

PROPOSED DISPOSAL OF SHARES IN VIVIDTHREE HOLDINGS LTD.

1 INTRODUCTION

- 1.1 The Board of Directors (“**Board**”) of mm2 Asia Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that it has, on 28 May 2025, entered into a sale and purchase agreement (“**SPA**”) with Hildrics Asia Growth Fund VCC (acting on behalf of Hildrics Asia Media & Entertainment Fund) (the “**Purchaser**”) to dispose of 97,553,226 ordinary shares¹ of Vividthree Holdings Ltd. (“**VV3**”) (the “**Sale Shares**”), representing approximately 21.02% of the total issued and paid-up share capital of VV3 (the “**Proposed Disposal**”).
- 1.2 As at the date of this announcement, the Company holds approximately 29.89% of the total issued and paid-up share capital of VV3 and VV3 is an associated company of the Group.² Following completion of the Proposed Disposal, the Company will hold approximately 8.87% of the total issued and paid-up share capital of VV3 and VV3 will cease to be an associated company of the Group.
- 1.3 The Proposed Disposal is a “major transaction” under Chapter 10 of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Accordingly, the Proposed Disposal is subject to approval by shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) of the Company to be convened. Further information on the Proposed Disposal will be provided in a circular (“**Circular**”) to be issued by the Company in due course. Please refer to paragraph 8 below for further details on the computation of the relative figures under Rule 1006 of the Listing Manual.

2 INFORMATION ON THE PURCHASER

All information in respect of the Purchaser are based solely on information and representations made and provided by the Purchaser to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

Founded in 2021, Hildrics Capital is a Singapore-based fund management company helmed by a team of professionals that have extensive experience in financing SMEs across Southeast Asia. Hildrics Capital manages the Hildrics Asia Growth Fund VCC, a private equity fund that provides growth capital to mid-tier Southeast Asia enterprises with established track records

¹ The Sale Shares are held by the Company through a nominee account with UOB Kay Hian Pte. Ltd..

² As disclosed in VV3’s offer document dated 17 September 2018, the controlling shareholder of VV3, the Company and the founders of VV3 had entered into a voting agreement (“**Voting Agreement**”) under which, each of the founders of VV3 had agreed with the Company to vote all the shares in VV3 held by them (directly or indirectly) in the same manner and in the same proportions as the Company, for as long as, amongst others, Mr Melvin Ang Wee Chye remains the single largest shareholder of the Company. In addition, as disclosed in the Annual Report 2024 of the Company, management had assessed VV3 to be a subsidiary of the Group as the Company was the single largest shareholder of VV3 and had de facto control over VV3. Notwithstanding the foregoing, following completion by the Company of the placement of 2,349,730,500 ordinary shares of the Company on 1 November 2024, Mr Melvin Ang Wee Chye is no longer the single largest shareholder of the Company. Accordingly, the Voting Agreement has been terminated. As the Voting Agreement has been terminated, the management and auditors of the Company has assessed that the Company no longer has de facto control over VV3 and VV3 is not a subsidiary of the Group. As the Company holds approximately 29.89% of the total issued and paid-up share capital of VV3 as at the date of this announcement, VV3 is an associated company of the Group.

and growth potential. Leveraging on its extensive regional network and deep local knowledge, Hildrics Capital specializes in originating proprietary deals across all industries in Singapore and Southeast Asia. Working alongside and with long term interest aligned with the founders/management of the portfolio companies, Hildrics Capital focus on long-term capital appreciation through equity and equity-related investments.

3 INFORMATION ON VV3

VV3 is a company incorporated in Singapore and is listed on the Catalist of the SGX-ST. Established in 2006, Vividthree is principally involved in the business of Digital Content Production specialising in virtual reality (VR), visual effects (VFX) and computer-generated imagery.

4 VALUE OF THE SALE SHARES AND FINANCIAL INFORMATION OF VV3

4.1 Book value of the Sale Shares

Based on the latest announced unaudited consolidated financial statements of the Company for the financial period ended 30 September 2024, the book value of the Sale Shares is approximately S\$2,048,641.

4.2 Net tangible asset value attributable to the Sale Shares

Based on the latest announced unaudited consolidated financial statements of the Company for the financial period ended 30 September 2024, the net tangible asset value of the Sale Shares, excluding non-controlling interests, is approximately S\$1,890,856.

4.3 Net loss attributable to the Sale Shares

Based on the latest announced unaudited consolidated financial statements of the Company for the financial period ended 30 September 2024, the net loss attributable to the Sale Shares is approximately S\$176,812.

4.4 Open Market value attributable to the Sale Shares

No independent valuation on the Sale Shares was conducted by the Company in connection with the Proposed Disposal. The shares of VV3 are listed and traded on the Catalist of the SGX-ST. Based on the volume-weighted average price (“**VWAP**”) of S\$0.0197 per share of VV3 for trades transacted on the Catalist of the SGX-ST on 28 May 2025, being the last full market day preceding the date of the SPA, the open market value of the Sale Shares is approximately S\$1,921,798.55.

5 PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

5.1 Consideration

The consideration for the Proposed Disposal is S\$0.01734 per Sale Share, amounting to an aggregate of S\$1,691,572.94 (the “**Consideration**”). The Consideration was arrived at following arms’ length negotiations between the parties and is based on the VWAP per share of VV3 traded on the SGX-ST over the thirty (30) consecutive trading days computed as of 23 May 2025, multiplied by the number of Sale Shares.

The Consideration will be satisfied by the Purchaser in cash.

(a) Deficit of Consideration over book value of Sale Shares

Based on the book value of the Sale Shares as set out in paragraph 4.1 above, there is a deficit of approximately S\$357,068.06 of the Consideration over the book value of the Sale Shares.]

(b) Loss on disposal of Sale Shares

Based on the latest announced unaudited consolidated financial statements of the Company for the financial period ended 30 September 2024, the loss on disposal of the Sale Shares amounts to approximately S\$2,824,403.

5.2 **Conditions Precedent**

Pursuant to the SPA, completion of the Proposed Disposal ("**Completion**") is conditional upon the fulfilment and satisfaction or waiver of, *inter alia*, the following ("**Conditions Precedent**"):

- (a) the financial and non-financial due diligence on VV3 by the Purchaser shall have been completed to the satisfaction of the Purchaser, and in the even that there is any matter arising from such due diligence which the Purchaser reasonably required rectification of by way of notifying the Company and/or VV3 in writing, such matter being rectified to the reasonable satisfaction of the Purchaser;
- (b) the Company having procured that the Sale Shares are, at the time of transfer to the Purchaser, free from any and all encumbrances, liens, charges, pledges, security interests, claims, or any other third-party rights or restrictions of any kind, and that all necessary steps have been taken to release any such interests prior to or concurrently with completion;
- (c) approval of Shareholders of the Company having been obtained with respect to the Proposed Disposal;
- (d) an approval from VV3's banker having been obtained in respect of a change of control clause under an existing bank facility of VV3; and
- (e) the transfer of the Sale Shares upon the terms and conditions of the SPA not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body.

5.3 **Completion**

Subject to the satisfaction or waiver of the Conditions Precedent, Completion is expected to take place on 30 May 2025, or such other date as the parties may mutually agree in writing. The Company will make further announcements when there are material developments to the Proposed Disposal.

6 **RATIONALE FOR THE PROPOSED DISPOSAL**

The Board is of the view that the Proposed Disposal is in the best interests of the Group as it is an opportunity for the Company to realise the value of the Sale Shares, enhance the liquidity of the Group and improve its overall financial position and flexibility. The Consideration was arrived at following arms' length negotiations between the parties, and as disclosed in paragraph 5.1 above is determined based on the VWAP per share of VV3 traded on the SGX-ST over the thirty (30) consecutive trading days computed as of 23 May 2025.

7 INTENDED USE OF PROCEEDS FROM THE PROPOSED DISPOSAL

The proceeds from the Proposed Disposal are intended to be used by the Company to repay the Group's outstanding liabilities.

8 CHAPTER 10 OF THE LISTING MANUAL

- 8.1 Based on the latest announced unaudited consolidated financial statements of the Group for the financial period ended 30 September 2024 ("1H FY2025"), the relative figures for the Proposed Disposal computed on the bases set out in Rules 1006(a) to 1006(c) of the Listing Manual of the SGX-ST ("**Listing Manual**") are set out below.

Rule	Basis of Calculation	Relative Figure
1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. ⁽¹⁾ This basis is not applicable to an acquisition of assets.	12.2%
1006(b)	The net profit attributable to the assets acquired or disposed of, compared with the group's net profits ⁽²⁾	12.8% ⁽³⁾
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	2.9% ⁽⁴⁾
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.	Not applicable ⁽⁵⁾
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. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not applicable ⁽⁶⁾

Notes:

- (1) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities.
- (2) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on the unaudited net loss attributable to the Sale Shares of approximately S\$176,812 for the financial period ended 30 September 2025, and the unaudited net loss of the Group of S\$1,376,823 for the financial period ended 30 September 2025.
- (4) The market capitalisation of the Company of S\$58,821,000 is calculated based on the volume weighted average price of S\$0.009 on 27 May 2025, being the last full market day on which the shares of the Company ("**Shares**") were traded, preceding the date of this announcement and 6,535,644,330 Shares of the Company in issue. The Consideration for the Proposed Disposal is approximately S\$1,691,572.94.

(5) Rule 1006(d) of the Listing Manual is not applicable as the Proposed Disposal does not involve an issue of equity securities.

(6) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

8.2 The relative figures for the Proposed Disposal calculated under Rule 1006(b) involves negative figures, Rule 1007(1) read with Practice Note 10.1 of the Listing Manual shall apply. On application of paragraph 4.4(e) of Practice Note 10.1 of the Listing Manual, Rule 1014 shall apply to the Proposed Disposal as the loss on disposal exceeds 10% of the consolidated net loss of the Company as of 1H FY2025. Accordingly, pursuant to paragraph 4.6 of Practice Note 10.1 of the Listing Manual, the Proposed Disposal is a “major transaction” under Rule 1014 of the Listing Manual and is accordingly subject to the approval of Shareholders.

9 FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

9.1 Bases and Assumptions

For illustrative purposes only, the *pro forma* financial effects of the Proposed Disposal set out below were prepared based on the Group’s latest announced audited financial statements for the financial year ended 31 March 2024 and subject to, *inter alia*, the following assumptions:

- (a) the *pro forma* financial effects of the Proposed Disposal on the NTA per Share and earnings/loss per Share are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the Company or the Group after the completion of the Proposed Disposal;
- (b) for purposes of computing the effect of the NTA value attributable per Share and net gearing of the Group, it is assumed that the Proposed Disposal was completed on 31 March 2024; and
- (c) for purposes of computing the effect of the Proposed Disposal on the earnings/loss per Share, it is assumed that the Proposed Disposal was completed on 1 April 2024.

9.2 NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA ⁽¹⁾ (S\$)	72,193,000	66,917,000
Total Number of Shares	4,185,913,930	4,185,913,930
NTA per Share (cents)	0.017	0.016

Note:

- (1) NTA means total assets less the sum of total liabilities, goodwill and intangible assets.

9.3 Earnings/Loss per Share

	Before the Proposed Disposal	After the Proposed Disposal
Earnings/(Loss) attributable to the owners of the Company (S\$)	(5,650,721)	(8,891,232)
Weighted average number of issued shares	3,042,910,876	3,042,910,876
Earnings/(Loss) per Share - Basic (cents)	(0.002)	(0.003)

10 NO SERVICE CONTRACTS

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

11 INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholder(s) of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company.

12 CIRCULAR TO SHAREHOLDERS

A circular containing further details on the Proposed Disposal and enclosing a notice of EGM in connection therewith will be issued to Shareholders in due course.

13 CAUTION IN TRADING AND FURTHER ANNOUNCEMENTS

13.1 **Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of the Conditions Precedent set out above and there is no assurance that the Proposed Disposal will be carried to completion. Shareholders and potential investors are advised to exercise caution when trading or dealing in their shares of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.**

13.2 The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Disposal, the SPA and other matters contemplated in this announcement.

14 DOCUMENT(S) AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Melvin Ang Wee Chye
Executive Chairman
28 May 2025