

**THE PROPOSED INVESTMENT IN UNIPACT ENTERTAINMENT AND PRODUCTIONS  
(HOLDINGS) LIMITED – ENTRY INTO EXCHANGEABLE BONDS SUBSCRIPTION AGREEMENT**

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**1. INTRODUCTION**

- 1.1. The Board of Directors (the "**Board**" or the "**Directors**") of mm2 Asia Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**"), refers to its announcement dated 23 February 2023 (the "**Earlier Announcement**") in relation to the Group's investment in Unipact through its wholly-owned subsidiary, mmLive (the "**Unipact Investment**").
- 1.2. As the relative figures of the Unipact Investment computed on the bases set out under Rule 1006 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") do not exceed 5%, the Unipact Investment constitutes a "non-disclosable transaction".
- 1.3. Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings as set out in the Earlier Announcement.

**2. ENTRY INTO EXCHANGEABLE BONDS SUBSCRIPTION AGREEMENT**

- 2.1. The Board wishes to update the Shareholders that mmLive, Unipact, DJC Limited (the "**Issuer**") and Choi Kin Fai have entered into an exchangeable bonds subscription agreement ("**EBSA**") on 6 September 2023 to carry out the Unipact Investment. Among other things, the Issuer will issue, and mmLive will subscribe for an aggregate principal amount of up to HK\$19,000,000 of exchangeable bonds ("**Exchangeable Bonds**") for an aggregate subscription amount of HK\$19,000,000. The Exchangeable Bonds may be exchanged by mmLive into fully paid ordinary shares in the issued and paid-up share capital of Unipact held by the Issuer (the "**Exchanged Shares**"). As at the date of this announcement, the Issuer owns approximately 82.29% of the issued and paid-up share capital of Unipact, comprising of 222,385,000 ordinary shares.
- 2.2. Please refer to paragraphs 3 and 4 of this announcement for more information on the Issuer, Choi Kin Fai, and the terms of the EBSA.

**3. INFORMATION ON UNIPACT, THE ISSUER AND CHOI KIN FAI**

- 3.1. Unipact, the Issuer, Choi Kin Fai (collectively, the "**Unipact Parties**"), and its respective directors and shareholders (in relation to Unipact and the Issuer), have confirmed that they are independent of the directors, controlling shareholders or their respective associates of the Group. As at the date of this announcement, the Unipact Parties and its respective directors and shareholders (in relation to Unipact and the Issuer) do not have any shareholding interests, directly or indirectly in the Company.
- 3.2. The Issuer is a company incorporated in the British Virgin Islands. Choi Kin Fai is the sole shareholder of the Issuer. He had commenced his service with Unipact in November 1985, and is responsible for the overall strategic planning, business development, and supervision of business operations and performance of Unipact. With over 40 years of expertise in the technical production and concert industry, he is recognised as an industry pioneer.

- 3.3. Please refer to the Earlier Announcement for more information relating to Unipact and the rationale for the Unipact Investment.

#### 4. KEY PROVISIONS OF THE EBSA

##### 4.1. Subscription of Exchangeable Bonds

Under the terms and conditions of the EBSA and as mentioned in paragraph 2.1 of this announcement, mmLive will subscribe the Exchangeable Bonds to be issued by the Issuer for an aggregate subscription amount of HK\$19,000,000.

The Exchangeable Bonds will bear a simple interest rate of three (3) percent per annum, for so long as they are issued and outstanding, calculated based on the then outstanding principal amount of the Exchangeable Bonds, and on the actual number of days elapsed and a 365-day year. The interest is payable by the Issuer to mmLive every six (6) months. The first interest payment will be due six (6) months from the date which the Exchangeable Bonds are issued and received by mmLive (the "**Issue Date**"). Interest will continue to be due until the original maturity date (being 36 months from the Issue Date), or if extended with the consent of all parties, the extended maturity date (being an additional 36 months from the original maturity date).

The Exchangeable Bonds will be exchanged into 5% of the total number of Shares in the issued and paid-up share capital of the Company as at the date of the issue of the Exchanged Shares.

##### 4.2. Consideration for the Exchangeable Bonds

The consideration of HK\$19,000,000 (the "**Consideration**") was arrived at on a willing-buyer willing-seller basis, taking into various factors including the estimated HK\$380,000,000 pre-money valuation of Unipact and the potential returns on the Exchangeable Bonds. The pre-money valuation of Unipact is determined through a series of in-depth negotiations and careful deliberations between both parties.

The Consideration will be satisfied by mmLive in cash via three (3) tranches, being HK\$1,900,000 before 8 October 2023, HK\$7,600,000 before 31 October 2023 and HK\$9,500,000 before 10 November 2023. The Consideration will be funded through the Group's internal resources.

The Unipact Investment is not expected to have any material impact on the consolidated net tangible assets or earnings per share of the Company for the financial year ending 31 March 2024.

##### 4.3. Conditions Precedent

The Unipact Investment is conditional upon, *inter alia*, the following conditions precedent being satisfied:

- (a) the commercial, financial, legal and tax due diligence on the Issuer and Unipact by mmLive shall have been completed to the satisfaction of mmLive;
- (b) no adverse change on the prospects, operations or financial condition of the Issuer and Unipact on or before the completion of the Exchangeable Bonds issuance;
- (c) all licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable (including without limitation, the approval of the shareholders of the Company, if required) in respect of transactions contemplated by the EBSA having been obtained and remaining in full force and effect;

- (d) Unipact having furnished to mmLive a copy of its historical financial statements;
- (e) Unipact having furnished to mmLive the budget and/or business plan for the financial year ending on 31 March 2024;
- (f) Mr. Melvin Ang (or such other persons nominated by mmLive) being appointed as board observer of Unipact;
- (g) successful fund raising by mmLive from its stakeholders;
- (h) each of the parties having obtained all consents and approvals (including the passing of appropriate resolutions) in respect of the issue of the Exchangeable Bonds on or before 10 November 2023, their entry into the EBSA and the transactions contemplated thereby; and
- (i) before completion, the representations and warranties of the Issuer and Unipact herein being true, accurate and correct in all material aspects as if made at completion, with reference to the then existing circumstances, and the Issuer and Unipact having performed in all material respects all of its obligations hereunder to be performed on or before completion.

#### **5. DIRECTORS' SERVICE CONTRACTS**

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

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

None of the Directors or, as far as the Directors are aware, controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated herein (other than in their capacity as a director or shareholder of the Company).

#### **7. CAUTION IN TRADING AND FURTHER ANNOUNCEMENTS**

Shareholders are advised to exercise caution in trading their Shares. The Unipact Investment is subject to the certain conditions (including various condition precedents), and there is no certainty or assurance as at the date of this announcement that the Unipact Investment will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Unipact Investment, and other matters contemplated by this announcement. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Shares of the Company. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the transactions above, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **9. DOCUMENTS FOR INSPECTION**

Copies of the EBSA will be available for inspection by the Shareholders at the registered office of the Company at 1002 Jalan Bukit Merah, #07-11, Singapore 159456, during normal business hours for three (3) months from the date of this announcement.

By Order of the Board  
**MM2 Asia Ltd.**

Melvin Ang Wee Chye  
Executive Chairman  
6 September 2023