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**TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF 51% OF THE ISSUED  
SHARE CAPITAL OF VIVIDTHREE PRODUCTIONS PTE LTD (“TARGET COMPANY”)**

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**1. INTRODUCTION**

The board of directors (the “**Board**”) of mm2 Asia Ltd. (“the **Company**”) wishes to announce that that the Company has entered into a non-binding term sheet (“**Term Sheet**”) with Yeo Eng Pu, Charles, Hong Wei Chien and Lee Hoon Hwee (collectively, the “**Vendors**” and each a “**Vendor**”) for the acquisition from the Vendors of 51% of the issued and fully paid-up ordinary shares (“**Sale Shares**”) of the Target Company (“**Proposed Acquisition**”).

Pursuant to the Term Sheet, the Company and the Vendors (collectively, the “**Parties**” and each a “**Party**”) shall negotiate in good faith and on a best effort basis the terms of the sale and purchase agreement (“**SPA**”) and other definitive agreements (collectively, the “**Definitive Agreements**”) by 28 March 2015. All the Vendors are unrelated third parties in relation to the Company, its Directors and Controlling Shareholders.

**2. INFORMATION ON THE TARGET BUSINESS**

The Target Company is based in Singapore and is a leading player in Singapore’s three-dimensional (“**3D**”) animation field, specialising in 3D stereoscopic animation, 3D animation and visual effects for feature films and commercials. The Target Company also has a film production/content development arm. The clientele of the Target Company ranges from renowned advertising agencies to those from the corporate and government sectors.

**3. RATIONALE**

The Proposed Acquisition is in line with the Company’s intention to diversify and expand into business opportunities in the value chain of film production. The Company believes this will complement its current and future businesses, strengthening its competitive advantage by giving access to new markets, customers and businesses.

**4. DEFINITIVE AGREEMENTS**

In the event the Definitive Agreements are not entered into by the aforesaid date, the Term Sheet shall lapse and cease to have any effect, save for any accrued rights of any Party or as expressly provided in the Term Sheet.

**5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition (other than through their direct or indirect shareholdings in the Company).

**6. FURTHER ANNOUNCEMENTS**

The Company will make further announcement(s) to keep shareholders informed, as and when there are further updates pertaining to the above matter or if there are any material developments.

**7. CAUTIONARY STATEMENT**

Shareholders and potential investors should exercise caution when trading in the shares of the Company, as there is no certainty that the Parties will progress to signing the Definitive

Agreements. In the event of any doubt as to the action they should take, shareholders should consult their financial, tax, legal or other professional advisers.

**By Order of the Board**

Melvin Ang  
Chief Executive Officer and Executive Director  
3 March 2015

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 Ms. Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581. Telephone (65) 64159886.