

STARHUB LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199802208C)

ANNOUNCEMENT

THE PROPOSED SUBSCRIPTION OF SHARES IN MM2 ASIA LTD. ("MM2") PURSUANT TO A PLACEMENT AGREEMENT TO BE ENTERED INTO BETWEEN STARHUB LTD (THE "COMPANY") AND MM2 (THE "PROPOSED INVESTMENT")

1. INTRODUCTION

The Board of Directors of the Company wishes to announce that the Company had, on 22 March 2016 entered into a placement agreement (the "**Placement Agreement**") with MM2, a Singapore incorporated company listed on the Catalist board of the Singapore Exchange Trading Limited (the "**SGX-ST**"). Pursuant to the Placement Agreement, the Company has agreed to subscribe for an aggregate of 44,000,000 new ordinary shares in the capital of MM2 (the "**Placement Shares**" and each a "**Placement Share**") by way of a private placement pursuant to Section 272B of the Securities and Futures Act, chapter 272 of Singapore.

The relative figures computed under Rule 1006 of the SGX-ST listing rules do not exceed 5%. Accordingly, the Proposed Investment is considered a non-discloseable transaction under Chapter 10 of the SGX-ST listing rules. However, the Company would like to provide information on the Proposed Investment for the benefit of its shareholders.

2. RATIONALE FOR THE PROPOSED INVESTMENT

The Proposed Investment is a strategic investment which will strengthen the ongoing partnership between the Company and MM2. The Company will collaborate with MM2 to expand and differentiate the Company's pay TV offerings through original content creation. In addition, the Company can tap on MM2's regional presence to market and distribute the Company's localised content beyond Singapore.

3. PRINCIPAL TERMS OF THE PROPOSED INVESTMENT

A summary of the principal terms of the Proposed Investment is set out in this section.

3.1 Consideration

The aggregate consideration for the Placement Shares is S\$18,040,000. The price per Placement Share is S\$0.41, which is a 19.2% discount to the volume weighted average price per MM2 share of S\$0.5077 based on trades done on the SGX-ST on 22 March 2016 (being the full market day on which the Placement Agreement was signed).

3.2 Conditions Precedent under the Placement Agreement

Pursuant to the terms of the Agreement, the Proposed Investment is conditional upon, *inter alia*, the following principal conditions precedent being satisfied:-

- 3.2.1 the results of such legal and financial due diligence investigations conducted by the Company and its advisors on MM2 being satisfactory to the Company;

- 3.2.2 the receipt of the listing and quotation notice of the Placement Shares on the SGX-ST by MM2 with its sponsor (on terms and conditions acceptable to MM2 and the Company, each acting reasonably);
- 3.2.3 the specific approval from shareholders of MM2 in relation to the Proposed Investment having been obtained and not being revoked or amended and being in full force and effect on the date of completion under the Placement Agreement; and
- 3.2.4 there having been, as at the date of completion under the Placement Agreement, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the representations and warranties under the Placement Agreement as if they were repeated on and as of the date of completion therein.

3.3 **Completion under the Agreement**

The Completion date will be the date falling 5 business days after the date the last of the conditions precedent preferred to in paragraph 3.2 above are satisfied, or such other date as may be agreed in writing between the Company and MM2.

4. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors and the controlling shareholders of the Company have any interest or are deemed to be interested in the Proposed Investment.

5. **FURTHER ANNOUNCEMENTS**

The Company will make further announcement(s) if and when there are any material updates to the above transaction including, *inter alia*, the termination of the Placement Agreement.

Shareholders and potential investors should note that the Proposed Investment is subject to the fulfilment of the conditions precedent set out above and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD OF DIRECTORS

Veronica Lai
Company Secretary
22 March 2016