

MM2 ASIA LTD.
(Company Registration No. 201424372N)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

ACQUISITION OF 51% OF THE ISSUED SHARE CAPITAL OF VIVIDTHREE PRODUCTIONS PTE LTD (“VIVIDTHREE”) - ANNOUNCEMENT OF THE NET REALISABLE CASH

1. INTRODUCTION

The Board of Directors (the “**Board**”) of the Company refers to its announcement on 8 April 2015 (the “**Announcement**”) regarding the sale and purchase agreement (the “**SPA**”) for the acquisition from Yeo Eng Pu, Charles, Hong Wei Chien, and Lee Hoon Hwee (collectively, the “**Sellers**”) of 51% of the issued and fully paid-up ordinary shares of Vividthree by the Company’s wholly-owned subsidiary, mm2 Entertainment Pte. Ltd. (the “**Acquisition**”).

2. CALCULATION OF NET REALISABLE CASH

The SPA provides that Vividthree¹ shall, no later than one (1) month after every quarterly financial accounts of Vividthree² from the date of the SPA, pay such parts of the Net Realisable Cash (the “**NRC**”) to the Sellers. The NRC is computed based on the following:-

NRC payable to the Sellers = (cash in hand plus account receivables less account payables), based on the financial accounts of Vividthree³ as at the date of the SPA (i.e. 8 April 2015), provided that such account receivables and account payables are only those identified and agreed upon by mm2 Entertainment Pte. Ltd. and the Sellers on or prior to the date of the SPA.

Based on the above formula, mm2 Entertainment Pte. Ltd. and the Sellers have assessed and determined that the NRC payable to the Sellers is S\$1,344,064.78.

As provided for in the SPA, Vividthree shall subsequently pay the NRC to the Sellers provided that:-

- (i) an amount equal to the Excluded Property Sale Price (as defined below) less any stamp duty paid or payable by Vividthree shall first be paid by Vividthree to the Sellers as soon as reasonably practicable following completion of the sale of the property presently owned by Vividthree at 67 Ubi Road 1 #10-12 Oxley Bizhub Singapore 408730 (the “**Excluded Property**”) sold to the Sellers at the “**Excluded Property Sale Price**”) from Vividthree to the Sellers (or their nominee), and the full payment of the Excluded Property Sale Price by the Sellers (or their nominee) to Vividthree;
- (ii) there is reasonably sufficient amount of cash retained in Vividthree such that the resulting net operating cashflow of Vividthree⁴ for such quarter after the date of the SPA is positive;

¹ The Board would like to clarify the typographical error in the Final Completion section of the Announcement dated 8 April 2015. The obligation to pay the NRC is owed by Vividthree instead of the Company.

² The Board would like to clarify the typographical error in the Final Completion section of the Announcement dated 8 April 2015. Computation of the NRC is based on the financial accounts of Vividthree instead of the Company.

³ See footnote 2 above

⁴ The Board would like to clarify the typographical error in the Final Completion section of the Announcement dated 8 April 2015. The resulting net operating cashflow of Vividthree, and not that of the Company, is a condition of payment of the NRC.

- (iii) Vividthree has already provided for a reasonable amount of provisions or write-off of its account receivables following such quarterly reviews and agreement by mm2 Entertainment Pte. Ltd. and the Sellers; and
- (iv) the cumulative sum of such quarterly payments from Vividthree to the Sellers (not including the amount in (i) above) shall not exceed the amount of NRC calculated and stated above.

By Order of the Board

Melvin Ang
Chief Executive Officer and Executive Director
14 May 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 of opinions made or reports contained in this announcement.

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