

**MM2 ASIA LTD.**  
(Incorporated in Singapore)  
(Registration No. 201424372N)

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**PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE COMPANY TO STARHUB LTD FOR AN  
AGGREGATE PLACEMENT CONSIDERATION OF S\$18,040,000**

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**1. INTRODUCTION**

- 1.1 The board of directors (the “**Directors**”) of mm2 Asia Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 22 March 2016 entered into a share placement agreement (the “**Placement Agreement**”) with StarHub Ltd (the “**Placee**”), pursuant to which the Company proposes to issue 44,000,000 new ordinary shares in the capital of the Company (the “**Shares**”) for a placement consideration of S\$18,040,000 (the “**Placement Consideration**”) (the “**Proposed Placement**”).
- 1.2 The price at which each Placement Share is proposed to be issued is S\$0.41 per Placement Share (the “**Placement Price**”). The Placement Price represents a discount of approximately 19.2% to the volume weighted average price of S\$0.5077 for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 22 March 2016, being the full market day on which the Placement Agreement was signed.
- 1.3 The aggregate of 44,000,000 Shares to be allotted and issued to the Placee (the “**Placement Shares**”), when allotted and issued, will rank in all respects *pari passu* with the existing issued Shares and be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date (as defined below) of which falls on or before the completion of the Proposed Placement. “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 1.4 An application will be made through the Company’s sponsor to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in due course for the dealing in, listing of and quotation for the Placement Shares to be allotted and issued to the Placee on the completion date of the Proposed Placement (the “**Completion Date**”). The Company will make the necessary announcement once the listing and quotation notice for the dealing in, listing of and quotation for the Placement Shares has been obtained from the SGX-ST.
- 1.5 No placement agent has been appointed in respect of the Proposed Placement. Therefore, no commission or referral fees will be paid to any party.

**2. RATIONALE OF SEEKING SHAREHOLDERS’ APPROVAL**

**Information on the Placee**

- 2.1 StarHub Ltd 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 date of this announcement, StarHub Ltd does not hold any shares in the capital of the Company.
- 2.2 The Placee’s subscription of the Placement Shares is for strategic investment purposes only.

**Rule 805 of the Listing Rules**

- 2.3 Rule 805(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Listing Rules**”) states:

Except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:

- (1) *The issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or*

Accordingly, the Directors propose to seek specific approval from shareholders of the Company (the “**Shareholders**”) for the issue to the Placee of the Placement Shares pursuant to Rule 805(1) of the Listing Rules.

### **Rule 811 of the Listing Rules**

2.4 Rule 811(1), (3) and (4) of the Listing Rules states:

- (1) *An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the Exchange for the full market day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.*

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- (3) *Rule 811(1) and (2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities.*

- (4) *Where specific shareholders' approval is sought, the circular must include the following:*

- (a) *information required under Rule 810; and*

- (b) *the basis upon which the discount was determined.*

The Placement Price of S\$0.41 for each Placement Share represents a discount of approximately 19.2% to the volume weighted average price of S\$0.5077 for trades done on the SGX-ST on 22 March 2016, being the full market day on which the Placement Agreement was signed. Accordingly, the Directors propose to seek specific approval from Shareholders for the issue of the Placement Shares pursuant to Rule 811(3) of the Listing Rules.

2.5 The Placement Price of S\$0.41 was commercially agreed between the Company and the Placee following arm's length negotiations, taking into consideration, *inter alia*, the historical trading prices and volume of Shares traded on the SGX-ST, and the total amount of the Placement Consideration.

## **3. THE PROPOSED PLACEMENT**

### **Conditions to the subscription of the Placement Shares**

3.1 Under each Placement Agreement, the completion of the Proposed Placement is subject to, *inter alia*, the following conditions precedent:

- (a) the results of such legal and financial due diligence investigations conducted by the Placee and its advisors on the Company being satisfactory to the Placee;
- (b) the listing and quotation notice in respect of the Placement Shares on the Catalist of the SGX-ST (“**Listing Approval**”) having been obtained (on terms and conditions acceptable to the Company and the Placee, each acting reasonably) and not being revoked or amended as at the Completion Date;
- (c) the specific approval from Shareholders of the Company in relation to the Proposed Placement having been obtained and not being revoked or amended as at the Completion Date;

- (d) any conditions attached to the Listing Approval which is required to be fulfilled on or before the Completion Date, having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST;
- (e) the Placee obtaining the necessary corporate approval and approval from all applicable governmental authorities to subscribe for the Placement Shares at the Placement Consideration in accordance with the terms of the Placement Agreement;
- (f) the Proposed Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Placee (including but not limited to the SGX-ST)
- (g) there having been, as at the 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 and warranties by both the Company and the Placee as if they were repeated on and as of the Completion Date;
- (h) the Company or the Placee not in breach of any of the undertakings and covenants given in each Placement Agreement as at the Completion Date, and if any of such undertakings and covenants are required to be fulfilled on or before the Completion Date, such undertakings and covenants shall have been fulfilled prior to Completion Date; and
- (i) 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.

If any of the conditions precedent set out above is not satisfied or waived in whole or in part by the Placee on or before the date falling 60 calendar days after the date of the Placement Agreement or such other date as the Placee and the Company may agree (or waived by the Placee), the Placee and the Company shall be released and discharged from their respective obligations under the Placement Agreement, save for any rights and liabilities accrued on or prior to such termination and the liability of the Company to bear its own costs in connection with the negotiation, preparation and execution of the Placement Agreement.

#### **Exemption from requirement of prospectus**

- 3.2 The offer by the Company to the Placee to subscribe for the Placement Shares is made in reliance on the exemption under Section 275 of the Securities and Futures Act (Chapter 289) of Singapore. It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore.

#### **Nominated director**

- 3.3 Subject to completion of the Proposed Placement, the Placee shall have the right to nominate a director to be appointed to the board of directors of the Company.

#### **Confirmation from the Company**

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

#### 4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

- 4.1 As at the date of this announcement, the issued and paid up capital of the Company is S\$56,981,768 consisting of 442,264,888 Shares. Upon completion of the Proposed Placement, the issued and paid-up share capital of the Company will increase to S\$75,021,768, comprising 486,264,888 Shares.
- 4.2 The financial effects of the Proposed Placement on the Group are prepared based on the audited accounts of the Group for the financial year ended 31 March 2015. For the purpose of computing the earnings per Share (the “EPS”) of the Group and the net tangible assets (the “NTA”) per Share of the Group after the Proposed Placement, it is assumed that the Proposed Placement was completed on 1 March 2016, as since the financial year ended 31 March 2015, a total of 14,403,412 Shares were issued by the Company pursuant to the conversion of certain outstanding convertible securities and the placement of Shares up until the date of this announcement. The Company also issued 221,132,444 Shares pursuant to a share split of every one (1) ordinary share in the capital of the Company into two (2) Shares, completed on 1 March 2016.
- 4.3 The EPS and the NTA per Share of the Group based on the audited accounts of the Group for the financial year ended 31 March 2015 shall be as follows:

	Before the allotment and issue of Placement Shares	After allotment and issue of Placement Shares <sup>(1)</sup>
Earnings net of tax for the financial year ended 31 March 2015 (S\$)	5,083,524	5,083,524
EPS (Singapore cents)	1.15	1.05
Number of Shares for calculating EPS	442,264,888	486,264,888
NTA <sup>(2)</sup> as at 31 March 2015 (S\$)	19,180,627	37,160,627
NTA per Share (Singapore cents)	4.34	7.64
Number of Shares for calculating NTA per Share	442,264,888	486,264,888

**Notes:**

- (1) Taking into account the 14,403,412 Shares issued by the Company pursuant to the conversion of certain outstanding convertible securities and the placement of Shares up until the date of this announcement which were completed during the current financial year ending 31 March 2016.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights.

#### 5. RATIONALE OF PROPOSED PLACEMENT AND USE OF PROCEEDS

- 5.1 The rationale for the Proposed Placement is to increase resources available to the Company to improve its cash flow and to pursue acquisition opportunities as part of its strategic objectives as and when they arise. The Company intends to use 100% of the net proceeds of the Proposed Placements for general working capital purposes.
- 5.2 The estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses of approximately S\$60,000, is approximately S\$17,980,000 (the “**Net Proceeds**”).
- 5.3 The Company will make periodic announcement(s) as to the use of the proceeds from the Proposed Placement as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the proceeds raised from the Proposed Placement in the Company’s interim and full-year financial statements issued under

Rule 705 of the Listing Rules and the Company's annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the 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.

- 5.4 Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Group.
- 5.5 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.
- 5.6 The Directors are of the opinion that, after taking into consideration the present bank facilities and Net Proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

## **6. AUTHORITY FOR THE ISSUE OF PLACEMENT SHARES**

- 6.1 The allotment and issue of the Placement Shares is subject to the specific approval from Shareholders at an extraordinary general meeting of the Company (the "EGM") to be convened, in accordance with Rules 805 and 811 of the Listing Rules set out in paragraphs 2.3 and 2.4 above.
- 6.2 A circular to the Shareholders containing more information on the Proposed Placement, together with the notice of the EGM, will be despatched by the Company in due course to seek the approval of the Shareholders in respect of the Proposed Placement as may be required.
- 6.3 The Placement Shares, when allotted and issued in full, will represent approximately 9.95% of the Company's existing and paid-up capital of 442,264,888 Shares as at the date of this announcement, and approximately 9.05% of the enlarged issued and paid-up share capital of 486,264,888 Shares upon completion of the Proposed Placement (assuming that no further Shares are issued on or prior to the completion of the Proposed Placement).

## **7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placement, other than their respective interests in the Shares. Save as disclosed in this announcement, none of the Directors or substantial Shareholders of the Company or their respective associates have any connection (including business relationship) with the Placee.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Placement Agreement are available for inspection at the registered office of the Company at 1002 Jalan Bukit Merah #07-11, Singapore 159456 during normal business hours.

## **9. RESPONSIBILITY STATEMENT**

The Directors of the Company (including any Director who may have delegated detailed supervision of the preparation of this announcement) 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 Placement, 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 the 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 the announcement in its proper form and context.

#### **10. CAUTIONARY STATEMENT**

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

#### **By Order of the Board**

Melvin Ang Wee Chye  
Chief Executive Officer and Executive Director  
22 March 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

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

*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) 64159886.*