

**MM2 ASIA LTD.**

(Company Registration No. 201424372N)  
(Incorporated in Singapore)

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**PROPOSED ACQUISITION OF INTEREST IN THE SHARES IN THE SHARE CAPITAL OF THE TARGET HOLDING COMPANY – CLARIFICATION ANNOUNCEMENT**

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**1. INTRODUCTION**

- 1.1 The board of directors (the “**Directors**”) of mm2 Asia Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 12 May 2016 (the “**Previous Announcement**”). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Previous Announcement.
- 1.2 In the Previous Announcement, the Company had relied on the latest unaudited announced consolidated half year financial statements of the Group for the financial period ended 30 September 2015 for the purposes of (a) computing the figures for the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition, and (b) preparing the pro forma financial effects of the Proposed Acquisition.
- 1.3 As the Company has on 24 May 2016 announced the financial results of the Group for the financial year ended 31 March 2016 (the “**FY2016**”), the purpose of this announcement is to update (a) the figures computed for the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition, and (b) the pro forma financial effects of the Proposed Acquisition, based on the announced consolidated unaudited financial statements of the Group for FY2016, being the most recently announced financial year.
- 1.4 The Company also wishes to clarify that pursuant to the terms of the SPA, the Consideration may be satisfied either (a) wholly in cash, or (b) partly by the allotment and issuance of Consideration Shares and partly in cash. Accordingly, the Company wishes to clarify certain statements made in the Previous Announcement.

**2. CLARIFICATIONS TO THE PREVIOUS ANNOUNCEMENT**

- 2.1 The Company refers to paragraph 6.2 of the Previous Announcement, in particular note no. 6 to the table of relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules (“**Note 6**”) which stated the following:
- “The number of Consideration Shares to be issued by the Company is determined by the agreed payment in shares of S\$6,000,000, dividing by the weighted average price of the Company’s shares on the market day preceding the date of the SPA, due to the 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 currently not available.”*
- 2.2 The Company wishes to clarify that notwithstanding that the Consideration may be wholly satisfied in cash pursuant to the terms of the SPA, for the purpose of computing the relevant figure on the basis set out in Rule 1006(d) of the Catalist Rules, the Company had relied on the assumption that the Consideration will be partly satisfied by the issuance of the Consideration Shares.

2.3 Accordingly, the Company wishes to replace Note 6 in the Previous Announcement with the following statement:

*“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 the Second Tranche Payment, being divided by the weighted average price of the Company's shares on the market day preceding the date of the SPA, as the 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.”*

### 3. UPDATED RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

3.1 The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition based on the financial results of the Group for FY2016 are as follows:

Listing Rule	Content	Business	Group	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. <sup>(1)</sup>	S\$4,745,495 <sup>(2)</sup>	S\$9,990,908 <sup>(3)</sup>	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	S\$243,769,557 <sup>(4)</sup>	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 <sup>(5)</sup>	452,430,506	6.56%
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 (“**FY2015**”) of S\$4,745,495.
3. Based on the Group's latest unaudited announced consolidated full year profits before income tax, minority interests and extraordinary items for the FY2016 of S\$9,990,908.
4. The market capitalisation of the Company, determined by multiplying the 452,430,506 Shares in issue as at the date of this announcement by the weighted average price of the Company's shares of approximately S\$0.5388 on 11 May 2016, which is the market day preceding the date of the SPA.
5. 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 weighted average price of the Company's shares on the market day preceding the date of the SPA, as the 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.

**3.2 Classification**

As all the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 5% but does 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 is being 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 business of event and concert production, 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. Accordingly, the Company will be obtaining the shareholders' approval for the Proposed Acquisition at an extraordinary general meeting to be convened.

**4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION****4.1 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 announced consolidated financial statements of the Group for FY2016, being the most recently announced financial year, and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Acquisition.

## 4.2 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:

	<b>31 March 2016</b>	<b>Before Proposed Acquisition</b>	<b>After Proposed Acquisition</b>
Share capital	S\$56,981,767	S\$61,125,937	S\$77,125,937 <sup>(1)</sup>
Number of issued and paid-up Shares	442,264,888	455,322,389 <sup>(2)</sup>	485,018,008 <sup>(1)</sup>

**Note:**

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.
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, 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.

## 4.3 Net Tangible Assets ("NTA")

**For illustration purposes only**, the financial effects of the Proposed Placement on the Group's NTA per Share, based on the most recently announced consolidated financial statements of the Group for the financial year ended 31 March 2016, are set out below:

	<b>31 March 2016</b>	<b>Before Proposed Acquisition</b>	<b>After Proposed Acquisition</b>
NTA <sup>(1)</sup>	S\$23,151,399	S\$27,231,399 <sup>(2)</sup>	S\$30,117,489 <sup>(3)</sup>
Number of issued and paid-up Shares for the purpose of calculating NTA	442,264,888	455,322,389 <sup>(4)</sup>	485,018,008 <sup>(5)</sup>
NTA per Share (Singapore cents)	5.23	5.98	6.21 <sup>(5)</sup>

**Note:**

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 announced 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 ("FY2015").
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.
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 Second Tranche Payment.

#### 4.4 Earnings per Share (“EPS”)

**For illustration purposes only**, the financial effects of the Proposed Placement on the Group’s EPS, based on the most recently announced consolidated financial statements of the Group for the financial year ended 31 March 2016, are set out below:

	31 March 2016	Before Proposed Acquisition	After Proposed Acquisition
Profits attributable to Shareholders (after minority interests)	S\$8,176,819	S\$8,156,819 <sup>(1)</sup>	S\$10,204,381 <sup>(2)</sup>
Number of Shares	442,264,888	455,322,389 <sup>(3)</sup>	485,018,008 <sup>(4)</sup>
Earnings per Share (cents)	1.85	1.79	2.10 <sup>(4)</sup>

**Note:**

1. Based on the Group’s latest announced consolidated profits attributable to shareholders (after minority interests) for the financial year ended 31 March 2016 (“**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 (“**FY2015**”).
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.
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 Second Tranche Payment.

## 5. CAUTIONARY STATEMENT

The Company wishes to highlight that completion of the Proposed Acquisition is subject to conditions precedents being fulfilled and there is no certainty or assurance that the SPA will be completed or that no changes will be made to the terms of the SPA. 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.

### By Order of the Board

Melvin Ang Wee Chye  
Chief Executive Officer and Executive Director  
31 May 2016

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

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

*The contact person for the sponsor is Mr. Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581. Telephone (65) 64159886.*