

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of 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 and the enclosed Notice of Extraordinary General Meeting and Proxy Form to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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 Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. 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. The Sponsor 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, #01-05 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:

- (A) THE PROPOSED SHARE PURCHASE MANDATE;**
- (B) THE PROPOSED ACQUISITION OF 51% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF UnUsUaL PTE. LTD.; AND**
- (C) THE CHANGE IN RISK PROFILE AS A RESULT OF THE PROPOSED ACQUISITION.**

IMPORTANT DATES AND TIMES

- Last date and time for lodgement of Proxy Form : 18 July 2016 at 6.00 p.m.
- Date and time of Extraordinary General Meeting : 20 July 2016 at 6.00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be convened on the same day and at the same venue)
- Place of Extraordinary General Meeting : MasterCard Theatres at Marina Bay Sands, B1/F The Shoppes at Marina Bay Sands, 10 Bayfront Ave, Singapore 018956

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

“Accelerated Payment”	:	The accelerated payment as set out in paragraph 4.3.2(d) of this Circular
“Actual Aggregate Three-Year NPAT”	:	The actual aggregate NPAT achieved by the UnUsUaL Group for Year 1, Year 2 and Year 3 on a consolidated basis
“Adjusted Tranche Payment”	:	Has the meaning ascribed to it in paragraph 4.3.2(c)(ii) of this Circular
“Aggregate NPAT”	:	The actual aggregate NPAT achieved by the UnUsUaL Group (on a consolidated basis) or by the Target Companies, as the case may be, in any financial year
“AGM”	:	The annual general meeting of the Company
“Average Closing Price”	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Circular
“Board”	:	The board of Directors
“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
“CDP”	:	The Central Depository (Pte) Limited
“Change in Risk Profile”	:	Has the meaning ascribed to it in paragraph 1.1.3 of this Circular
“Circular”	:	This circular to Shareholders dated 5 July 2016
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	mm2 Asia Ltd.
“Completion”	:	The completion of the Proposed Acquisition in accordance with the Sale and Purchase Agreement
“Completion Date”	:	The date of Completion as set out in paragraph 4.4 of this Circular
“Conditions Precedent”	:	Has the meaning ascribed to it in paragraph 4.2.6 of this Circular
“Consideration”	:	Has the meaning ascribed to it in paragraph 3.1.1 of this Circular

DEFINITIONS

“Consideration Shares”	: Such number of new ordinary shares in the capital of the Company, to be issued at the Issue Price and credited as fully-paid
“Constitution”	: The constitution of the Company, as may be amended, modified or supplemented from time to time
“Directors”	: The directors of the Company as at the date of this Circular
“ECP Business”	: Has the meaning ascribed to it in paragraph 8.2 of this Circular
“EGM”	: The extraordinary general meeting of the Company
“EPS”	: Earnings per Share
“Excess Consideration Shares”	: Has the meaning ascribed to it in paragraph 10.2(b) of this Circular
“Existing Core Business”	: Has the meaning ascribed to it in paragraph 8.1 of this Circular
“First Tranche Payment”	: The first tranche payment as set out in paragraph 4.3.2(b) of this Circular
“FY2016”	: Financial year ended on 31 March 2016
“Group”	: The Company and its subsidiaries
“Issue Price”	: The price at which each Consideration Share shall be issued to the Vendors (or its nominee), such price being the volume weighted average price for trades done on the SGX-ST over the last twenty (20) Market Days immediately preceding the date of the issuance of the Consideration Shares
“Latest Practicable Date”	: 24 June 2016, being the latest practicable date prior to the printing of this Circular
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Market Purchase”	: Has the meaning ascribed to it in paragraph 2.3.3(a)
“Maximum Price”	: Has the meaning ascribed to it in paragraph 2.3.4
“NAV”	: Net asset value, being total assets less total liabilities and non-controlling interests
“NPAT”	: Net profits after tax excluding non-recurring exceptional items and extraordinary items
“NTA”	: Net tangible assets, being total assets less total liabilities and less intangible assets but including film rights, film inventories and software development

DEFINITIONS

“Notice of EGM”	:	The notice of the EGM as set out on pages N-1 to N-3 of this Circular
“Off-Market Purchase”	:	Has the meaning ascribed to it in paragraph 2.3.3(b) of this Circular
“Proposed Acquisition”	:	Has the meaning ascribed to it in paragraph 1.1.2 of this Circular
“Proposals”	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
“Registrar”	:	The Registrar of Companies appointed under the Companies Act
“Relevant General Mandate”	:	Has the meaning ascribed to it in paragraph 10.2(a) of this Circular
“Relevant Parties”	:	Has the meaning ascribed to it in paragraph 2.10.4 of this Circular
“Relevant Period”	:	The period commencing from the date on which the ordinary resolution in relation to the adoption of the Share Purchase Mandate is passed at the EGM to be convened, and expiring on the date the next AGM is or is required by law to be held, whichever is the earlier
“Resolution 1”	:	Resolution 1 as stated in the Notice of EGM
“Resolution 2”	:	Resolution 2 as stated in the Notice of EGM
“Resolution 3”	:	Resolution 3 as stated in the Notice of EGM
“Restructuring”	:	Has the meaning ascribed to it in paragraph 3.1.1 of this Circular
“Sale and Purchase Agreement”	:	The sale and purchase agreement dated 12 May 2016 entered into between the Company and the Vendors in relation to the Proposed Acquisition
“Second Tranche Payment”	:	The second tranche payment as set out in paragraph 4.3.2(c) 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
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited

DEFINITIONS

“Share Purchase Mandate”	:	The general mandate given by Shareholders to authorise Directors to purchase or otherwise acquire Shares on behalf of the Company in accordance with the terms set out in this Circular and the rules and regulations set forth in the Companies Act and the Catalist Rules
“Shareholder Proxy Form”	:	Has the meaning ascribed to it in paragraph 15.1 of this Circular
“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
“Shares”	:	Ordinary shares in the share capital of the Company
“SIC”	:	The Securities Industry Council of Singapore
“Sign-on Fee”	:	Has the meaning ascribed to it in paragraph 4.3.2(a) of this Circular
“Sponsor”	:	Hong Leong Finance Limited
“Substantial Shareholder”	:	A person who holds directly or indirectly five per cent. (5%) or more of the issued voting shares in the capital of the Company
“S\$” and “SG cents”	:	Singapore dollars and cents, respectively
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“Target Aggregate Three-Year NPAT”	:	The aggregate of the Year 1 Target NPAT, Year 2 Target NPAT and Year 3 Target NPAT of S\$15 million, to be achieved by the UnUsUaL Group
“Target Company 1”	:	UnUsUaL Productions Pte Ltd
“Target Company 2”	:	UnUsUaL Entertainment Pte. Ltd.
“Target Company 3”	:	UnUsUaL Development Pte Ltd
“Target Company 4”	:	UnUsUaL Entertainment International Limited
“Target Company 5”	:	UnUsUaL Productions (M) Sdn. Bhd.
“Target Companies”	:	UnUsUaL Productions Pte Ltd, UnUsUaL Entertainment Pte. Ltd., UnUsUaL Development Pte Ltd, UnUsUaL Entertainment International Limited and UnUsUaL Productions (M) Sdn. Bhd., collectively, and a “ Target Company ” means any one of them

DEFINITIONS

“Target Holding Company”	:	UnUsUaL Pte. Ltd.
“Target Sale Shares”	:	Has the meaning ascribed to it in paragraph 3.1.1 of this Circular
“Term Sheet”	:	The non-binding term sheet entered into between the Company and the Vendors in February 2016 in relation to the proposed acquisition of the Vendors’ respective interests in the issued share capital of the Target Companies
“treasury shares”	:	Issued Shares which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company
“UnUsUaL Group”	:	The UnUsUaL Group Companies, taken as a whole
“UnUsUaL Group Companies”	:	The Target Holding Company, Target Company 1, Target Company 2, Target Company 3, Target Company 4 and Target Company 5 collectively, and an “UnUsUaL Group Company” means any one of them
“Vendors”	:	Ong Chin Soon and Ong Chin Leong, and each a “Vendor”
“Year 1”	:	The UnUsUaL Group’s financial year ending 31 December 2016
“Year 2”	:	The UnUsUaL Group’s financial year ending 31 December 2017
“Year 3”	:	The UnUsUaL Group’s financial year ending 31 December 2018
“Year 1 Target NPAT”	:	S\$5 million
“Year 2 Target NPAT”	:	S\$5 million
“Year 3 Target NPAT”	:	S\$5 million
“%” or “per cent.”	:	percentage or per centum

The terms “**Depositor**”, “**Depository**”, “**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 Companies Act.

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

References to persons shall include corporations.

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

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules, or any relevant laws of the Republic of Singapore or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the Catalist Rules, or any relevant laws of the Republic of Singapore or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws or regulations contained in this Circular are of such laws or regulations as at the Latest Practicable Date.

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

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

MM2 ASIA LTD.

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

Directors:

Tan Liang Pheng (*Non-Executive Chairman and Independent Director*)
Melvin Ang Wee Chye (*Chief Executive Officer and Executive 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

5 July 2016

To: The Shareholders of mm2 Asia Ltd.

Dear Sir / Madam,

- (A) **THE PROPOSED SHARE PURCHASE MANDATE;**
- (B) **THE PROPOSED ACQUISITION OF 51% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF UnUsUaL PTE. LTD.; AND**
- (C) **THE PROPOSED CHANGE IN RISK PROFILE OF THE GROUP AS A RESULT OF THE PROPOSED ACQUISITION**

1. INTRODUCTION

1.1 Overview

The Directors propose to convene an EGM to be held on 20 July 2016 to seek Shareholders' approval for the following:

- 1.1.1 the proposed adoption of the Share Purchase Mandate;
- 1.1.2 the proposed acquisition of fifty-one per cent. (51%) of the issued and paid-up share capital of the Target Holding Company pursuant to the Sale and Purchase Agreement (the "**Proposed Acquisition**"), and
- 1.1.3 the change in risk profile of the Group as a result of the Proposed Acquisition (the "**Change in Risk Profile**"),

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 EGM is to be held on 20 July 2016 immediately following the conclusion or adjournment of the AGM to be held at 5.00 p.m. (on the same day and at the same place) or at any adjournment thereof.

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

1.3 Conditionality of Resolutions

Shareholders should note that Resolution 2, in respect of the Proposed Acquisition, and Resolution 3, in respect of the Change in Risk Profile, are inter-conditional on each other. This means that if Resolution 2 is not approved, Resolution 3 will not be deemed passed, and *vice versa*.

For the avoidance of doubt, Resolution 1 is independent of Resolution 2 and Resolution 3, and shall not be conditional on the passing of Resolution 2 and/or Resolution 3.

2. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

2.1 Background

2.1.1 The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act, the Catalist Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares.

2.1.2 Article 52(1) of the Constitution provides that the Company may, subject to and in accordance with the Companies Act and any other relevant legislation, rules or regulations enacted or prescribed by any relevant authority from time to time, purchase or otherwise acquire its issued Shares on such terms and in such manner as the Company may from time to time think fit.

2.1.3 Rule 866 of the Catalist Rules provides that a company may purchase its own shares if it has obtained the prior specific approval of shareholders in a general meeting. Accordingly, approval is being sought from the Shareholders at the forthcoming EGM for the Share Purchase Mandate. An ordinary resolution will be proposed, pursuant to which the authority will be granted to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Purchase Mandate.

2.1.4 If the Shareholders approve the Share Purchase Mandate at the EGM, the authority conferred by the Share Purchase Mandate will take effect from the date of the EGM to be convened and continue in force until the date on which the next AGM is held or required by law to be held, unless prior thereto, purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate have been carried out to the full extent mandated, or the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

2.2 Rationale for the Share Purchase Mandate

2.2.1 The Share Purchase Mandate will give the Directors the flexibility to purchase or acquire Shares if and when circumstances permit. Share purchases or acquisitions provide the Company and the Directors with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The purchase or acquisition of Shares may, depending on market conditions and funding arrangements, lead to an enhancement of the EPS and/or NTA per Share.

2.2.2 Share purchases or acquisitions also allow the Directors to exercise control over the Company's share capital structure with a view of enhancing the EPS and/or NTA per Share. The Share Purchase Mandate will further give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued and help to buffer short-term share price volatility and offset the effects of share price speculation, thereby boosting Shareholders' confidence and employees' morale.

LETTER TO SHAREHOLDERS

- 2.2.3 The Share Purchase Mandate also enables the Directors to purchase or acquire Shares, hold the repurchased Shares as treasury shares and utilise such treasury shares for the purposes of granting awards of Shares under the Company's Performance Share Plan, approved by Shareholders at an EGM held on 4 November 2014 or in such manner as may be permitted by and in accordance with the Companies Act and such other applicable laws and regulations.
- 2.2.4 If and when the circumstances permit, the Directors will decide whether to effect the Share purchases or acquisitions via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.
- 2.2.5 The Directors will only make purchases or acquisitions of Shares pursuant to the Share Purchase Mandate when they consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

2.3 Terms of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, if approved at the forthcoming EGM, are summarised below.

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed ten per cent. (10%) of the total number of issued Shares as at the date on which the resolution authorising the Share Purchase Mandate is passed, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the issued share capital of the Company shall be taken to be the amount of the issued share capital of the Company as altered. Any Shares which are held as treasury shares shall be disregarded for the purposes of computing the ten per cent. (10%) limit.

For illustrative purposes only, based on 502,083,242 issued Shares (excluding treasury shares) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the forthcoming EGM, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to four per cent. (4%) of its issued Shares will result in the purchase or acquisition of 20,083,329 Shares (excluding treasury shares).

For the purpose of illustrating the financial effects of the proposed Share Purchase Mandate on the Company and the Group, the Company has deviated from the market practice of assuming that shares purchased by a company is up to the maximum limit of ten per cent. (10%) permitted under the company's proposed share purchase mandate, and instead assumed that the Company will purchase up to 20,083,329 Shares, or four per cent. (4%) of its issued Shares pursuant to the Share Purchase Mandate.

The Company has adopted the foregoing assumption of Share purchases of up to four per cent. (4%) of its issued Shares as it does not have sufficient retained earnings to undertake any share purchase which will result in the acquisition of five per cent. (5%) or more of its issued Shares. If the Company assumes it purchases five per cent. (5%) or more of its issued Shares, the financial effects on the Company and the Group of such purchases will show negative financial ratios and figures which are not meaningful and do not best reflect the financial effect of the proposed Share Purchase Mandate on the Company and the Group.

LETTER TO SHAREHOLDERS

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next AGM is held or is required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

The Share Purchase Mandate may be renewed at each subsequent AGM or other general meetings of the Company.

2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s), transacted on the SGX-ST's trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) off-market purchase(s) effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act and the Catalist Rules ("**Off-Market Purchase**").

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (bb) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

In addition, Rule 870 of the Catalist Rules provides that, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares by the Company;
- (4) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the proposed purchase or acquisition of Shares by the Company, if made, could affect the Company's equity securities on Catalist;
- (6) details of any purchase or acquisition of Shares by the Company in the previous twelve (12) months (whether Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the share purchases, where relevant, and the total consideration paid for the share purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

in each case, excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses of the purchase or acquisition (the "**Maximum Price**").

For the purposes of determining the Maximum Price:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs after the relevant five (5)-day period; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

LETTER TO SHAREHOLDERS

2.4 Status of the Purchased Shares

Under the Companies Act, the Company may choose to hold the purchased Shares as treasury shares or to cancel them. The Constitution allows the Company to hold purchased Shares as treasury shares. Accordingly, the Company has the discretion to hold the purchased Shares as treasury shares or to cancel them.

Where Shares purchased or acquired by the Company are cancelled, the total number of Shares will be diminished by such number of Shares purchased or acquired.

Any Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST. Certificates in respect of purchased or acquired Shares that are cancelled by the Company will be cancelled by the Company as soon as reasonably practicable following the settlement of any purchase or acquisition of such Shares.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:-

2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Companies Act.

2.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

LETTER TO SHAREHOLDERS

In addition, under Rule 704(31) of the Catalist Rules, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

2.6.1 The Company may not purchase or acquire Shares on the SGX-ST for a consideration other than cash and/or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

2.6.2 Any purchase or acquisition of Shares may be made only if the Company is solvent and out of the Company's capital and/or profits. It is an offence for a Director or manager of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Companies Act, the Company is solvent if at the date of the relevant payment, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if –
 - (i) it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase, acquisition, variation or release of Shares, become less than the value of its liabilities (including contingent liabilities).

2.6.3 The Company intends to use internal resources and/or external borrowings to finance the purchase or acquisition of Shares pursuant to the Share Purchase Mandate. The Directors will principally consider the availability of internal resources. The Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will particularly consider the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of Shares in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions.

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2.7 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the NTA or EPS as the financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, (i) whether the Shares are purchased or acquired out of profits and/or capital of the Company, (ii) the number of Shares purchased or acquired, (iii) the consideration paid for such Shares, and (iv) whether the Shares purchased or acquired are held in treasury or cancelled.

The financial effects on the Company and the Group, based on the latest audited financial statements of the Company and the Group for FY2016, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Purchase Mandate had taken place on the Latest Practicable Date; and
- (b) transaction costs incurred for the purpose of acquisition of Shares pursuant to the Share Purchase Mandate have been assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

2.7.1 Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the purchased Shares are cancelled, a reduction by the total amount of the purchase price paid by the Company for the Shares cancelled will be made to:

- (a) the share capital of the Company where the Shares were purchased out of the capital of the Company;
- (b) the profits of the Company where the Shares were purchased out of the profits of the Company; or
- (c) the share capital and profits of the Company proportionately where the Shares were purchased out of both the capital and profits of the Company.

If, on the other hand, the purchased or acquired Shares are not cancelled but held in treasury, then there will be no change in the Company's issued capital.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The amount of funding required for the Company to purchase or acquire its own Shares and the financial effects on the Company and the Group arising from purchases of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

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2.7.2 Number of Shares Acquired or Purchased

For illustrative purposes only, based on 502,083,242 issued Shares (excluding treasury shares) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the forthcoming EGM, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to four per cent. (4%) of its issued Shares will result in the purchase or acquisition of 20,083,329 Shares (excluding treasury shares).

For the purpose of illustrating the financial effects of the proposed Share Purchase Mandate on the Company and the Group, the Company has deviated from the market practice of assuming that shares purchased by a company is up to the maximum limit of ten per cent. (10%) permitted under the company's proposed share purchase mandate, and instead assumed that the Company will purchase up to 20,083,329 Shares, or four per cent. (4%) of its issued Shares pursuant to the Share Purchase Mandate.

The Company has adopted the foregoing assumption of Share purchases of up to four per cent. (4%) of its issued Shares as it does not have sufficient retained earnings to undertake any share purchase which will result in the acquisition of five per cent. (5%) or more of its issued Shares. If the Company assumes it purchases five per cent. (5%) or more of its issued Shares, the financial effects on the Company and the Group of such purchases will show negative financial ratios and figures which are not meaningful and do not best reflect the financial effect of the proposed Share Purchase Mandate on the Company and the Group.

2.7.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 20,083,329 Shares at the Maximum Price of S\$0.721875 per Share (being the price equivalent to five per cent. (5%) above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 20,083,329 Shares is approximately S\$14,497,653 (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 20,083,329 Shares at the Maximum Price of S\$0.825 per Share (being the price equivalent to twenty per cent. (20%) above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 20,083,329 Shares is approximately S\$16,568,746 (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses).

2.7.4 Illustrative Financial Effects

For illustrative purposes only, and on the basis of the assumptions set out above, the financial effects of the:

- (a) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and held as treasury shares;
- (b) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and cancelled;
- (c) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and held as treasury shares; and
- (d) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and cancelled,

on the latest audited consolidated financial statements of the Group for FY2016 pursuant to the Share Purchase Mandate are set out below:

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Scenario 1

Purchase of 20,083,329 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares

	GROUP				COMPANY			
	As at 31 March 2016	Before Share Purchase	After Market Purchase ⁽¹³⁾	After Off-Market Purchase ⁽¹⁴⁾	As at 31 March 2016	Before Share Purchase	After Market Purchase ⁽¹³⁾	After Off-Market Purchase ⁽¹⁴⁾
As at 31 March 2016	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	56,982	80,270 ⁽⁸⁾	80,270	80,270	56,982	80,270 ⁽⁸⁾	80,270	80,270
Retained earnings/ (accumulated losses)	16,860	16,860	16,860	16,860	(601)	(601)	(601)	(601)
Other reserves	(37,655)	(38,101) ⁽⁹⁾	(38,101)	(38,101)	446	– ⁽⁹⁾	–	–
Treasury shares	–	–	(14,498)	(16,569)	–	–	(14,498)	(16,569)
Shareholders' funds	36,187	59,029	44,531	42,460	56,827	79,669	65,171	63,100
Non-controlling interests	978	978	978	978	–	–	–	–
Total Equity	37,165	60,007	45,509	43,438	56,827	79,669	65,171	63,100
NTA ⁽¹⁾	23,151	41,191 ⁽¹⁰⁾	26,693	24,622	56,827	74,867 ⁽¹⁰⁾	60,369	58,298
NAV	37,165	60,007	45,509	43,438	56,827	79,669	65,171	63,100
Current Assets	39,254	64,794 ⁽¹¹⁾	50,296	48,225	22,309	47,849 ⁽¹¹⁾	47,849	47,849
Current Liabilities	28,249	28,249	28,249	28,249	1,656	1,656	1,656	1,656
Total borrowings ⁽²⁾	3,049	5,795 ⁽¹²⁾	5,795	5,795	2,154	4,900 ⁽¹²⁾	4,900	4,900
Cash and cash equivalents	4,743	30,283 ⁽¹¹⁾	15,785	13,714	343	25,883 ⁽¹¹⁾	11,385	9,314
Profit / (Loss) net of tax ⁽³⁾	8,176	8,176	8,176	8,176	(118)	(118)	(118)	(118)
Number of Shares (in '000)								
Issued and paid-up capital (excluding treasury shares)	442,265	502,083 ⁽⁸⁾	482,000	482,000	442,265	502,083 ⁽⁸⁾	482,000	482,000
Financial Ratios								
NTA per Share (Singapore cents) ⁽⁴⁾	5.23	8.20	5.54	5.11	12.85	14.91	12.52	12.10
NAV per Share (Singapore cents)	8.40	11.95	9.44	9.01	12.85	15.87	13.52	13.09
Net gearing ratio (times) ⁽⁵⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	0.03	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾
Current ratio (times) ⁽⁷⁾	1.39	2.29	1.78	1.71	13.47	28.89	28.89	28.89
Earnings / (Loss) per Share (Singapore cents)	1.85	1.63	1.70	1.70	(0.03)	(0.02)	(0.02)	(0.02)

Notes:

- (1) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles, film inventories and software development.
- (2) Assuming the purchase of the Shares by the Company will be funded by internal resources.
- (3) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (4) NTA per Share is computed based on the NTA divided by the number of issued Shares of 442,264,888 as at 31 March 2016.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) NM means not meaningful.
- (7) Current ratio equals to current assets divided by current liabilities.
- (8) Pursuant to (a) the issuance of 9,442,172 shares pursuant to the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes with aggregate interest of S\$43,808, (b) the issuance of 6,376,182 shares pursuant to the conversion of S\$2,600,000 in aggregate principal amount of convertible notes with aggregate interest of S\$4,703, and (c) the issuance of 44,000,000 shares pursuant to the placement of shares of S\$18,040,000 to StarHub Ltd.
- (9) Pursuant to the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, being the equity component of S\$446,201.

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- (10) Pursuant to the gross proceeds from the placement of shares of S\$18,040,000 to StarHub Ltd.
- (11) Pursuant to the gross proceeds from (a) the issuance of convertible notes pursuant to the convertible notes subscription agreement in aggregate principal amount of S\$7,500,000, and (b) the issuance of 44,000,000 shares pursuant to the placement of shares of S\$18,040,000 to StarHub Ltd.
- (12) Pursuant to (a) the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, being the liability component of S\$2,153,799, (b) the issuance of convertible notes in aggregate principal amount of S\$7,500,000, and (c) the conversion of S\$2,600,000 to in aggregate principal amount of convertible notes.
- (13) Assumes that the Company purchases the 20,083,329 Shares at the Maximum Price of S\$0.721875 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 20,083,329 Shares is approximately S\$14,497,653.
- (14) Assumes that the Company purchases the 20,083,329 Shares at the Maximum Price of S\$0.825 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 20,083,329 Shares is approximately S\$16,568,746.

Scenario 2

Purchase of 20,083,329 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and cancelled

	GROUP				COMPANY			
	As at 31 March 2016	Before Share Purchase	After Market Purchase ⁽¹³⁾	After Off-Market Purchase ⁽¹⁴⁾	As at 31 March 2016	Before Share Purchase	After Market Purchase ⁽¹³⁾	After Off-Market Purchase ⁽¹⁴⁾
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 March 2016								
Share capital	56,982	80,270 ⁽⁸⁾	65,772	63,701	56,982	80,270 ⁽⁸⁾	65,772	63,701
Retained earnings/ (accumulated losses)	16,860	16,860	16,860	16,860	(601)	(601)	(601)	(601)
Other reserves	(37,655)	(38,101) ⁽⁹⁾	(38,101)	(38,101)	446	— ⁽⁹⁾	—	—
Treasury shares	—	—	—	—	—	—	—	—
Shareholders' funds	36,187	59,029	44,531	42,460	56,827	79,669	65,171	63,100
Non-controlling interests	978	978	978	978	—	—	—	—
Total Equity	37,165	60,007	45,509	43,438	56,827	79,669	65,171	63,100
NTA ⁽¹⁾	23,151	41,191 ⁽¹⁰⁾	26,693	24,622	56,827	74,867 ⁽¹⁰⁾	60,369	58,298
NAV	37,165	60,007	45,509	43,438	56,827	79,669	65,171	63,100
Current Assets	39,254	64,794 ⁽¹¹⁾	50,296	48,225	22,309	47,849 ⁽¹¹⁾	47,849	47,849
Current Liabilities	28,249	28,249	28,249	28,249	1,656	1,656	1,656	1,656
Total borrowings ⁽²⁾	3,049	5,795 ⁽¹²⁾	5,795	5,795	2,154	4,900 ⁽¹²⁾	4,900	4,900
Cash and cash equivalents	4,743	30,283 ⁽¹¹⁾	15,785	13,714	343	25,883 ⁽¹¹⁾	11,385	9,314
Profit / (Loss) net of tax ⁽³⁾	8,176	8,176	8,176	8,176	(118)	(118)	(118)	(118)
Number of Shares (in '000)								
Issued and paid-up capital (excluding treasury shares)	442,265	502,083 ⁽⁸⁾	482,000	482,000	442,265	502,083 ⁽⁸⁾	482,000	482,000
Financial Ratios								
NTA per Share (Singapore cents) ⁽⁴⁾	5.23	8.20	5.54	5.11	12.85	14.91	12.52	12.10
NAV per Share (Singapore cents)	8.40	11.95	9.44	9.01	12.85	15.87	13.52	13.09
Net gearing ratio (times) ⁽⁵⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	0.03	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾
Current ratio (times) ⁽⁷⁾	1.39	2.29	1.78	1.71	13.47	28.89	28.89	28.89
Earnings / (Loss) per Share (Singapore cents)	1.85	1.63	1.70	1.70	(0.03)	(0.02)	(0.02)	(0.02)

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Notes:

- (1) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles, film inventories and software development.
- (2) Assuming the purchase of the Shares by the Company will be funded by internal resources.
- (3) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (4) NTA per Share is computed based on the NTA divided by the number of issued Shares of 442,264,888 as at 31 March 2016.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) NM means not meaningful.
- (7) Current ratio equals to current assets divided by current liabilities.
- (8) Pursuant to (a) the issuance of 9,442,172 shares pursuant to the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes with aggregate interest of S\$43,808, (b) the issuance of 6,376,182 shares pursuant to the conversion of S\$2,600,000 in aggregate principal amount of convertible notes with aggregate interest of S\$4,703, and (c) the issuance of 44,000,000 shares pursuant to the placement of shares of S\$18,040,000 to StarHub Ltd.
- (9) Pursuant to the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, being the equity component of S\$446,201.
- (10) Pursuant to the gross proceeds from the placement of shares of S\$18,040,000 to StarHub Ltd.
- (11) Pursuant to the gross proceeds from (a) the issuance of convertible notes pursuant to the convertible notes subscription agreement in aggregate principal amount of S\$7,500,000, and (b) the issuance of 44,000,000 shares pursuant to the placement of shares of S\$18,040,000 to StarHub Ltd.
- (12) Pursuant to (a) the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, being the liability component of S\$2,153,799, (b) the issuance of convertible notes in aggregate principal amount of S\$7,500,000, and (c) the conversion of S\$2,600,000 to in aggregate principal amount of convertible notes.
- (13) Assumes that the Company purchases the 20,083,329 Shares at the Maximum Price of S\$0.721875 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 20,083,329 Shares is approximately S\$14,497,653.
- (14) Assumes that the Company purchases the 20,083,329 Shares at the Maximum Price of S\$0.825 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 20,083,329 Shares is approximately S\$16,568,746.

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Scenario 3

Purchase of 20,083,329 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and held as treasury shares

	GROUP				COMPANY			
	As at 31 March 2016	Before Share Purchase	After Market Purchase ⁽¹³⁾	After Off-Market Purchase ⁽¹⁴⁾	As at 31 March 2016	Before Share Purchase	After Market Purchase ⁽¹³⁾	After Off-Market Purchase ⁽¹⁴⁾
As at 31 March 2016	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	56,982	80,270 ⁽⁸⁾	80,270	80,270	56,982	80,270 ⁽⁸⁾	80,270	80,270
Retained earnings/ (accumulated losses)	16,860	16,860	16,860	16,860	(601)	(601)	(601)	(601)
Other reserves	(37,655)	(38,101) ⁽⁹⁾	(38,101)	(38,101)	446	— ⁽⁹⁾	—	—
Treasury shares	—	—	(14,498)	(16,569)	—	—	(14,498)	(16,569)
Shareholders' funds	36,187	59,029	44,531	42,460	56,827	79,669	65,171	63,100
Non-controlling interests	978	978	978	978	—	—	—	—
Total Equity	37,165	60,007	45,509	43,438	56,827	79,669	65,171	63,100
NTA ⁽¹⁾	23,151	41,191 ⁽¹⁰⁾	26,693	24,622	56,827	74,867 ⁽¹⁰⁾	60,369	58,298
NAV	37,165	60,007	45,509	43,438	56,827	79,669	65,171	63,100
Current Assets	39,254	64,794 ⁽¹¹⁾	50,296	48,225	22,309	47,849 ⁽¹¹⁾	47,849	47,849
Current Liabilities	28,249	28,249	28,249	28,249	1,656	1,656	1,656	1,656
Total borrowings ⁽²⁾	3,049	5,795 ⁽¹²⁾	5,795	5,795	2,154	4,900 ⁽¹²⁾	4,900	4,900
Cash and cash equivalents	4,743	30,283 ⁽¹¹⁾	15,785	13,714	343	25,883 ⁽¹¹⁾	11,385	9,314
Profit / (Loss) net of tax ⁽³⁾	8,176	8,176	8,176	8,176	(118)	(118)	(118)	(118)
Number of Shares (in '000)								
Issued and paid-up capital (excluding treasury shares)	442,265	502,083 ⁽⁸⁾	482,000	482,000	442,265	502,083 ⁽⁸⁾	482,000	482,000
Financial Ratios								
NTA per Share (Singapore cents) ⁽⁴⁾	5.23	8.20	5.54	5.11	12.85	14.91	12.52	12.10
NAV per Share (Singapore cents)	8.40	11.95	9.44	9.01	12.85	15.87	13.52	13.09
Net gearing ratio (times) ⁽⁵⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	0.03	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾
Current ratio (times) ⁽⁷⁾	1.39	2.29	1.78	1.71	13.47	28.89	28.89	28.89
Earnings / (Loss) per Share (Singapore cents)	1.85	1.63	1.70	1.70	(0.03)	(0.02)	(0.02)	(0.02)

Notes:

- (1) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles, film inventories and software development.
- (2) Assuming the purchase of the Shares by the Company will be funded by internal resources.
- (3) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (4) NTA per Share is computed based on the NTA divided by the number of issued Shares of 442,264,888 as at 31 March 2016.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) NM means not meaningful.
- (7) Current ratio equals to current assets divided by current liabilities.
- (8) Pursuant to (a) the issuance of 9,442,172 shares pursuant to the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes with aggregate interest of S\$43,808, (b) the issuance of 6,376,182 shares pursuant to the conversion of S\$2,600,000 in aggregate principal amount of convertible notes with aggregate interest of S\$4,703, and (c) the issuance of 44,000,000 shares pursuant to the placement of shares of S\$18,040,000 to StarHub Ltd.
- (9) Pursuant to the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, being the equity component of S\$446,201.

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- (10) Pursuant to the gross proceeds from the placement of shares of S\$18,040,000 to StarHub Ltd.
- (11) Pursuant to the gross proceeds from (a) the issuance of convertible notes pursuant to the convertible notes subscription agreement in aggregate principal amount of S\$7,500,000, and (b) the issuance of 44,000,000 shares pursuant to the placement of shares of S\$18,040,000 to StarHub Ltd.
- (12) Pursuant to (a) the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, being the liability component of S\$2,153,799, (b) the issuance of convertible notes in aggregate principal amount of S\$7,500,000, and (c) the conversion of S\$2,600,000 to in aggregate principal amount of convertible notes.
- (13) Assumes that the Company purchases the 20,083,329 Shares at the Maximum Price of S\$0.721875 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 20,083,329 Shares is approximately S\$14,497,653.
- (14) Assumes that the Company purchases the 20,083,329 Shares at the Maximum Price of S\$0.825 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 20,083,329 Shares is approximately S\$16,568,746.

Scenario 4

Purchase of 20,083,329 of Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and cancelled

	GROUP				COMPANY			
	As at 31 March 2016	Before Share Purchase	After Market Purchase ⁽¹³⁾	After Off-Market Purchase ⁽¹⁴⁾	As at 31 March 2016	Before Share Purchase	After Market Purchase ⁽¹³⁾	After Off-Market Purchase ⁽¹⁴⁾
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 March 2016								
Share capital	56,982	80,270 ⁽⁸⁾	80,270	80,270	56,982	80,270 ⁽⁸⁾	80,270	80,270
Retained earnings/ (accumulated losses)	16,860	16,860	2,362	291	(601)	(601)	(15,099) ⁽¹⁵⁾	(17,170) ⁽¹⁵⁾
Other reserves	(37,655)	(38,101) ⁽⁹⁾	(38,101)	(38,101)	446	– ⁽⁹⁾	–	–
Treasury shares	–	–	–	–	–	–	–	–
Shareholders' funds	36,187	59,029	44,531	42,460	56,827	79,669	65,171	63,100
Non-controlling interests	978	978	978	978	–	–	–	–
Total Equity	37,165	60,007	45,509	43,438	56,827	79,669	65,171	63,100
NTA ⁽¹⁾	23,151	41,191 ⁽¹⁰⁾	26,693	24,622	56,827	74,867 ⁽¹⁰⁾	60,369	58,298
NAV	37,165	60,007	45,509	43,438	56,827	79,669	65,171	63,100
Current Assets	39,254	64,794 ⁽¹¹⁾	50,296	48,225	22,309	47,849 ⁽¹¹⁾	47,849	47,849
Current Liabilities	28,249	28,249	28,249	28,249	1,656	1,656	1,656	1,656
Total borrowings ⁽²⁾	3,049	5,795 ⁽¹²⁾	5,795	5,795	2,154	4,900 ⁽¹²⁾	4,900	4,900
Cash and cash equivalents	4,743	30,283 ⁽¹¹⁾	15,785	13,714	343	25,883 ⁽¹¹⁾	11,385	9,314
Profit / (Loss) net of tax ⁽³⁾	8,176	8,176	8,176	8,176	(118)	(118)	(118)	(118)
Number of Shares (in '000)								
Issued and paid-up capital (excluding treasury shares)	442,265	502,083 ⁽⁸⁾	482,000	482,000	442,265	502,083 ⁽⁸⁾	482,000	482,000
Financial Ratios								
NTA per Share (Singapore cents) ⁽⁴⁾	5.23	8.20	5.54	5.11	12.85	14.91	12.52	12.10
NAV per Share (Singapore cents)	8.40	11.95	9.44	9.01	12.85	15.87	13.52	13.09
Net gearing ratio (times) ⁽⁵⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	0.03	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾
Current ratio (times) ⁽⁷⁾	1.39	2.29	1.78	1.71	13.47	28.89	28.89	28.89
Earnings / (Loss) per Share (Singapore cents)	1.85	1.63	1.70	1.70	(0.03)	(0.02)	(0.02)	(0.02)

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Notes:

- (1) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles, film inventories and software development.
- (2) Assuming the purchase of the Shares by the Company will be funded by internal resources.
- (3) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (4) NTA per Share is computed based on the NTA divided by the number of issued Shares of 442,264,888 as at 31 March 2016.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) NM means not meaningful.
- (7) Current ratio equals to current assets divided by current liabilities.
- (8) Pursuant to (a) the issuance of 9,442,172 shares pursuant to the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes with aggregate interest of S\$43,808, (b) the issuance of 6,376,182 shares pursuant to the conversion of S\$2,600,000 in aggregate principal amount of convertible notes with aggregate interest of S\$4,703, and (c) the issuance of 44,000,000 shares pursuant to the placement of shares of S\$18,040,000 to StarHub Ltd.
- (9) Pursuant to the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, being the equity component of S\$446,201.
- (10) Pursuant to the gross proceeds from the placement of shares of S\$18,040,000 to StarHub Ltd.
- (11) Pursuant to the gross proceeds from (a) the issuance of convertible notes pursuant to the convertible notes subscription agreement in aggregate principal amount of S\$7,500,000, and (b) the issuance of 44,000,000 shares pursuant to the placement of shares of S\$18,040,000 to StarHub Ltd.
- (12) Pursuant to (a) the mandatory exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, being the liability component of S\$2,153,799, (b) the issuance of convertible notes in aggregate principal amount of S\$7,500,000, and (c) the conversion of S\$2,600,000 to in aggregate principal amount of convertible notes.
- (13) Assumes that the Company purchases the 20,083,329 Shares at the Maximum Price of S\$0.721875 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 20,083,329 Shares is approximately S\$14,497,653.
- (14) Assumes that the Company purchases the 20,083,329 Shares at the Maximum Price of S\$0.825 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 20,083,329 Shares is approximately S\$16,568,746.
- (15) Retained earnings after market purchase and off-market purchase for the Company are not meaningful as the Company is having accumulated loss.

Shareholders should note that the financial effects, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NTA per Share and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 31 March 2016, and is not necessarily representative of future financial performance.

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It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the full ten per cent. (10%) as mandated. Further, the Directors would like to emphasise that they do not propose to carry out purchases or acquisitions of the Shares to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution.

2.8 Catalyst Rules

Rule 871 of the Catalyst Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalyst Rules) must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

The Catalyst Rules do not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalyst Rules.

In particular, in line with the best practices on dealings in securities under Rule 1204(19) of the Catalyst Rules, the Company would not purchase or acquire any Share through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s full-year results, and the period of two (2) weeks before the announcement of each of the first three (3) quarters of the Company’s financial year.

2.9 Reporting Requirements under the Companies Act

Within thirty (30) days of the passing of a Shareholders’ resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar. The Company shall notify the Registrar within thirty (30) days of a purchase or acquisition of Shares on Catalyst or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company’s issued ordinary share capital before the purchase or acquisition of Shares and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by the Registrar in the prescribed form.

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Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

2.10 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.10.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert with each other:

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;

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- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, a company is an “associated company” of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its issued Shares, the voting rights of such Directors and the persons acting in concert with them would increase to thirty per cent. (30%) or more, or in the event that such Directors and the persons acting in concert with them hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company’s voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company’s voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate to be proposed at the EGM to be convened.

Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a takeover offer would arise by reason of any Share purchases by the Company.

2.10.4 Application of the Take-Over Code

Assuming that:

- (a) the Company purchases or acquires Shares pursuant to the Share Purchase Mandate up to the maximum of ten per cent. (10%) of the issued Shares (excluding treasury shares) as permitted by the Share Purchase Mandate;
- (b) no new Shares are issued following the Shareholders’ approval of the proposed Share Purchase Mandate at the EGM to be convened; and
- (c) such Shares are either cancelled or held as treasury shares,

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the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date and after the purchase by the Company (other than from the Substantial Shareholders) of the maximum of ten per cent. (10%) of the issued Shares (excluding treasury shares) pursuant to the Share Purchase Mandate, are as follows:

	Number of Shares Before Share Purchase			Voting Rights in the Company (%)	
	Direct Interest	Deemed Interest	Total Interest	Before Share Purchase ⁽¹⁾	After Share Purchase ⁽²⁾
Directors					
Mr Tan Liang Pheng	–	–	–	–	–
Mr Melvin Ang Wee Chye (“Mr Melvin Ang”)	190,322,000	45,600,000 ⁽³⁾	235,922,000	46.99	52.21
Mr Chia Seng Hee, Jack	–	–	–	–	–
Mr Lei Chee Kong Thomas	100,000	–	100,000	0.02	0.02
Mr Mak Chi Hoo	–	–	–	–	–
Mr Mock Pak Lum	–	–	–	–	–
Substantial Shareholders (other than Directors)					
Yeo Khee Seng Benny (“Mr Benny Yeo”)	12,764,000	22,896,500 ⁽⁴⁾	35,660,500	7.10	7.89
Starhub Ltd	44,000,000	–	44,000,000	8.76	9.74
Asia Mobile Holdings Pte. Ltd.	–	–	44,000,000 ⁽⁵⁾	8.76	9.74
Asia Mobile Holdings Company Pte. Ltd.	–	–	44,000,000 ⁽⁶⁾	8.76	9.74
STT Communications Ltd	–	–	44,000,000 ⁽⁷⁾	8.76	9.74
Singapore Technologies Telemedia Pte Ltd	–	–	44,000,000 ⁽⁸⁾	8.76	9.74
Temasek Holdings (Private) Limited	–	–	44,000,000 ⁽⁹⁾	8.76	9.74
Ooredoo Investment Holding S.P.C.	–	–	44,000,000 ⁽¹⁰⁾	8.76	9.74
Ooredoo QSC	–	–	44,000,000 ⁽¹¹⁾	8.76	9.74

Notes:

- (1) The percentage of Shares held is calculated based on the Company’s total number of issued Shares of 502,083,242 (excluding treasury shares) before the Share purchase by the Company.
- (2) The percentage of Shares held is calculated based on the Company’s total number of issued Shares of 451,874,918 (excluding treasury shares) after the Share purchase by the Company.
- (3) Mr Melvin Ang is deemed to be interested in (a) 5,000,000 Shares held under the name of Maybank Kim Eng Securities Pte Ltd, (b) 20,000,000 Shares held under the name of KGI Fraser Securities Pte Ltd, and (c) 20,600,000 Shares held under the name of Hong Leong Finance Nominees Pte Ltd.
- (4) Mr Benny Yeo is deemed interested in the Shares held by Beyond Sea Investment Limited (“BSI”) by virtue of Section 4 of the SFA as he owns fifty per cent. (50%) of the shareholdings of BSI. BSI holds 12,408,200 Shares. Mr Benny Yeo is deemed interested in the Shares held by Apex Capital Group Pte Ltd (“Apex Capital”) by virtue of Section 4 of the SFA as he owns seventy per cent. (70%) of the shareholdings of Apex Capital. Apex Capital holds 10,488,300 Shares.
- (5) Asia Mobile Holdings Pte. Ltd. (“Asia Mobile”) is deemed interested in the Shares held by Starhub Ltd (“Starhub”) by virtue of Section 4 of the SFA as it holds a direct interest of approximately 55.81% in Starhub.
- (6) Asia Mobile Holdings Company Pte. Ltd. (“AMHC”) holds a direct interest of approximately 75% in Asia Mobile, which in turn holds a direct interest of approximately 55.81% in StarHub, AMHC is deemed interested in all the shares held by StarHub in the Company.

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- (7) STT Communications Ltd (“**STTC**”) holds a direct interest in the entire issued share capital of AMHC, which holds a direct interest of approximately 75% in Asia Mobile, which in turn holds a direct interest of approximately 55.81% in StarHub, STTC is deemed interested in all the shares held by StarHub in the Company.
- (8) Singapore Technologies Telemedia Pte Ltd (“**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 Asia Mobile, which in turn holds direct interest of approximately 55.81% in StarHub, STT is deemed interested in all the shares held by StarHub in the Company.
- (9) 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 in the Company.
- (10) Ooredoo Investment Holding S.P.C (“**OIH**”) is deemed interested in the Shares held by Starhub by virtue of Section 4 of the SFA as it holds a direct interest of approximately 25% in Asia Mobile which in turn holds a direct interest of approximately 55.81% in Starhub.
- (11) As Ooredoo QSC holds a direct interest in the entire issued share capital of OIH, which holds a direct interest of approximately 25% in Asia Mobile, which in turn holds a direct interest of approximately 55.81% in Starhub, Ooredoo QSC is deemed interested in all the Shares held by Starhub by virtue of Section 4 of the SFA.

As at the Latest Practicable Date, and for the purposes of the Take-over Code, as Mr Melvin Ang is a Director, and by virtue of Mr Ang Wee Gee being the brother of Mr Melvin Ang, Mr Melvin Ang and Mr Ang Wee Gee (collectively, the “**Relevant Parties**”) are presumed to be parties acting in concert with each other. As at the Latest Practicable Date, the shareholdings of the Relevant Parties are set out below:

	Number of Shares			Voting Rights in the Company (%) ⁽³⁾
	Direct Interest	Deemed Interest	Total Interest	
Relevant Parties				
Mr Melvin Ang	190,322,000	45,600,000 ⁽¹⁾	235,922,000	46.99
Mr Ang Wee Gee	–	11,233,600 ⁽²⁾	11,233,600	2.24

Notes:

- (1) Mr Melvin Ang is deemed to be interested in (a) 5,000,000 Shares held under the name of Maybank Kim Eng Securities Pte Ltd, (b) 20,000,000 Shares held under the name of KGI Fraser Securities Pte Ltd, and (c) 20,600,000 Shares held under the name of Hong Leong Finance Nominees Pte Ltd.
- (2) Mr Ang Wee Gee is deemed to be interested in 11,233,600 Shares held on his behalf by JP Morgan Chase Bank, which is held under the name of DBS Nominees.
- (3) The percentage of Shares held is calculated based on the Company’s total number of issued Shares (excluding treasury shares) of 502,083,242 as at the Latest Practicable Date.

In the event that the Company undertakes any purchase or acquisition of Shares of up to the maximum limit of ten per cent. (10%) of its issued Shares (excluding treasury shares) as permitted by the Share Purchase Mandate, the aggregate shareholdings and voting rights of the Relevant Parties in the Company will increase from approximately 49.23% to approximately 54.70%.

Accordingly, if such increase in shareholding were to occur over any 6-month period, the shareholding of the Relevant Parties would have increased by more than one per cent. (1%). Under the Take-over Code, the Relevant Parties and persons acting in concert with them, if any, unless exempted, would become obliged to make a general offer for the Shares held by the Shareholders pursuant to Rule 14.1(b) of the Take-over Code.

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2.10.5 Conditions for exemption from having to make a general offer under Rule 14 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, the Relevant Parties and persons acting in concert with them will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code as a result of any share buy-back carried out by the Company pursuant to the Share Purchase Mandate, subject to the following conditions:

- (a) the circular to Shareholders seeking their approval for the Share Purchase Mandate will contain:
 - (i) advice to the effect that by voting in favour of the resolution to approve the Share Purchase Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Parties and persons acting in concert with them who, as a result of the Company buying back its Shares, would increase their voting rights by more than one per cent. (1%) in any 6-month period; and
 - (ii) the names and voting rights of the Relevant Parties and persons acting in concert with them, and their voting rights at the time of the resolution and after the Company exercises the power under the Share Purchase Mandate in full and purchases ten per cent. (10%) of the issued Shares;
- (b) the resolution to authorise the Share Purchase Mandate is approved by a majority of Shareholders who are present and voting at the EGM on a poll who could not become obliged to make an offer as a result of the share buy-back by the Company pursuant to the Share Purchase Mandate;
- (c) the Relevant Parties and persons acting in concert with them will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Purchase Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Share Purchase Mandate, each of the Directors is to submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) the Relevant Parties and/or persons acting in concert with them together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the Share Purchase Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Purchase Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than one per cent. (1%) in the preceding six (6) months.

It follows that where the aggregate voting rights held by a director and persons acting in concert with him increase by more than one per cent. (1%) solely as a result of the share buy-back and none of them has acquired any shares during the relevant period defined above, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

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2.10.6 Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption as set out in paragraph 2.10.5 above from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its Share Purchase Mandate.

As at the Latest Practicable Date, the Relevant Parties have informed the Company that they will be submitting the Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the adoption of the Share Purchase Mandate.

2.10.7 Advice to Shareholders

Shareholders should note that by voting for the Share Purchase Mandate, they are waiving their rights to a take-over offer at the required price from the Relevant Parties in the circumstances set out above. Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.

Save as disclosed, based on the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s), Director(s) and/or Shareholder(s) who are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

Appendix 2 of the Take-over Code requires that the resolution to authorise the Share Purchase Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the share buy-back. Accordingly, the said resolution is proposed to be taken on a poll and the Relevant Parties and persons acting in concert with them shall abstain from voting on such resolution.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or SIC at the earliest opportunity.

2.11 **Listing Status of Shares on the SGX-ST**

Rule 723 of the Catalist Rules requires a listed company to ensure that at least ten per cent. (10%) of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

The expression “**public**” is defined under the Catalist Rules as persons other than (a) the directors, chief executive officer, substantial shareholders or controlling shareholders of a company and its subsidiaries, and (b) the associates (as defined in the Catalist Rules) of the persons described in paragraph (a).

As at the Latest Practicable Date, there are 186,400,742 Shares in the hands of the public, representing 37.13% of the issued Shares of the Company (there being no treasury shares held by the Company as at the Latest Practicable Date). Assuming that the Company purchases its Shares through Market Purchases up to the full ten per cent. (10%) limit pursuant to the Share Purchase Mandate from the public on the Latest Practicable Date, the number of Shares in the hands of the public would be reduced to 136,192,418 Shares, representing 30.14% of the issued Shares of the Company (there being no treasury shares held by the Company as at the Latest Practicable Date).

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Accordingly, the Company is of the view that there is a sufficient number of Shares held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full ten per cent. (10%) limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.12 Shares bought by the company in the past twelve (12) months

The Company has not purchased any Shares within the past twelve (12) months preceding the Latest Practicable Date.

2.13 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

3. THE PROPOSED ACQUISITION OF 51% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE TARGET HOLDING COMPANY

3.1 Introduction

3.1.1 Background

On 12 May 2016, the Board announced that the Company had entered into the Sale and Purchase Agreement with the Vendors in relation to the proposed acquisition by the Company of such number of shares in the Target Holding Company held by the Vendors, collectively representing 51% of the entire issued and paid-up share capital of the Target Holding Company (the “**Target Sale Shares**”) for an aggregate consideration of up to S\$26,000,000 (the “**Consideration**”) subject to the terms and conditions of the Sale and Purchase Agreement.

Notwithstanding the terms of the Term Sheet, the Parties had agreed pursuant to the Sale and Purchase Agreement that the Vendors shall undertake a restructuring of the Target Companies (the “**Restructuring**”) by incorporating the Target Holding Company. Pursuant to the Restructuring, the Vendors will transfer, or procure the transfer of, all their shares in the Target Companies, collectively representing 100% of the entire issued share capital of the Target Companies, to the Target Holding Company so that the Target Holding Company shall become the sole shareholder of each of the Target Companies. The Proposed Acquisition is on a zero current asset and zero current liabilities basis of each of the UnUsUaL Group Companies.

3.1.2 Chapter 10 of the Catalist Rules

The Proposed Acquisition constitutes a “Discloseable Transaction” under Chapter 10 of the Catalist Rules. However, as the Proposed Acquisition may change the risk profile of the Company, the Proposed Acquisition is conditional upon the approval of the Shareholders being obtained at the EGM.

For further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules, please refer to paragraph 5.1 of this Circular.

3.2 Information on the Target Companies and Target Holding Company

3.2.1 The Target Companies

The Target Companies are engaged in the business of event and concert production and are known for their ability to deliver a total technical production that has enabled them to organise various world-class events and to successfully be involved in the arts and drama scene.

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Target Company 1 and Target Company 5 and their respective teams of skilled technicians and operation crew provide audio, staging and lighting design and technical solutions for a diverse range of events, such as concerts, product launches, exhibitions and festivals. Target Company 2 and Target Company 4 provide marketing and promotional services for concerts of famous Hong Kong and Taiwanese artistes held in the region while Target Company 3 manages the MAX Pavilion at Singapore Expo, a venue at which many concerts and events are held.

3.2.2 The Target Holding Company

The Vendors collectively hold all of the issued and paid-up share capital of each of the Target Companies. Pursuant to the terms of the Sale and Purchase Agreement, the Vendors shall undertake the Restructuring. The Target Holding Company shall become the sole shareholder of each of the Target Companies upon completion of the Restructuring.

3.2.3 Value of the Target Companies

Based on the unaudited management accounts of the Target Companies for the financial year ended 31 December 2015, the book value and net tangible asset value of the Target Companies were as follows:

- (a) Target Company 1 – approximately S\$1,380,362;
- (b) Target Company 2 – approximately S\$918,393;
- (c) Target Company 3 – approximately S\$413,563;
- (d) Target Company 4 – nil; and
- (e) Target Company 5 – approximately S\$173,772.

4. DETAILS OF THE PROPOSED ACQUISITION

4.1 The Proposed Acquisition

Pursuant to the terms and subject to the conditions of the Sale and Purchase Agreement, the Vendors shall sell to the Company and the Company shall purchase such number of shares in the Target Holding Company, collectively representing 51% of the entire issued and paid-up share capital of the Target Holding Company.

4.2 Material Terms of the Proposed Acquisition

4.2.1 The Restructuring

The Vendors have agreed to undertake a restructuring of the Target Companies by incorporating the Target Holding Company. Pursuant to the Restructuring, the Vendors will transfer, or procure the transfer of, all their shares in the Target Companies, collectively representing 100% of the entire issued share capital of each of the Target Companies, to the Target Holding Company so that the Target Holding Company shall become the sole shareholder of each of the Target Companies.

4.2.2 Waiver of Pre-emption Rights

Each of the Vendors has agreed to waive all rights of pre-emption and any other rights which he may have in respect of:

- (a) the transfer of all his shares in each of the Target Company to the Target Holding Company under the Sale and Purchase Agreement; and
- (b) the transfer of the Target Sale Shares to the Company under the Sale and Purchase Agreement,

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whether pursuant to the memorandum and articles of association or such other constitutional documents of any of the UnUsUaL Group Companies, or otherwise.

4.2.3 Company's Undertakings

The Company has agreed that:

- (a) it will, on a best efforts basis, as soon as practicable, but no later than six (6) months from the Completion Date, do or carry out all acts as may be necessary to release or otherwise discharge all personal guarantees given by the Vendors, if any, to any financial institutions or for any business or financing facilities in respect of the Target Companies; and
- (b) it shall procure that the Vendors' existing employment terms with the Target Companies shall not be materially adversely affected after the Completion Date.

4.2.4 Vendors' Undertakings

Pursuant to the Sale and Purchase Agreement, the Vendors shall procure and ensure that:

- (a) prior to Completion, each of the UnUsUaL Group Companies does not grant any unusual credit and/or payment terms to its customers and/or pay down its payables on terms or in a manner, frequency, timing and/or amounts not customarily or ordinarily done by the UnUsUaL Group Company in its usual course of business over the last three (3) financial years preceding the date of the Sale and Purchase Agreement; and
- (b) there shall be a reasonably sufficient amount of cash retained in each of the UnUsUaL Group Companies such that the resulting net operating cash flow of each of the UnUsUaL Group Companies is sufficient for each of Year 1 to Year 3, after providing for a reasonable amount of provisions or write-off of its account receivables as may be mutually agreed between the Company and the Vendors.

4.2.5 Zero Current Assets and Zero Current Liabilities basis

The Company and the Vendors have agreed that the acquisition by the Company of the Target Sale Shares from the Vendors shall be on a zero current asset and zero current liabilities basis of each of the UnUsUaL Group Companies.

4.2.6 Conditions Precedent

Under the terms of the Sale and Purchase Agreement, the Proposed Acquisition is conditional upon, *inter alia*, the following conditions (the "**Conditions Precedent**") having been fulfilled (or waived in accordance with the Sale and Purchase Agreement):

- (a) the Vendors providing the Company with full access to all information and such books and records relating to the Target Companies as the Company requires, and the results of the Company's legal, financial, tax and commercial due diligence investigations on the Target Companies, including but not limited to, the financial condition (including the adequacy of cash flow for the Target Companies' operations), prospects and records of the Target Companies, being satisfactory to the Company;
- (b) the completion of the Restructuring to the satisfaction of the Company including the passing of the relevant resolutions of the Target Companies to approve the transfer of all the shares in each of the Target Companies to the Target Holding Company and such transfers (including registration thereof) being in compliance with the applicable laws and constitution of the respective Target Companies;

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- (c) where the terms of any contract contains any restrictions or prohibition on the change in control of the shareholdings and/or the boards of directors of any UnUsUaL Group Company or includes any right to terminate exercisable prior to or as a result of any matter contemplated by the Sale and Purchase Agreement, written confirmation in a form and on terms (if any) satisfactory to the Company by the counterparties thereto, of the giving of such approval or consent in relation to any such change arising from the transactions under the Sale and Purchase Agreement or waiver of such restrictions or prohibition in relation to any such change arising from the transactions under the Sale and Purchase Agreement or of any such right to terminate;
- (d) the licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the Restructuring, Proposed Acquisition or such other transactions under the Sale and Purchase Agreement having been obtained from appropriate governments, governmental, courts or other regulatory bodies on terms satisfactory to the Company and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect;
- (e) there being no material adverse change in the nature, conduct, assets, position (financial or trading), profits or prospects of the UnUsUaL Group Companies and no contract, licence or financial agreement that is material to the UnUsUaL Group Companies being terminated, revoked or having its terms materially and adversely amended;
- (f) a lease agreement (on terms satisfactory to the Company) having been entered into between each of the Vendors or such entity appointed by the Vendors and the UnUsUaL Group Companies in respect of the premises on which the UnUsUaL Group Companies operate their business;
- (g) the Aggregate NPAT of the Target Companies for the financial year ended 31 December 2015 is not less than S\$4 million pursuant to the audited financial statements of the Target Companies for the financial year ended 31 December 2015; and
- (h) receipt of all consents and approvals required under any and all applicable laws or from any governmental agency, regulatory authority or third party, including the SGX-ST and the Shareholders, which may be necessary or desirable in respect of the Proposed Acquisition and any other matter contemplated under the Sale and Purchase Agreement.

4.2.7 Representations and Warranties

Pursuant to the Sale and Purchase Agreement, the Company and the Vendors have furnished representations and warranties typical for transactions such as the Proposed Acquisition.

4.3 **Consideration**

- 4.3.1 The consideration for the sale of the Target Sale Shares shall be an aggregate amount of up to S\$26,000,000.

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4.3.2 The Consideration shall be paid by the Company to the Vendors, in accordance with the following:

- (a) **Sign-on Fee:** The Company shall within sixty (60) days from the date of the Sale and Purchase Agreement, pay in aggregate to the Vendors (or their respective nominees), in equal proportions, S\$6 million in cash (the “**Sign-on Fee**”). For the avoidance of doubt, each of the Vendors severally and jointly, unconditionally and irrevocably undertakes to, and, if applicable, shall procure that each of their nominees severally and jointly, unconditionally and irrevocably undertakes to, return the entirety of the Sign-on Fee to the Company without any interest in the event that (i) the Sign-on Fee is paid to the Vendors (or their respective nominees) before Completion occurs, and (ii) Completion fails to occur due to any reason whatsoever;
- (b) **First Tranche Payment:** The Company shall within thirty (30) days from the date of the audited financial statements of the UnUsUaL Group for Year 1, pay in aggregate to the Vendors (or their respective nominees), in equal proportions, (i) up to S\$4 million in cash and such number of Consideration Shares to be determined by dividing S\$6 million by the Issue Price, or (ii) up to S\$10 million in cash in accordance with the following formula:

$$\text{First Tranche Payment} = \frac{\text{Aggregate NPAT for Year 1}}{\text{S\$5 million}} \times \text{S\$10 million}$$

For the avoidance of doubt, the maximum amount that may be paid under the First Tranche Payment shall be S\$10 million. No additional payment shall be made to the Vendors in the event that the Aggregate NPAT for Year 1 exceeds S\$5 million.

- (c) **Second Tranche Payment:** The Company shall within thirty (30) days from the date of the audited financial statements of the UnUsUaL Group for Year 3:
- (i) if the Actual Aggregate Three-Year NPAT is equal or more than the Target Aggregate Three-Year NPAT, pay and/or issue to the Vendors (or their respective nominees), in equal proportion, (i) S\$10 million in cash, or (ii) such number of Consideration Shares, to be determined by dividing S\$10 million by the Issue Price; and
- (ii) if the Actual Aggregate Three-Year NPAT is less than the Target Aggregate Three-Year NPAT, pay and/or issue to the Vendors (or their respective nominees), in equal proportion, (i) the amount computed in accordance with the following formula (“**Adjusted Tranche Payment**”) in cash, or (ii) such number of Consideration Shares, to be determined by dividing the Adjusted Tranche Payment by the Issue Price,

$$\text{Adjusted Tranche Payment} = \frac{A}{T} \times C$$

where:

A = Actual Aggregate Three-Year NPAT

T = Target Aggregate Three-Year NPAT

C = S\$10 million,

Provided always that where Consideration Shares are to be issued to satisfy part of the Consideration, the issuance of such Consideration Shares shall always be subject to SGX-ST granting in-principle approval for the listing and quotation of such Consideration Shares.

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- (d) **Accelerated Payment:** Notwithstanding paragraphs 4.3.2(a), 4.3.2(b) and 4.3.2(c) above, in the event:
- (i) any of the UnUsUaL Group Companies is listed on a recognised stock exchange, including but not limited to the SGX-ST;
 - (ii) the Company disposes of their interest in any of the UnUsUaL Group Companies save for any restructuring in connection with the proposed listing of any of the UnUsUaL Group Companies; and/or
 - (iii) the Company enters into a sale and purchase agreement relating to the proposed acquisition of a controlling interest in the Company,

the Company shall within thirty (30) days from the date of any of the events in paragraphs 4.3.2(d)(i) to 4.3.2(d)(iii) above pay in aggregate to the Vendors (or their respective nominees), in equal proportions, S\$26 million less any amounts paid pursuant to paragraphs 4.3.2(a) to 4.3.2(c) and pursuant to such other relevant provisions in the Sale and Purchase Agreement, in cash.

4.3.3 The Consideration was arrived at on a willing buyer, willing seller basis, taking into account, *inter alia*, the following:

- (i) the future growth potential of the Target Companies; and
- (ii) the existing and potential new customer base of the Target Companies.

There was no independent valuation conducted for the Target Sale Shares.

Based on the unaudited management accounts of the Target Companies for the financial year ended 31 December 2015, the book value and net tangible asset value of the Target Companies were as follows:

- (a) Target Company 1 – approximately S\$1,380,362;
- (b) Target Company 2 – approximately S\$918,393;
- (c) Target Company 3 – approximately S\$413,563;
- (d) Target Company 4 – nil; and
- (e) Target Company 5 – approximately S\$173,772.

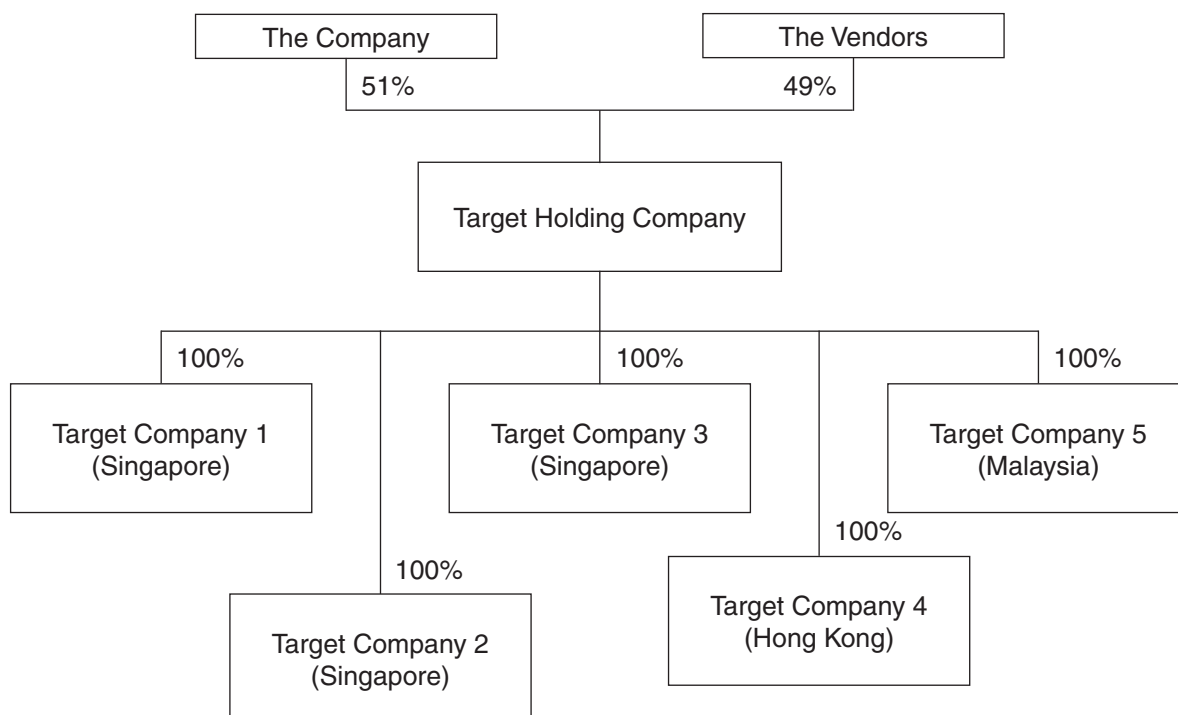
4.4 Completion

Subject to the fulfilment or waiver (as the case may be) of the Conditions Precedent, Completion shall take place on the earliest date as may be mutually agreed between the Company and the Vendors, such date falling no later than three (3) months from the date of the Sale and Purchase Agreement (the “**Completion Date**”). Upon Completion, the Target Holding Company will become a direct subsidiary of the Company, and each of the Target Companies will become an indirect subsidiary of the Company.

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4.5 Group Structure upon Completion

Upon Completion, the structure of the Group will be as follows:



5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

5.1 Relative Figures computed on the bases set out in Rule 1006 of the Catalist Rules

The relative figures computed on the applicable bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition, and based on the latest audited financial results of the Group for the financial year ended 31 March 2016 are as follows:

Catalist Rule	Content	(a)	(b)	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⁾	S\$4,745,495 ⁽²⁾	S\$9,990,908 ⁽³⁾	47.50%
1006(c)	The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	S\$26,000,000 ⁽⁴⁾	S\$243,769,557 ⁽⁵⁾	10.67%
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	29,695,619 ⁽⁶⁾	452,430,506 ⁽⁷⁾	6.56%

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Catalist Rule	Content	(a)	(b)	Relative Figure
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's 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) Pursuant to Rule 1002(3)(b) of the Catalist Rules, “**net profit**” means profit or loss before income tax, minority interests and extraordinary items.
- (2) Based on the UnUsUaL Group's latest unaudited consolidated management accounts full year profit before income tax, minority interests and extraordinary items for the financial year ended 31 December 2015.
- (3) Based on the Group's latest audited consolidated full year profits before income tax, minority interests and extraordinary items for the FY2016.
- (4) The consideration for the Proposed Acquisition.
- (5) The market capitalisation of the Company, determined by multiplying the 452,430,506 Shares issued as at 12 May 2016, being the date of the Sale and Purchase Agreement, by the volume weighted average price of the Company's shares of approximately S\$0.5388 on 11 May 2016, which was the Market Day preceding the date of the Sale and Purchase Agreement.
- (6) The number of Consideration Shares to be issued by the Company is determined based on the assumption that the Consideration is to be partly satisfied by the issuance of the Consideration Shares and the aggregate value of the Consideration Shares to be issued is S\$16,000,000, comprising S\$6,000,000 worth of Consideration Shares payable as part of the First Tranche Payment and S\$10,000,000 worth of Consideration Shares payable as Second Tranche Payment, being divided by the volume weighted average price of the Company's shares on the Market Day preceding the date of the Sale and Purchase Agreement, as the volume weighted average price for trades done on the SGX-ST over the last twenty (20) Market Days immediately preceding the date of the issuance of the Consideration Shares is not available.
- (7) The number of equity securities issued as at 12 May 2016.

5.2 Discloseable Transaction

As the relative figures under Rule 1006(b), 1006(c) and 1006(d) exceed 5% but do not exceed 75%, the Proposed Acquisition constitutes a “Discloseable Transaction” under Chapter 10 of the Catalist Rules.

As the Consideration for the Proposed Acquisition may be satisfied partly by the allotment and issuance of the Consideration Shares for which listing will be sought, the Company is obliged to announce the Proposed Acquisition pursuant to Rule 1009 of the Catalist Rules, stating the information required under Part VI of Chapter 10 of the Catalist Rules.

As the Proposed Acquisition contemplates the Company's venture into the ECP Business, the Proposed Acquisition is a potential diversification of the Company's existing business which may or may not change the risk profile of the Company and the Group. Accordingly, the Company will be obtaining the Shareholders' approval for the Proposed Acquisition at the EGM to be convened.

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6. RATIONALE FOR THE PROPOSED ACQUISITION

- 6.1 The Board considers that the Proposed Acquisition is in the interests of the Company, taking into consideration the financial position and business prospect of the UnUsUaL Group. The Proposed Acquisition is being entered into by the Company as part of its strategy to unlock value for the Shareholders.
- 6.2 The Directors are of the view that the Target Companies' ECP Business will complement the Group's Existing Core Business, unlocking opportunities regionally and in the entertainment value chain. The Target Companies' ECP Business is expected to synergise with the Group's Existing Core Business and unlock added revenue streams and is part of the Group's strategy to diversify revenue streams across various markets in order to strengthen the Group's operational and financial position.
- 6.3 Although venturing into the ECP Business may cause a change in the risk profile of the Group, details of which are elaborated in Section 8 of this Circular, considering the financial performance and the business potential of the UnUsUaL Group, the Proposed Acquisition is complementary to the business of the Group. As such, it is expected that the Company will be able to leverage and benefit from the potential operational synergies arising from the addition of the UnUsUaL Group into the Group. Therefore, the Company is of the view that the Proposed Acquisition represents a strategic and long-term investment which is in the interests of the Group and will help the Group move one step closer to its ultimate goal of becoming a major player in the entertainment industry.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1 Bases and Assumptions

For the purposes of illustration only, the *pro forma* financial effects of the Proposed Acquisition taken as a whole are set out below. The *pro forma* financial effects have been prepared based on the consolidated financial statements of the Group for FY2016, being the most recently audited financial year, and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Acquisition.

7.2 Share Capital

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

	31 March 2016	Before Proposed Acquisition	After Proposed Acquisition
Share capital	S\$56,981,767	S\$79,165,937	S\$95,165,937 ⁽¹⁾
Number of issued and paid-up Shares	442,264,888	499,322,389 ⁽²⁾	529,018,008 ⁽¹⁾

Notes:

- (1) Computed based on the assumption that the Consideration is to be partly satisfied by the issuance of the Consideration Shares and the aggregate value of the Consideration Shares to be issued is S\$16,000,000, comprising S\$6,000,000 worth of Consideration Shares payable as part of the First Tranche Payment and S\$10,000,000 worth of Consideration Shares payable as Second Tranche Payment. The number of Consideration Shares to be issued by the Company is determined based on the aggregate value of the Consideration Shares of S\$16,000,000 divided by the volume weighted average price of the Company's shares on the Market Day preceding the date of the Sale and Purchase Agreement, as the volume weighted average price for trades done on the SGX-ST over the last twenty (20) Market Days immediately preceding the date of the issuance of the Consideration Shares is not available.
- (2) Pursuant to (a) the issuance of 9,442,172 Shares pursuant to the exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, (b) the issuance of 3,615,329 Shares pursuant to the conversion of S\$1,500,000 in aggregate principal amount of convertible notes, and (c) the issuance of 44,000,000 Shares pursuant to the placement of Shares to Starhub Ltd for a placement consideration of S\$18,040,000.

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7.3 Effect on NTA

For illustrative purposes only, the *pro forma* financial effects of the Proposed Acquisition on the Group's NTA per Share as at 31 March 2016, based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2016, are set out below:

	As at 31 March 2016	Before Proposed Acquisition	After Proposed Acquisition
NTA ⁽¹⁾	S\$23,151,399	S\$45,211,399 ⁽²⁾	S\$48,097,489 ⁽³⁾
Number of issued and paid-up Shares for the purpose of calculating NTA	442,264,888	499,322,389 ⁽⁴⁾	529,018,008 ⁽⁵⁾
NTA per Share (Singapore cents)	5.23	9.05	9.09 ⁽⁵⁾

Notes:

- (1) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles, film inventories and software development.
- (2) Based on the Group's latest audited consolidated NTA for the financial year ended 31 March 2016, plus net proceeds for the corporate actions pursuant to Note (4).
- (3) Based on the UnUsUaL Group's latest unaudited consolidated management accounts NTA for the financial year ended 31 December 2015.
- (4) Pursuant to (a) the issuance of 9,442,172 Shares pursuant to the exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, and (b) the issuance of 3,615,329 Shares pursuant to the conversion of S\$1,500,000 in aggregate principal amount of convertible notes, and (c) the issuance of 44,000,000 Shares pursuant to the placement of Shares to Starhub Ltd for a placement consideration of S\$18,040,000.
- (5) Computed based on the assumption that the Consideration is to be partly satisfied by the issuance of the Consideration Shares and the aggregate value of the Consideration Shares to be issued is S\$16,000,000, comprising S\$6,000,000 worth of Consideration Shares payable as part of the First Tranche Payment and S\$10,000,000 worth of Consideration Shares payable as the Second Tranche Payment.

7.4 Effect on EPS

For illustration purposes only, the financial effects of the Proposed Acquisition on the Group's EPS for FY2016 being the most recently completed financial year and, based on the latest audited consolidated financial statements of the Group for FY2016, are set out below:

	For the financial year 31 March 2016	Before Proposed Acquisition	After Proposed Acquisition
Profits attributable to Shareholders (after minority interests)	S\$8,176,819	S\$8,096,819 ⁽¹⁾	S\$10,144,381 ⁽²⁾
Number of Shares	442,264,888	499,322,389 ⁽³⁾	529,018,008 ⁽⁴⁾
Earnings per Share (cents)	1.85	1.62	1.92 ⁽⁴⁾

Notes:

- (1) Based on the Group's latest audited consolidated profits attributable to shareholders (after minority interests) for FY2016, minus professional expenses for the corporate actions pursuant to Note (3).
- (2) Based on the UnUsUaL Group's latest unaudited management accounts full year profits attributable to shareholders (after minority interests) for the financial year ended 31 December 2015.
- (3) Pursuant to (a) the issuance of 9,442,172 Shares pursuant to the exchange of S\$2,600,000 in aggregate principal amount of exchangeable notes, and (b) the issuance of 3,615,329 Shares pursuant to the conversion of S\$1,500,000 in aggregate principal amount of convertible notes, and (c) the issuance of 44,000,000 Shares pursuant to the placement of Shares to Starhub Ltd for a placement consideration of S\$18,040,000.
- (4) Computed based on the assumption that the Consideration is to be partly satisfied by the issuance of the Consideration Shares and the aggregate value of the Consideration Shares to be issued is S\$16,000,000, comprising S\$6,000,000 worth of Consideration Shares payable as part of the First Tranche Payment and S\$10,000,000 worth of Consideration Shares payable as the Second Tranche Payment.

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8. THE CHANGE IN RISK PROFILE

8.1 Introduction

The Group is presently principally involved 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 “**Existing Core Business**”). In addition to Singapore, the Group also has a presence in Malaysia, Hong Kong, Taiwan and the People’s Republic of China through its group of companies and/or strategic working partnerships. The Group has co-produced and/or distributed more than 20 films across Asia since 2008 including co-producing well-known films such as the ‘*Ah Boys to Men*’ series; and distributing titles such as Malaysia’s ‘*The Journey*’ and Taiwan’s ‘*Café.Waiting.Love*’.

With the Proposed Acquisition, the Company will be able to diversify its portfolio and enlarge its growth prospects as a major player in the entertainment industry by expanding into the business of event and concert production.

8.2 Event and Concert Production Business and Change in Risk Profile

The core business of the UnUsUaL Group is in the event and concert production business (the “**ECP Business**”). Its expertise in audio and lighting design, as well as its ability to deliver a total technical production package has seen the UnUsUaL Group successfully penetrating the arts and drama scene, in addition to organising world-class events and concerts for well-known Hong Kong and Taiwanese artists such as Andy Lau, Jacky Cheung, A-mei (Zhang Hui Mei) and Sammi Cheng. The UnUsUaL Group has also ventured into the regional markets and promoted their shows in Malaysia, China, Hong Kong and Macau.

However, as the Group currently does not directly participate in the ECP Business, the nature of the ECP Business and the risks involved may be different from those of the Existing Core Business. In view of the foregoing, as the Proposed Acquisition involves the acquisition of a majority stake in the Target Holding Company whose core business is in the ECP Business, the risk profile of the Group may change upon the completion of the Proposed Acquisition. Please see Section 8.5 of this Circular for more information on the risks associated with the ECP Business and which the Group may be exposed to as a result of the Proposed Acquisition.

8.3 Shareholders’ Approval

Paragraph 7(b) of Practice Note 10A of the Catalist Rules requires the Company to seek Shareholders’ approval if an acquisition will change the risk profile of the Company. As described in paragraph 8.2 of this Circular, as the nature of the ECP Business may be different from those of the Existing Core Business, the Shareholders shall be given an opportunity to have their say on the Change in Risk Profile.

Accordingly, a separate resolution (Resolution 3) has been included in this Circular to seek the Shareholders’ approval on the potential change in risk profile of the Group arising from the Proposed Acquisition.

Shareholders should note that Resolution 2, in respect of the Proposed Acquisition, and Resolution 3, in respect of the Change in Risk Profile, are inter-conditional on each other. This means that if Resolution 2 is not approved, Resolution 3 will not be deemed passed, and *vice versa*.

8.4 Rationale for Venturing into the ECP Business

In pursuit of the Group’s growth strategy to be a major player in the entertainment industry and to improve Shareholders’ value, the Group has identified the business of the UnUsUaL Group to be a suitable segment to diversify into.

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The Proposed Acquisition is a strategic move for the Group as the access to the content and contacts within the business of the UnUsUaL Group is complementary to the Existing Core Business of the Group, particularly in relation to advertising and sponsorship. The Proposed Acquisition will enable the Group to capitalise on the current contacts and networks available to the UnUsUaL Group, which includes access to top Asian artistes, facilitating the Group's expansion in regions where the Group currently has limited presence such as North Asia. The UnUsUaL Group has worked with many top Asian artistes such as Andy Lau, Aaron Kwok and Jackie Cheung and the Proposed Acquisition will enable the Group to capitalise on these big names in the entertainment industry in Asia, giving a boost to the Group's advertising and sponsorship strategies.

In addition, the Group's existing content will be enhanced as the Proposed Acquisition creates opportunities for the Group to produce content on all "behind the scenes" aspects of concerts and events organised by the UnUsUaL Group. These "behind the scenes" contents would be accessible only by the Group and is therefore exclusive content, thus creating an attractive additional revenue stream for the Group and increasing the Group's prospects of profitability. The Group believes that the combination of the Existing Core Business and the ECP Business provides commercial flexibility in the mode of investment. The ECP Business will provide the Group with opportunities to capitalise on the growth potential of the content and networks of the Group and to benefit from capital gains from any additional production and distribution of content arising from the foregoing.

Furthermore, the diversification into the ECP Business will support the long term growth of the Group and reduce the Group's dependence on the Existing Core Business. The ECP Business is complementary to the Existing Core Business, and the diversification into ECP Business through the Proposed Acquisition offers potential operational synergies to the Group. The Group's proposed move to venture into the ECP Business is in line with the Group's strategy of being the leading player in the entertainment industry. The Group also intends to tap upon its extensive experience in film and online content production and its existing network to pursue opportunities in the ECP Business.

8.5 Risk Factors in Relation to the Expansion into the ECP Business

To the best of the Directors' knowledge and belief, all the risk factors that are material to the Shareholders in making an informed decision on the Proposed Acquisition 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 those 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 the 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.

The risks discussed below may include forward-looking statements and the Company's and the Group's actual results may differ substantially from those discussed in these forward looking statements (if any). Shareholders should not place undue reliance on such forward-looking statements. Further, the Company and the Sponsor disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency. Sub-headings are for convenience only.

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The following are potential risks associated with the Change in Risk Profile of the Group as a result of the Proposed Acquisition.

- 8.5.1 The business of the UnUsUaL Group depends on relationships between key promoters, executives, agents, managers, artists and clients and any adverse changes in these relationships could adversely affect their business, financial condition and results of operations.

The ECP Business is uniquely dependent upon personal relationships, as promoters and executives within companies involved in the ECP Business leverage their existing network of relationships with artists, agents and managers in order to secure the rights to the live events and concerts which are critical to the success of the UnUsUaL Group. Due to the importance of those industry contacts to the business of the UnUsUaL Group, the loss of any of the UnUsUaL Group's promoters, officers or other key personnel, particularly any of the Vendors, being the current directors of the Target Companies, could adversely affect the business of the UnUsUaL Group. Although each of the Vendors will continue to be involved in the management of the UnUsUaL Group to protect the UnUsUaL Group's interests in those relationships, the Company can give no assurance that all or any of these key employees or managers will remain with the UnUsUaL Group or will retain their associations with key business contacts, including artists and managers.

Another important component of the success of the UnUsUaL Group is their ability to maintain existing and to build new relationships with third-party distribution channels, advertisers, sponsors and service providers. Any adverse change in these relationships, including the inability of these parties to fulfil their obligations to the businesses of the UnUsUaL Group for any reason, could adversely affect the business, financial condition and results of operations of the UnUsUaL Group.

- 8.5.2 The business of the UnUsUaL Group is dependent upon their ability to lease and/or acquire concert and event venues, and if they are unable to do so on acceptable terms, or at all, the results of operations of the UnUsUaL Group could be adversely affected.

The concerts and events production segment of the UnUsUaL Group will require access to venues to generate revenue from live concerts and events. For these events, the UnUsUaL Group uses venues that they operate under various agreements which may include leases with third parties and collaboration agreements, which are agreements where they contract to hold certain events at a venue for a specific period of time.

The UnUsUaL Group's long-term success in the ECP Business will depend in part on the availability of venues, their ability to lease these venues and their ability to enter into collaboration agreements upon their expiration. As many of these agreements are with third parties over whom they have little or no control, the relevant UnUsUaL Group Companies may be unable to renew these agreements or enter into new agreements on acceptable terms or at all, and may be unable to obtain favourable agreements in respect of venues. The ability to renew these agreements or obtain new agreements on favourable terms depends on a number of other factors, many of which are also beyond the control of the relevant UnUsUaL Group Companies, such as national and local business conditions and competition from other promoters. If the cost of renewing these agreements is too high or the terms of any new agreement with a new venue are unacceptable or incompatible with their existing operations, the UnUsUaL Group may decide to forego these opportunities. There can be no assurance that the relevant UnUsUaL Group Companies will be able to renew these agreements on acceptable terms or at all, or that they will be able to obtain favourable agreements in respect of appropriate substitute venues, which could have a material adverse effect on their results of operations.

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- 8.5.3 To stage concerts and events in multiple locations, the relevant UnUsUaL Group Companies may be required to transport complex sets and equipment across long distances, which creates an increased risk that they will be damaged.

The larger concerts and events organised by the relevant UnUsUaL Group Companies may require complex sets and other equipment, including those that currently exist, and those that the relevant company must construct or purchase from a supplier. The relevant UnUsUaL Group Companies may be required to transport these sets and equipment over long distances by land and sea, which creates the risk that they may be damaged or lost if there is an accident or other complications during transport. These sets and equipment are very costly to manufacture and it would be expensive and time consuming to repair or replace them. The UnUsUaL Group may arrange for insurance policies to be put in place to cover a portion of their insured losses for damaged or lost sets and equipment, but their coverage may not be sufficient and is subject to deductibles. In addition, a supplier's failure to timely deliver the sets and equipment to the relevant UnUsUaL Group Companies or their loss of these sets and equipment might lead to substantial expenses, loss or damages and could force the relevant UnUsUaL Group Companies to delay or cancel a festival or event. Any of these scenarios could adversely affect the business, reputation and financial results of the UnUsUaL Group.

- 8.5.4 If any of the relevant UnUsUaL Group Companies are forced to cancel or postpone all or part of a scheduled concert or event, the business of the UnUsUaL Group will be adversely impacted and their reputation may be harmed.

The UnUsUaL Group incurs a significant amount of upfront costs when they plan and prepare for a concert or event. Accordingly, if a planned concert or event is cancelled, they would lose a substantial amount of sunk costs, fail to generate the anticipated revenue and may be forced to issue refunds for tickets sold. If an UnUsUaL Group Company is forced to postpone a planned concert or event, they would incur substantial additional costs in connection with having to stage the event or concert on a new date, may have reduced attendance and revenue and may have to refund money to ticket holders. In addition, any cancellation or postponement could harm both the reputation of the UnUsUaL Group and the reputation of the particular concert or event.

The UnUsUaL Group could be compelled to cancel or postpone all or part of an event or concert for many reasons, including things such as low attendance, adverse weather conditions, technical problems, issues with obtaining permits or compliance with government regulation, incidents, injuries or deaths at that event or concert, as well as extraordinary incidents, such as terrorist attacks, mass-casualty incidents and natural disasters or similar events. The UnUsUaL Group may put in place cancellation insurance policies to cover a portion of their insured losses if they are compelled to cancel an event or concert, but their coverage may not be sufficient and may be subject to deductibles. The occurrence of an extraordinary condition at or near the site where a concert or event will be held may make it impossible or difficult to stage the event or concert or make it difficult for attendees to travel to the site of a concert or event. An extraordinary or unexpected incident may also make it inappropriate to hold a concert or event at a particular site or at a particular time.

- 8.5.5 The UnUsUaL Group may be unable to integrate any business that they acquire or have acquired or with which they combine or have combined.

Integrating any business that the UnUsUaL Group acquires or have acquired or with which they combine or have combined may be distracting to their management and disruptive to their business and may result in significant costs to the UnUsUaL Group. The UnUsUaL Group could face challenges in consolidating functions and integrating procedures, information technology and accounting systems, personnel and operations in a timely and efficient manner. If any such integration is unsuccessful, or if the integration takes longer than anticipated, there could be a material adverse effect on the business, financial condition, and operating results of the UnUsUaL Group. They may have difficulty managing the combined entity in the short term if they experience a significant loss of management

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personnel during the transition period after the significant acquisition. Such acquisitions could also result in, *inter alia*, dilutive issuance of equity securities or the incurrence of debt or contingent liabilities, or other unanticipated events or circumstances, any of which could adversely affect the business, financial condition, and operating results of the UnUsUaL Group.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9.1 The interests of the Directors and substantial Shareholders in the Shares of the Company, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company, respectively, as at the Latest Practicable Date, are set out below:

	Number of Shares			Percentage of Shares held (%) ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
<u>Directors</u>				
Mr Tan Liang Pheng	–	–	–	–
Mr Melvin Ang	190,322,000	45,600,000 ⁽²⁾	235,922,000	46.99
Mr Chia Seng Hee, Jack	–	–	–	–
Mr Lei Chee Kong Thomas	100,000	–	100,000	0.02
Mr Mak Chi Hoo	–	–	–	–
Mr Mock Pak Lum	–	–	–	–
<u>Substantial Shareholders (other than Directors)</u>				
Mr Benny Yeo	12,764,000	22,896,500 ⁽³⁾	35,660,500	7.10
Starhub Ltd	44,000,000	–	44,000,000	8.76
Asia Mobile Holdings Pte. Ltd.	–	44,000,000 ⁽⁴⁾	44,000,000	8.76
Asia Mobile Holdings Company Pte. Ltd.	–	–	44,000,000 ⁽⁵⁾	8.76
STT Communications Ltd	–	–	44,000,000 ⁽⁶⁾	8.76
Singapore Technologies Telemedia Pte Ltd	–	–	44,000,000 ⁽⁷⁾	8.76
Temasek Holdings (Private) Limited	–	–	44,000,000 ⁽⁸⁾	8.76
Ooredoo Investment Holding S.P.C.	–	44,000,000 ⁽⁹⁾	44,000,000	8.76
Ooredoo QSC	–	44,000,000 ⁽¹⁰⁾	44,000,000	8.76

Notes:

- (1) The percentage of Shares held is calculated based on the Company's total number of issued Shares of 502,083,242.
- (2) Mr Melvin Ang is deemed to be interested in (a) 5,000,000 Shares held under the name of Maybank Kim Eng Securities Pte Ltd, (b) 20,000,000 Shares held under the name of KGI Fraser Securities Pte Ltd, and (c) 20,600,000 Shares held under the name of Hong Leong Finance Nominees Pte Ltd.
- (3) Mr Benny Yeo is deemed interested in the Shares held by BSI by virtue of Section 4 of the SFA as he owns fifty per cent. (50%) of the shareholdings of BSI. BSI holds 12,408,200 Shares. Mr Benny Yeo is deemed interested in the Shares held by Apex Capital by virtue of Section 4 of the SFA as he owns seventy per cent. (70%) of the shareholdings of Apex Capital. Apex Capital holds 10,488,300 Shares.
- (4) Asia Mobile is deemed interested in the Shares held by Starhub by virtue of Section 4 of the SFA as it holds a direct interest of approximately 55.81% in Starhub.
- (5) Asia Mobile Holdings Company Pte. Ltd. ("AMHC") holds a direct interest of approximately 75% in Asia Mobile, which in turn holds a direct interest of approximately 55.81% in StarHub, AMHC is deemed interested in all the shares held by StarHub in the Company.
- (6) STT Communications Ltd ("STTC") holds a direct interest in the entire issued share capital of AMHC, which holds a direct interest of approximately 75% in Asia Mobile, which in turn holds a direct interest of approximately 55.81% in StarHub, STTC is deemed interested in all the shares held by StarHub in the Company.

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- (7) Singapore Technologies Telemedia Pte Ltd ("**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 Asia Mobile, which in turn holds a direct interest of approximately 55.81% in StarHub, STT is deemed interested in all the shares held by StarHub in the Company.
- (8) 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 in the Company.
- (9) OIH is deemed interested in the Shares held by Starhub by virtue of Section 4 of the SFA as it holds a direct interest of approximately 25% in Asia Mobile which in turn holds a direct interest of approximately 55.81% in Starhub.
- (10) As Ooredoo QSC holds a direct interest in the entire issued share capital of OIH, which holds a direct interest of approximately 25% in Asia Mobile, which in turn holds a direct interest of approximately 55.81% in Starhub, Ooredoo QSC is deemed interested in all the Shares held by Starhub by virtue of Section 4 of the SFA.

9.2 Save for the Directors', controlling Shareholders' and Substantial Shareholders' respective shareholding interests, if any, in the Company, none of the Directors, controlling Shareholders or Substantial Shareholders have any interest, direct or indirect, in the Proposed Acquisition.

9.3 No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. LISTING AND QUOTATION

10.1 Subject to completion of the Sale and Purchase Agreement and the Consideration being partly satisfied by the issuance of the Consideration Shares, the Company will be making an application to the SGX-ST, through its Sponsor, for the listing and quotation for the Consideration Shares on Catalist in accordance with the payment schedule in paragraph 4.3.2 of this Circular. The Company will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

10.2 For the avoidance of doubt, in the event the Consideration is being partly satisfied by the issuance of the Consideration Shares:

- (a) the Company intends to issue such number of Consideration Shares pursuant to the limit of any general share issuance mandate granted by the Shareholders currently in force at the relevant time (the "**Relevant General Mandate**"); and
- (b) if the number of Consideration Shares to be issued on the relevant payment date exceeds the number of shares that may be issued by the Company pursuant to the Relevant General Mandate (the "**Excess Consideration Shares**"), the Company shall seek specific share issuance mandate from the Shareholders in respect of the Excess Consideration Shares at a general meeting to be convened.

10.3 The Company will make the necessary announcements when there are material developments in respect of the foregoing.

11. DIRECTORS' RECOMMENDATION

11.1 The Share Purchase Mandate

Save for Mr Melvin Ang, who is required to abstain from recommending for Shareholders to vote in favour of the proposed Share Purchase Mandate, the Directors are of the opinion that the proposed Share Purchase Mandate is in the best interests of the Company. Accordingly, save for Mr Melvin Ang, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1 relating to the proposed Share Purchase Mandate at the EGM to be convened.

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11.2 The Proposed Acquisition

Having reviewed, *inter alia*, the terms and rationale of the Proposed Acquisition and the financial effects thereof, the Directors are of the opinion that the Proposed Acquisition is in the best interests of the Company. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2 relating to the Proposed Acquisition at the EGM to be convened.

11.3 The Change in Risk Profile

Having considered, *inter alia*, the rationale for and the risk factors relating to the Change in Risk Profile and all other relevant information as set out in this Circular, the Directors are of the opinion that the Change in Risk Profile is in the best interests of the Company, and unanimously recommend that Shareholders vote in favour of the Resolution 3 relating to the Change in Risk Profile at the EGM to be convened.

12. ABSTENTION FROM VOTING

The Relevant Parties have informed the Company that save for their nominees, there are no parties acting in concert (as defined in the Take-over Code) with them for the purpose of Resolution 1 relating to the proposed Share Purchase Mandate.

The Relevant Parties will abstain, and will procure that their nominees abstain, from voting on Resolution 1 in relation to the proposed Share Purchase Mandate, whether by representative or proxy, pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in paragraph 2.10.5(c) above).

The Relevant Parties will also decline to accept appointment as proxies to attend and vote at the EGM to be convened, unless the Shareholder(s) appointing them as proxies give specific instructions in the relevant proxy form(s) as to the manner in which their votes are to be cast in respect of Resolution 1.

13. 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 the 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 the Circular in its proper form and context.

14. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held on 20 July 2016 at MasterCard Theatres at Marina Bay Sands, B1/F The Shoppes at Marina Bay Sands, 10 Bayfront Ave, Singapore 018956 at 6.00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be convened on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of the EGM.

LETTER TO SHAREHOLDERS

15. ACTION TO BE TAKEN BY SHAREHOLDERS

15.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a proxy form (“**Shareholder Proxy Form**”) which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach at the registered office of the Company not less than forty-eight (48) hours before the time appointed for the holding of the EGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so. In such an event, the Shareholder Proxy Form will be deemed to be revoked.

15.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time fixed for the EGM.

16. CAUTIONARY STATEMENT

The Company wishes to highlight that completion of the Proposed Acquisition is subject to the Conditions Precedent being fulfilled and there is no certainty or assurance that the Proposed Acquisition will be completed or that no changes will be made to the terms of the Sale and Purchase Agreement. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

17. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date hereof up to and including the date of the EGM to be convened:

- (a) the Constitution;
- (b) the Sale and Purchase Agreement; and
- (c) the FY2016 Annual Report of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
MM2 Asia Ltd.

Melvin Ang Wee Chye
Chief Executive Officer and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

MM2 ASIA LTD.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of mm2 Asia Ltd. (the “**Company**”) will be held at MasterCard Theatres at Marina Bay Sands, B1/F The Shoppes at Marina Bay Sands, 10 Bayfront Ave, Singapore 018956 on 20 July 2016 at 6.00 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and at the same place at 5.00 p.m.), for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolutions as set out below.

Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 5 July 2016.

AS AN ORDINARY RESOLUTION

RESOLUTION 1 – THE PROPOSED SHARE PURCHASE MANDATE

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) the exercise by the directors of the Company (“**Directors**”) of all powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act and the Catalyst Rules,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may from time to time being applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company (“**AGM**”) is held or is required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by an ordinary resolution of shareholders of the Company in a general meeting;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs after the relevant five-day period;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price determined herein) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Maximum Limit” means that number of issued Shares representing ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, pursuant to a Market Purchase, 105% of the Average Closing Price and pursuant to an Off-Market Purchase, 120% of the Average Closing Price; and

(d) the Directors and each of them be and is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or each of them may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

AS AN ORDINARY RESOLUTION

RESOLUTION 2 – THE PROPOSED ACQUISITION

That, subject to and contingent upon the passing of Resolution 3:

- (a) for the purposes of Chapter 10 of the Catalist Rules, approval be and is hereby given for the proposed acquisition of such number of shares representing 51% of the issued and paid-up share capital of UnUsUaL Pte. Ltd. (the **“Target”**) from Ong Chin Soon and Ong Chin Leong (the **“Vendors”**), upon the terms and conditions of the sale and purchase agreement (the **“Sale and Purchase Agreement”**) entered into between the Company and the Vendors on 12 May 2016 (the **“Proposed Acquisition”**); and
- (b) the Directors and each of them be and is hereby authorised to complete and to do all acts and things as they or each of them deem desirable, necessary or expedient for the purposes of or in connection with the Proposed Acquisition and to give effect to this resolution (including any amendment to the Sale and Purchase Agreement, execution of any other agreements or documents and procurement of third party consents) as they or each of them shall think fit and in the interests of the Company.

AS AN ORDINARY RESOLUTION

RESOLUTION 3 – THE CHANGE IN RISK PROFILE

That, subject to and contingent upon the passing of Resolution 2:

- (a) approval be and is hereby given for the Company to expand the Group’s business into the business of event and concert production (the **“Change in Risk Profile”**), and for the entry by the Company into any contracts, agreements and undertakings as the Directors may deem desirable, necessary or expedient to undertake in relation to the event and concert production business; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors and each of them be and is hereby authorised to complete and to do all acts and things as they or each of them deem desirable, necessary or expedient for the purposes of or in connection with the Change in Risk Profile and to give effect to this resolution as they or each of them shall think fit and in the interests of the Company.

Shareholders should note that Resolution 2, in respect of the Proposed Acquisition, and Resolution 3, in respect of the Change in Risk Profile, are inter-conditional on each other. This means that if Resolution 3 is not approved, Resolution 2 would not be passed, and vice versa.

For the avoidance of doubt, Resolution 1 is independent of Resolution 2 and Resolution 3, and shall not be conditional on the passing of Resolution 2 and/or Resolution 3.

By order of the Board

Melvin Ang Wee Chye
Chief Executive Officer and Executive Director
5 July 2016

Notes:-

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the EGM 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 different share or shares held by him (which number and class of shares shall be specified).
3. Where a member appoints two proxies, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy in the instrument appointing the proxies.
4. 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 EGM.
5. The instrument appointing a proxy or proxies must be signed by 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 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 EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

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MM2 ASIA LTD.

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

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
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.

PROXY FORM – EXTRAORDINARY GENERAL MEETING

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

of _____ (Address)

being a member/members of mm2 Asia Ltd. (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	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 on 20 July 2016 at 6.00 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and at the same place at 5.00 p.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. of Votes 'For'*	No. of Votes 'Against'*
Ordinary Resolution 1: The Proposed Share Purchase Mandate		
Ordinary Resolution 2: The Proposed Acquisition		
Ordinary Resolution 3: The Change in Risk Profile		

* 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 _____ 2016

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

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF



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 Supplementary Retirement Scheme (“**SRS Investor**”) may attend and cast his vote(s) at the EGM in person. SRS Investors who are unable to attend the EGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the 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 Extraordinary General Meeting dated 5 July 2016.

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