, right to acquire, security interest, options, rights of first refusal and any other encumbrances or conditions whatsoever and shall rank in all respects *pari passu* with the then existing Shares at the date of the issue of the Placement Shares, save that they shall not rank for any entitlements, distributions, dividends or rights (if any), the record date of which falls prior to the date of issue of the Placement Shares.

9.3 Conditions to the Proposed Placement

Under the Placement Agreement, the completion of the Proposed Placement is conditional upon:

- 9.3.1 the listing approval in-principle from the SGX-ST having been obtained (on terms and conditions acceptable to the Company and the Placee, each acting reasonably) and not having been revoked or amended as at the Placement Completion Date;
- 9.3.2 where there are conditions attached to the listing approval in-principle which are required to be fulfilled on or before the Placement Completion, they are so fulfilled on or before Placement Completion Date to the satisfaction of the SGX-ST unless waived by the SGX-ST;
- 9.3.3 the requisite Shareholders' approval for the issuance and allotment of the Placement Shares to the Placee having been obtained and not being revoked or amended and being in full force and effect on the Placement Completion Date;
- 9.3.4 the Placee having obtained its necessary corporate (including its board of directors') approvals to subscribe for the Placement Shares in accordance with the Placement Agreement;
- 9.3.5 the Proposed Placement not being prohibited by any statute, order, rule or regulation promulgated after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Placee (including but not limited to the SGX-ST);
- 9.3.6 there having been, as at the Placement Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the representations, warranties and undertakings of the Company and the Placee as set forth in the Placement Agreement as if they were repeated on and as of the Placement Completion Date;
- 9.3.7 the Company or the Placee being not in breach of any of the undertakings and covenants given in the Placement Agreement as at the Placement Completion Date, and if any of such undertakings and covenants are required to be fulfilled on or before the Placement Completion Date, such undertakings and covenants shall have been fulfilled prior to the Placement Completion Date; and
- 9.3.8 there not having occurred, in the reasonable opinion of the Placee, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the reasonable opinion of the Placee, is or is reasonably likely to be materially adverse in the context of the Proposed Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market.

LETTER TO SHAREHOLDERS

9.4 Completion

Completion shall take place on the date falling two business days (being a day on which commercial banks are open for business in Singapore and excluding Saturdays, Sundays and gazetted public holidays) after the date on which the last of the conditions precedent to the Placement Agreement is satisfied (or, if that day is not a business day, on the immediately succeeding business day), or such other date as the Company and the Placee may agree in writing, but in any event being a date not later than the Cut-off Date (“**Placement Completion Date**”).

9.5 Rights of termination under the Placement Agreement

If any of the conditions precedent as set out above is not satisfied or waived in whole or in part by the Company or the Placee (as the case may be) on or before the date falling 60 calendar days after the date of the Placement Agreement (the “**Cut-off Date**”) or such other date as the Company and the Placee may agree, the Placement Agreement shall *ipso facto* cease and in that event, the Company and the Placee shall be released and discharged from their respective obligations under the Placement Agreement, except for those as set forth in the Placement Agreement.

9.6 Exemption from requirement of prospectus

The Proposed Placement will be made pursuant to Section 272B of the SFA. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

9.7 Confirmation from the Company

The Company confirms that the issue of Placement Shares to the Placee will not transfer a controlling interest without the prior approval of Shareholders in a general meeting.

10. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

10.1 Share Capital

For illustration purposes only, the financial effects of the Proposed Placement on the Company's issued and paid-up share capital are set out below:

	Latest Practicable Date	After Proposed Placement
Share Capital (S\$'000) ⁽¹⁾	S\$88,212	S\$103,172 ⁽²⁾
Number of issued and paid-up Shares ⁽¹⁾	1,047,781,420	1,074,097,210

Notes:

⁽¹⁾ The figures as stated do not include the (i) 959,400 Shares issued on 31 May 2017 pursuant to the Company's performance share plan and (ii) 87,748,000 Shares to be issued pursuant to the 15 June Placement Agreement.

⁽²⁾ Taking into account the estimated fees and expenses for the Proposed Placement of approximately S\$40,000.

10.2 NTA

For illustration purposes only, the financial effects of the Proposed Placement on the Group's NTA per Share, based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 March 2017, are set out below:

	31 March 2017	Latest Practicable Date	After Proposed Placement
NTA (S\$'000) ⁽¹⁾	S\$48,746	S\$48,746	S\$63,706 ⁽²⁾
Number of issued and paid-up Shares for the purpose of calculating NTA ⁽³⁾	1,047,781,420	1,047,781,420	1,047,097,210
NTA per Share (Singapore cents)	4.65	4.65	5.93

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Notes:

- (1) NTA is computed based on the total assets less total liabilities and less intangible assets. (Note: Intangible assets comprise of film inventories, software development and goodwill).
- (2) Taking into account the estimated fees and expenses for the Proposed Placement of approximately S\$40,000.
- (3) The figures as stated do not include the (i) 959,400 Shares issued on 31 May 2017 pursuant to the Company's performance share plan and (ii) 87,748,000 Shares to be issued pursuant to the 15 June Placement Agreement.

10.3 EPS

For illustration purposes only, the financial effects of the Proposed Placement on the Group's EPS, based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 March 2017, are set out below:

	31 March 2017	Latest Practicable Date	After Proposed Placement
Profits attributable to Shareholders (after minority interests) (S\$'000)	S\$18,816	S\$18,816	S\$18,816
Number of issued and paid-up Shares for the purpose of calculating EPS ⁽¹⁾	1,047,781,420	1,047,781,420	1,074,097,210
EPS per Share (Singapore cents)	1.80	1.80	1.75

Notes:

- (1) The figures as stated do not include the (i) 959,400 Shares issued on 31 May 2017 pursuant to the Company's performance share plan and (ii) 87,748,000 Shares to be issued pursuant to the 15 June Placement Agreement.

10.4 Gearing

The Proposed Placement will not have any effect on the gearing of the Group.

11. ABSTENTION FROM VOTING ON THE PROPOSED PLACEMENT

In accordance with Rule 812(2) of the Catalist Rules, the Placee and its associates shall abstain from voting on the ordinary resolution approving the Proposed Placement.

Furthermore, the Placee shall decline, and ensure that its associates decline to accept appointment as proxy/proxies to vote at the EGM in respect of the resolution relating to the Proposed Placement for other Shareholders unless the Shareholders concerned shall have given specific instructions as to the manner in which their votes are to be cast at the EGM.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

12.1 Proposed Diversification

To the best knowledge of the Directors, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Diversification (other than their respective shareholding interests in the Company, if any).

LETTER TO SHAREHOLDERS

12.2 Proposed Placement

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date and the effects of the Proposed Placement on the shareholding structure of the Company are set out below:

	As at the Latest Practicable Date			After Proposed Placement		
	Direct Interest	Deemed Interest	% ⁽¹⁾	Direct Interest	Deemed Interest	% ⁽¹⁾
Directors						
Melvin Ang Wee Chye ⁽²⁾	58,096,000	317,910,000	35.85	58,096,000	317,910,000	34.98
Tan Liang Pheng	85,700	–	0.01	85,700	–	0.01
Jack Chia Seng Hee	85,700	–	0.01	85,700	–	0.01
Thomas Lei Chee Kong	285,700	–	0.03	285,700	–	0.03
Mak Chi Hoo	85,700	–	0.01	85,700	–	0.01
Substantial Shareholders						
StarHub Ltd.	88,000,000	–	8.39	114,315,790	–	10.63
Asia Mobile Holdings Pte. Ltd. ⁽³⁾	–	88,000,000	8.39	–	114,315,790	10.63
Asia Mobile Holdings Company Pte. Ltd. ⁽⁴⁾	–	88,000,000	8.39	–	114,315,790	10.63
STT Communications Ltd ⁽⁵⁾	–	88,000,000	8.39	–	114,315,790	10.63
Singapore Technologies Telemedia Pte Ltd ⁽⁶⁾	–	88,000,000	8.39	–	114,315,790	10.63
Temasek Holdings (Private) Limited ⁽⁷⁾	–	88,000,000	8.39	–	114,315,790	10.63
Ooredoo Investment Holding S.P.C. ⁽⁸⁾	–	88,000,000	8.39	–	114,315,790	10.63
Ooredoo QSC ⁽⁹⁾	–	88,000,000	8.39	–	114,315,790	10.63
Yeo Khee Seng Benny ⁽¹⁰⁾	–	94,253,688	8.99	–	94,253,688	8.77

Notes:

- ⁽¹⁾ Calculated based on the Company's issued share capital of 1,048,740,820 Shares as at the Latest Practicable Date.
- ⁽²⁾ Melvin Ang Wee Chye is deemed interested in (i) 10,000,000 Shares held under the name of Maybank Kim Eng Securities Pte Ltd, (ii) 40,000,000 Shares held under the name of KGI Fraser Securities Pte Ltd, (iii) 67,910,000 Shares held under the name of Nomura Singapore Limited and (iv) 200,000,000 Shares held under the name of HSBC (Singapore) Nominees Pte Ltd.
- ⁽³⁾ Asia Mobile Holdings Pte. Ltd. ("**AMH**") holds a direct interest of approximately 55.81% in StarHub and AMH is deemed interested in all the Shares held by StarHub.
- ⁽⁴⁾ Asia Mobile Holdings Company Pte. Ltd. ("**AMHC**") holds a direct interest of approximately 75% in AMH, which in turn holds a direct interest of approximately 55.81% in StarHub. AMHC is deemed interested in all the Shares held by StarHub. AMHC is a wholly-owned subsidiary of STT Communications Ltd ("**STTC**").
- ⁽⁵⁾ STTC holds a direct interest in the entire issued share capital of AMHC, which holds a direct interest of approximately 75% in AMH, which in turn holds a direct interest of approximately 55.81% in StarHub. STTC is deemed interested in all the Shares held by StarHub. STTC is a wholly-owned subsidiary of Singapore Technologies Telemedia Pte Ltd ("**STT**").
- ⁽⁶⁾ STT holds a direct interest in the entire issued share capital of STTC, which holds a direct interest in the entire issued share capital of AMHC, which in turn holds a direct interest of approximately 75% in AMH, which in turn holds direct interest of approximately 55.81% in StarHub. STT is deemed interested in all the Shares held by StarHub.

LETTER TO SHAREHOLDERS

- ⁽⁷⁾ StarHub is an indirect subsidiary of STT which in turn is a wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Temasek is deemed interested in all the Shares held by StarHub.
- ⁽⁸⁾ Ooredoo Investment Holdings S.P.C. (“**OIH**”) holds a direct interest of approximately 25% in AMH, which in turn holds a direct interest of approximately 55.81% in StarHub. OIH is deemed interested in all the Shares held by StarHub. OIH is a wholly-owned subsidiary of Ooredoo QSC.
- ⁽⁹⁾ Ooredoo QSC (“**OQSC**”) holds a direct interest in the entire issued share capital of OIH, which holds a direct interest of approximately 25% in AMH, which in turn holds a direct interest of approximately 55.81% in StarHub. OQSC is deemed interested in all of the Shares held by StarHub.
- ⁽¹⁰⁾ Yeo Khee Seng Benny is deemed interested in 24,816,400 Shares held by Beyond Sea Investment Limited (“**BSI**”) by virtue of Section 4 of the SFA as he owns 50% of the shareholding in BSI. Mr. Yeo is also deemed interested in 25,461,354 Shares held by Apex Capital Group Pte Ltd (“**Apex Capital**”) by virtue of Section 4 of the SFA as he owns 70% of the shareholdings of Apex Capital. Yeo Khee Seng Benny is also deemed to be interested in (i) 18,966,734 Shares held under the name of Nomura Singapore Limited; and (ii) the 25,009,200 Shares held under the name of DBS Nominees Private Limited.

12.3 Interests in the Proposed Placement

Save as disclosed above and based on information available to the Company as at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, other than through their respective shareholdings in the Company (if any).

13. DIRECTORS’ RECOMMENDATIONS

13.1 Proposed Diversification

Having reviewed, *inter alia*, the terms and rationale for the Proposed Diversification and all relevant information as set out in this Circular, the Directors are of the opinion that the Proposed Diversification to include the cinema management and operations business (including by way of the GV Acquisition) is in the best interests of the Company. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the resolution in relation to the Proposed Diversification at the EGM to be convened.

13.2 Proposed Placement

Having reviewed, *inter alia*, the terms and rationale for the Proposed Placement and all relevant information as set out in this Circular, the Directors are of the opinion that the Proposed Placement is in the best interests of the Company. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the resolution in relation to the Proposed Placement at the EGM to be convened.

The Directors, in rendering their recommendations, have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, the Directors recommend that any individual Shareholder who may require specific advice in relation to the Proposals should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

14. SERVICE CONTRACTS

No new directors are proposed to be appointed to the Board in connection with the Proposals. As such, no service agreement will be entered into with any new director of the Company in connection with the Proposals.

15. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 18 July 2017 at 10.00 a.m. at Six Battery Road, #10-01, Singapore 049909 for the purpose of considering and, if thought fit, passing with or without any modifications, the resolutions set out in the notice of EGM on pages N-1 to N-2 of this Circular.

LETTER TO SHAREHOLDERS

16. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote in his place or on his behalf, he should complete, sign and return the Proxy Form appended in this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 1002 Jalan Bukit Merah #07-11, Singapore 159456 not less than 48 hours before the time appointed for holding the EGM.

The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he subsequently wishes to do so. In such an event, the Proxy Form shall be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote at the EGM unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP at least 72 hours before the EGM.

17. DIRECTORS' RESPONSIBILITY STATEMENT

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

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 1002 Jalan Bukit Merah #07-11, Singapore 159456 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the constitution of the Company;
- (b) the announcements made by the Company dated 19 May 2017 and 13 June 2017 in respect of the GV Acquisition;
- (c) the SPA;
- (d) the announcement made by the Company dated 29 June 2017 in respect of the Proposed Placement; and
- (e) the Placement Agreement.

Yours faithfully
For and on behalf of the Board of Directors of
MM2 ASIA LTD.

Melvin Ang Wee Chye
Executive Chairman
3 July 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

MM2 ASIA LTD.

(Company Registration Number: 201424372N)
(Incorporated in Singapore on 20 August 2014)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of mm2 Asia Ltd. (the “**Company**”) will be held at Six Battery Road, #10-01, Singapore 049909, on 18 July 2017 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolution as set out below.

All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 3 July 2017 (the “**Circular**”).

ORDINARY RESOLUTION:

(1) DIVERSIFICATION OF CORE BUSINESS TO INCLUDE THE CINEMA MANAGEMENT AND OPERATIONS BUSINESS (INCLUDING BY WAY OF THE PROPOSED ACQUISITION OF 50% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF DARTINA DEVELOPMENT LIMITED)

That:

- (a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include the cinema management and operations business (the “**Cinema Business**”), details of which have been set out in the Circular;
- (b) the Company be and is hereby authorised to enter into any contracts, agreements and undertakings as the Directors of the Company may deem desirable, necessary or expedient to undertake that is in line with the Cinema Business on such terms and conditions as the Directors of the Company deem fit, including the proposed acquisition of 50% of the issued and paid-up share capital of Dartina Development Limited; and
- (c) the Directors of the Company and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to this Ordinary Resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and ratified.

(2) THE PROPOSED CONDITIONAL PLACEMENT OF 26,315,790 NEW ORDINARY SHARES IN MM2 ASIA LTD. TO STARHUB LTD AT THE PLACEMENT PRICE OF S\$0.57 PER PLACEMENT SHARE (THE “PROPOSED PLACEMENT”)

That:

- (a) approval be and is hereby given for the Proposed Placement, on the terms and subject to the conditions of the Placement Agreement, pursuant to the Listing Rules, details of which have been set out in the Circular; and
- (b) the Directors of the Company and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to this Ordinary Resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and ratified.

NOTICE OF EXTRAORDINARY GENERAL MEETING

By order of the Board

Melvin Ang Wee Chye
Executive Chairman
3 July 2017

Notes:

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company.
2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a difference share or shares held by him (which number and class of shares shall be specified).
3. The instrument appointing a proxy must be deposited at the registered office of the Company at 1002 Jalan Bukit Merah #07-11, Singapore 159456, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.
4. The instrument appointing a proxy or proxies must be signed by appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

MM2 ASIA LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201424372N)

PROXY FORM – EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) NRIC/Passport No. _____

of _____ (Address)

being a member/members of **MM2 ASIA LTD.** (the “**Company**”), hereby appoint:

Name	Proportion of Shareholdings	
	No. of Shares	(%)
Address		

and/or (delete as appropriate)

Name	Proportion of Shareholdings	
	No. of Shares	(%)
Address		

as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Extraordinary General Meeting (“**EGM**”) to be held at Six Battery Road #10-01 Singapore 049909 on Tuesday, 18 July 2017 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Ordinary Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolution:	No. of Votes ‘For’**	No. of Votes ‘Against’**
1.	Diversification of Core Business to include the cinema management and operations business (including by way of the proposed acquisition of 50% of the issued and paid-up share capital of Dartina Development Limited)		
2.	The Proposed Conditional Placement of 26,315,790 new ordinary Shares in mm2 Asia Ltd. to StarHub Ltd at the Placement Price of S\$0.57 per Placement Share		

* Delete as appropriate.

** If you wish to exercise all your votes “For” or “Against”, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
and / or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF



PROXY FORM

Notes:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such an event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1002 Jalan Bukit Merah #07-11, Singapore 159456, not less than 48 hours before the time appointed for the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
9. An investor who holds shares under the Central Provident Fund ("CPF") Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 July 2017.