

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of mm2 Asia Ltd. (the “**Company**”), you should immediately forward this Appendix, the Notice of Annual General Meeting and the accompanying Proxy Form to the purchaser, transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Hong Leong Finance Limited (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Listing Rules**”). The Sponsor has not independently verified the contents of this Appendix including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.

This Appendix has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Appendix, including the correctness of any of the statements made, opinions expressed, or reports contained in this Appendix.

The contact person for the Sponsor is Mr. Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone: (65) 6415 9886.



mm2 Asia Ltd.

(Company Registration Number: 201424372N)
(Incorporated in Singapore on 20 August 2014)

APPENDIX TO SHAREHOLDERS

in relation to:-

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

IMPORTANT DATES AND TIMES

- | | | |
|--|---|--|
| Last date and time for lodgement of Proxy Form | : | 25 July 2017 at 4:00 p.m. |
| Date and time of Annual General Meeting | : | 27 July 2017 at 4:00 p.m. (or at such time immediately following the Extraordinary General Meeting of the Company to be convened at 3:00 p.m. on the same day and at the same venue) |
| Place of Annual General Meeting | : | Six Battery Road, #10-01, Singapore 049909 |

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DEFINITIONS

For the purposes of this Appendix, the following definitions apply throughout where the context admits:

<i>“AGM”</i>	:	The annual general meeting of the Company to be convened on 27 July 2017
<i>“Appendix”</i>	:	This appendix to Shareholders dated 12 July 2017 in relation to the Share Purchase Mandate
<i>“Board”</i>	:	The Board of Directors of the Company
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rules”</i>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Company”</i>	:	mm2 Asia Ltd.
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
<i>“Constitution”</i>	:	The existing constitution of the Company, as may be amended or modified from time to time
<i>“Directors”</i>	:	The directors of the Company as at the date of this Appendix
<i>“EPS”</i>	:	Earnings per Share
<i>“FY2017”</i>	:	Financial year ended on 31 March 2017
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	28 June 2017, being the latest practicable date prior to the printing of this Appendix
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NTA”</i>	:	Net tangible assets
<i>“Registrar”</i>	:	The Registrar of Companies appointed under the Companies Act
<i>“Regulation(s)”</i>	:	Regulation(s) of the Constitution
<i>“Relevant Parties”</i>	:	Has the meaning ascribed to it in paragraph 2.10.5 of this Appendix
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<i>“Securities and Futures Act”</i>	:	Securities and Futures Act, Chapter 289 of Singapore, as may be amended or modified from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Purchase”</i>	:	The purchase or acquisition by the Company of its own Shares pursuant to the Share Purchase Mandate

DEFINITIONS

“Share Purchase Mandate”	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
“Shareholders”	:	Registered holders of Shares except that where the registered holder of CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council of Singapore
“Subsidiary Holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%”	:	percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act. The term “**treasury shares**” shall have the meaning ascribed to it in the Companies Act. For the purpose of the Rules, treasury shares will be excluded from references to “issued share capital”, and “equity securities”, and for the calculation of market capitalisation and public float where referred to in the Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and the neuter genders and *vice versa*.

References to persons shall, where applicable, include corporations and limited liability partnerships.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, Securities and Futures Act, the Catalist Rules, the Take-over Code or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act, Securities and Futures Act, the Catalist Rules, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Appendix is made by reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding. Accordingly, figure shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

APPENDIX TO SHAREHOLDERS

MM2 ASIA LTD.

(Company Registration Number: 201424372N)
(Incorporated in Singapore on 20 August 2014)

Board of Directors:

Melvin Ang Wee Chye (Executive Chairman)
Tan Liang Pheng (Lead Independent Director)
Chia Seng Hee, Jack (Independent Director)
Thomas Lei Chee Kong (Independent Director)
Mak Chi Hoo (Non-Executive Director)
Mock Pak Lum (Non-Executive Director)

Registered Office:

1002 Jalan Bukit Merah
#07-11
Singapore 159456

12 July 2017

To: The Shareholders of mm2 Asia Ltd.

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

Dear Sir/Madam,

1. INTRODUCTION

- 1.1 The Directors refer to the Notice of AGM dated 12 July 2017 issued by the Company for the purpose of convening the AGM to be held on 27 July 2017 at Six Battery Road, #10-01, Singapore 049909, at 4:00 p.m. to seek Shareholders' approval for the Proposed Renewal of the Share Buy-Back Mandate.
- 1.2 The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Renewal of the Share Buy-Back Mandate relating to ordinary resolution number 8 which is proposed in the Notice of AGM.
- 1.3 The Sponsor and the SGX-ST assumes no responsibility for the correctness of any statements made or reports contained or opinions expressed in this Appendix. This Appendix has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.

2. THE SHARE PURCHASE MANDATE

2.1 Introduction

Rule 866 of the Catalist Rules provides that a company may purchase its own shares if it has obtained the prior specific approval of shareholders in a general meeting. At the extraordinary general meeting of the Company convened on 20 July 2016, the Shareholders had approved the adoption of the Share Buy-Back Mandate. The Share Buy-Back Mandate will expire on the date of the forthcoming AGM. Accordingly, the Directors propose that the Share Buy-Back Mandate be renewed at the forthcoming AGM.

2.2 Rationale for the Share Purchase Mandate

2.2.1 The Share Purchase Mandate will give the Directors the flexibility to purchase or acquire Shares if and when circumstances permit. Share purchases or acquisitions provide the Company and the Directors with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The purchase or acquisition of Shares may, depending on market conditions and funding arrangements, lead to an enhancement of the EPS and/or NTA per Share.

APPENDIX TO SHAREHOLDERS

- 2.2.2 Share purchases or acquisitions also allow the Directors to exercise control over the Company's share capital structure with a view of enhancing the EPS and/or NTA per Share. The Share Purchase Mandate will further give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued and help to buffer short-term share price volatility and offset the effects of share price speculation, thereby boosting Shareholders' confidence and employees' morale.
- 2.2.3 The Share Purchase Mandate also enables the Directors to purchase or acquire Shares, hold the repurchased Shares as treasury shares and utilise such treasury shares for the purposes of granting awards of Shares under the Company's Performance Share Plan, approved by Shareholders at an extraordinary general meeting held on 4 November 2014 or in such manner as may be permitted by and in accordance with the Companies Act and such other applicable laws and regulations.
- 2.2.4 If and when the circumstances permit, the Directors will decide whether to effect the Share purchases or acquisitions via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.
- 2.2.5 The Directors will only make purchases or acquisitions of Shares pursuant to the Share Purchase Mandate when they consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

2.3 Terms of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, if approved at the forthcoming AGM, are summarised below.

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed ten per cent. (10%) of the total number of issued Shares as at the date on which the resolution authorising the Share Purchase Mandate is passed, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the issued share capital of the Company shall be taken to be the amount of the issued share capital of the Company as altered. Any Shares which are held as treasury shares or Subsidiary Holdings shall be disregarded for the purposes of computing the ten per cent. (10%) limit.

For illustrative purposes only, based on 1,136,488,820¹ issued Shares (excluding treasury shares and Subsidiary Holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the forthcoming AGM, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to two per cent. (2%) of its issued Shares will result in the purchase or acquisition of 22,729,776 Shares (excluding treasury shares and Subsidiary Holdings).

For the purpose of illustrating the financial effects of the proposed Share Purchase Mandate on the Company and the Group, the Company has deviated from the market practice of assuming that shares purchased by a company is up to the maximum limit of ten per cent. (10%) permitted under the company's proposed share purchase mandate, and instead assumed that the Company will purchase up to 22,729,776 Shares, or two per cent. (2%) of its issued Shares pursuant to the Share Purchase Mandate.

¹ The 1,136,488,820 issued Shares include the 87,748,000 shares issued pursuant to the placement agreement dated 15 June 2017 entered into between the Company, DBS Bank Ltd and Maybank Kim Eng Securities Pte Ltd.

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The Company has adopted the foregoing assumption of Share purchases of up to two per cent. (2%) of its issued Shares as it does not have sufficient retained earnings to undertake any share purchase which will result in the acquisition of three per cent. (3%) or more of its issued Shares. If the Company assumes it purchases three per cent. (3%) or more of its issued Shares, the financial effects on the Company and the Group of such purchases will show negative financial ratios and figures which are not meaningful and do not best reflect the financial effect of the proposed Share Purchase Mandate on the Company and the Group.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next AGM is held or is required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s), transacted on the SGX-ST's trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) off-market purchase(s) effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act and the Catalist Rules ("**Off-Market Purchase**").

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (bb) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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In addition, Rule 870 of the Catalist Rules provides that, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares by the Company;
- (4) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the proposed purchase or acquisition of Shares by the Company, if made, could affect the Company's equity securities on Catalist;
- (6) details of any purchase or acquisition of Shares by the Company in the previous twelve (12) months (whether Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the share purchases, where relevant, and the total consideration paid for the share purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

in each case, excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses of the purchase or acquisition (the "**Maximum Price**").

For the purposes of determining the Maximum Price:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs after the relevant five (5)-day period; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

APPENDIX TO SHAREHOLDERS

2.4 Status of the Purchase Shares

Under the Companies Act, the Company may choose to hold the purchased Shares as treasury shares or to cancel them. The Constitution allows the Company to hold purchased Shares as treasury shares. Accordingly, the Company has the discretion to hold the purchased Shares as treasury shares or to cancel them.

Where Shares purchased or acquired by the Company are cancelled, the total number of Shares will be diminished by such number of Shares purchased or acquired.

Any Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST. Certificates in respect of purchased or acquired Shares that are cancelled by the Company will be cancelled by the Company as soon as reasonably practicable following the settlement of any purchase or acquisition of such Shares.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:-

2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Companies Act.

2.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

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In addition, under Rule 704(31) of the Catalist Rules, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

2.6.1 The Company may not purchase or acquire Shares on the SGX-ST for a consideration other than cash and/or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

2.6.2 Any purchase or acquisition of Shares may be made only if the Company is solvent and out of the Company's capital and/or profits. For this purpose, pursuant to the Companies Act, the Company is solvent if at the date of the relevant payment, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if –
 - (i) it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase, acquisition, variation or release of Shares, become less than the value of its liabilities (including contingent liabilities).

2.7 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the NTA or EPS as the financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, (i) whether the Shares are purchased or acquired out of profits and/or capital of the Company, (ii) the number of Shares purchased or acquired, (iii) the consideration paid for such Shares, and (iv) whether the Shares purchased or acquired are held in treasury or cancelled.

APPENDIX TO SHAREHOLDERS

The financial effects on the Company and the Group, based on the latest audited financial statements of the Company and the Group for FY2017, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Purchase Mandate had taken place on the Latest Practicable Date; and
- (b) transaction costs incurred for the purpose of acquisition of Shares pursuant to the Share Purchase Mandate have been assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

2.7.1 Number of Shares Acquired or Purchased

For illustrative purposes only, based on 1,136,488,820² issued Shares (excluding treasury shares and Subsidiary Holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the forthcoming AGM, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to two per cent. (2%) of its issued Shares will result in the purchase or acquisition of 22,729,776 Shares (excluding treasury shares and Subsidiary Holdings).

For the purpose of illustrating the financial effects of the proposed Share Purchase Mandate on the Company and the Group, the Company has deviated from the market practice of assuming that shares purchased by a company is up to the maximum limit of ten per cent. (10%) permitted under the company's proposed share purchase mandate, and instead assumed that the Company will purchase up to 22,729,776 Shares, or two per cent. (2%) of its issued Shares pursuant to the Share Purchase Mandate.

The Company has adopted the foregoing assumption of Share purchases of up to two per cent. (2%) of its issued Shares as it does not have sufficient retained earnings to undertake any share purchase which will result in the acquisition of three per cent. (3%) or more of its issued Shares. If the Company assumes it purchases three per cent. (3%) or more of its issued Shares, the financial effects on the Company and the Group of such purchases will show negative financial ratios and figures which are not meaningful and do not best reflect the financial effect of the proposed Share Purchase Mandate on the Company and the Group.

2.7.2 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 22,729,776 Shares at the Maximum Price of S\$0.61142 per Share (being the price equivalent to five per cent. (5%) above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 22,729,776 Shares is approximately S\$13,897,326 (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 22,729,776 Shares at the Maximum Price of S\$0.69876 per Share (being the price equivalent to twenty per cent. (20%) above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 22,729,776 Shares is approximately S\$15,882,658 (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses).

² The 1,136,488,820 issued Shares include the 87,748,000 shares issued pursuant to the placement agreement dated 15 June 2017 entered into between the Company, DBS Bank Ltd and Maybank Kim Eng Securities Pte Ltd.

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2.7.3 Illustrative Financial Effects

For illustrative purposes only, and on the basis of the assumptions set out above, the financial effects of the:

- (a) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and held as treasury shares;
- (b) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and cancelled;
- (c) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and held as treasury shares; and
- (d) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and cancelled,

on the latest audited consolidated financial statements of the Group for FY2017 pursuant to the Share Purchase Mandate are set out in the following pages.

APPENDIX TO SHAREHOLDERS

Scenario 1

Purchase of 22,729,776 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares

	GROUP				COMPANY			
	As at 31 March 2017 S\$'000	Before Share Purchase ⁽¹⁾ S\$'000	After Market Purchase S\$'000	After Off- Market Purchase S\$'000	As at 31 March 2017 S\$'000	Before Share Purchase ⁽¹⁾ S\$'000	After Market Purchase S\$'000	After Off- Market Purchase S\$'000
Share capital	88,212	137,787	137,787	137,787	88,212	137,787	137,787	137,787
Retained earnings/(accumulated losses)	35,619	35,479	35,479	35,479	(1,405)	(1,476)	(1,476)	(1,476)
Other reserves	(37,298)	(37,298)	(37,298)	(37,298)	—	—	—	—
Treasury shares	—	—	(13,897)	(15,883)	—	—	(13,897)	(15,883)
Shareholders' funds	86,533	135,968	122,071	120,085	86,807	136,311	122,414	120,428
Non-controlling interests	7,942	7,942	7,942	7,942	—	—	—	—
Total Equity	94,475	143,910	130,013	128,027	86,807	136,311	122,414	120,428
NTA ⁽²⁾	48,819	98,254	84,357	82,371	86,807	136,311	122,414	120,428
NAV	94,475	143,910	130,013	128,027	86,807	136,311	122,414	120,428
Current Assets	96,078	145,788	131,891	129,905	22,309	71,813	57,916	55,930
Current Liabilities	62,134	62,409	62,409	62,409	31,136	31,136	31,136	31,136
Total borrowings ⁽³⁾	11,687	11,687	11,687	11,687	2,500	2,500	2,500	2,500
Cash and cash equivalents	25,755	74,771	60,874	58,888	2,453	51,469	37,572	35,586
Profit / (Loss) net of tax ⁽⁴⁾	18,758	18,618	18,618	18,618	(804)	(875)	(875)	(875)
Number of Shares (in '000)								
Issued and paid-up capital (excluding treasury shares and Subsidiary Holdings)	1,047,781	1,136,489 ⁽⁶⁾	1,113,759	1,113,759	1,047,781	1,136,489 ⁽⁶⁾	1,113,759	1,113,759
Financial Ratios								
NTA per Share (Singapore cents)	4.66	8.65	7.57	7.40	8.28	11.99	10.99	10.81
NAV per Share (Singapore cents)	9.02	12.66	11.67	11.50	8.28	11.99	10.99	10.81
Net gearing ratio (times) ⁽⁵⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾
Current ratio (times) ⁽⁷⁾	1.55	2.34	2.11	2.08	0.72	2.31	1.86	1.80
Earnings / (Loss) per Share (Singapore cents)	1.79	1.64	1.67	1.67	(0.08)	(0.08)	(0.08)	(0.08)

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Notes:

- (1) Financial effect as at the Latest Practicable Date.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including firm rights and film intangibles.
- (3) Assuming the purchase of the Shares by the Company will be funded by internal resources.
- (4) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) NM means not meaningful.
- (7) Current ratio equals to current assets divided by current liabilities.
- (8) Pursuant to the 959,400 Shares granted on 31 May 2017 under MM2 Performance Share Plan (PSP) and assuming the 87,748,000 Shares Placement with DBS Bank Ltd. and Maybank Kim Eng Securities Pte Ltd has been completed as at Latest Practicable Date.
- (9) Assumes that the Company purchases the 22,729,776 Shares at the Maximum Price of S\$0.61142 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 22,729,776 Shares is approximately S\$13,897,326.
- (10) Assumes that the Company purchases the 22,729,776 Shares at the Maximum Price of S\$0.69876 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 22,729,776 Shares is approximately S\$15,882,658.

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Scenario 2

Purchase of 22,729,776 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and cancelled

	GROUP						COMPANY		
	As at 31 March 2017 S\$'000	Before Share Purchase ⁽¹⁾ S\$'000	After Market Purchase S\$'000	After Off- Market Purchase S\$'000	As at 31 March 2017 S\$'000	Before Share Purchase ⁽¹⁾ S\$'000	After Market Purchase S\$'000	After Off- Market Purchase S\$'000	
Share capital	88,212	137,787	123,890	121,904	88,212	137,787	123,890	121,904	
Retained earnings/(accumulated losses)	35,619	35,479	35,479	35,479	(1,405)	(1,476)	(1,476)	(1,476)	
Other reserves	(37,298)	(37,298)	(37,298)	(37,298)	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	
Shareholders' funds	86,533	135,968	122,071	120,085	86,807	136,311	122,414	120,428	
Non-controlling interests	7,942	7,942	7,942	7,942	-	-	-	-	
Total Equity	94,475	143,910	130,013	128,027	86,807	136,311	122,414	120,428	
NTA ⁽²⁾	48,819	98,254	84,357	82,371	86,807	136,311	122,414	120,428	
NAV	94,475	143,910	130,013	128,027	86,807	136,311	122,414	120,428	
Current Assets	96,078	145,788	131,891	129,905	22,309	71,813	57,916	55,930	
Current Liabilities	62,134	62,409	62,409	62,409	31,136	31,136	31,136	31,136	
Total borrowings ⁽³⁾	11,687	11,687	11,687	11,687	2,500	2,500	2,500	2,500	
Cash and cash equivalents	25,755	74,771	60,874	58,888	2,453	51,469	37,572	35,586	
Profit / (Loss) net of tax ⁽⁴⁾	18,758	18,618	18,618	18,618	(804)	(875)	(875)	(875)	
Number of Shares (in '000)									
Issued and paid-up capital (excluding treasury shares and Subsidiary Holdings)	1,047,781	1,136,489 ⁽⁶⁾	1,113,759	1,113,759	1,047,781	1,136,489 ⁽⁶⁾	1,113,759	1,113,759	
Financial Ratios									
NTA per Share (Singapore cents)	4.66	8.65	7.57	7.40	8.28	11.99	10.99	10.81	
NAV per Share (Singapore cents)	9.02	12.66	11.67	11.50	8.28	11.99	10.99	10.81	
Net gearing ratio (times) ⁽⁵⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	
Current ratio (times) ⁽⁷⁾	1.55	2.34	2.11	2.08	0.72	2.31	1.86	1.80	
Earnings / (Loss) per Share (Singapore cents)	1.79	1.64	1.67	1.67	(0.08)	(0.08)	(0.08)	(0.08)	

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Notes:

- (1) Financial effect as at the Latest Practicable Date.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights and film intangibles.
- (3) Assuming the purchase of the Shares by the Company will be funded by internal resources.
- (4) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) NIM means not meaningful.
- (7) Current ratio equals to current assets divided by current liabilities.
- (8) Pursuant to the 959,400 Shares granted on 31 May 2017 under MM2 Performance Share Plan (PSP) and assuming the 87,748,000 Shares Placement with DBS Bank Ltd. and Maybank Kim Eng Securities Pte Ltd has been completed as at Latest Practicable Date.
- (9) Assumes that the Company purchases the 22,729,776 Shares at the Maximum Price of S\$0.61142 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 22,729,776 Shares is approximately S\$13,897,326.
- (10) Assumes that the Company purchases the 22,729,776 Shares at the Maximum Price of S\$0.69876 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 22,729,776 Shares is approximately S\$15,882,658.

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Scenario 3

Purchase of 22,729,776 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and held as treasury shares

	GROUP				COMPANY			
	As at 31 March 2017	Before Share Purchase ⁽¹⁾	After Market Purchase	After Off- Market Purchase	As at 31 March 2017	Before Share Purchase ⁽¹⁾	After Market Purchase	After Off- Market Purchase
As at 31 March 2017	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	88,212	137,787	137,787	137,787	88,212	137,787	137,787	137,787
Retained earnings/(accumulated losses)	35,619	35,479	35,479	35,479	(1,405)	(1,476)	(1,476)	(1,476)
Other reserves	(37,298)	(37,298)	(37,298)	(37,298)	-	-	-	-
Treasury shares	-	-	(13,897)	(15,883)	-	-	(13,897)	(15,883)
Shareholders' funds	86,533	135,968	122,071	120,085	86,807	136,311	122,414	120,428
Non-controlling interests	7,942	7,942	7,942	7,942	-	-	-	-
Total Equity	94,475	143,910	130,013	128,027	86,807	136,311	122,414	120,428
NTA ⁽²⁾	48,819	98,254	84,357	82,371	86,807	136,311	122,414	120,428
NAV	94,475	143,910	130,013	128,027	86,807	136,311	122,414	120,428
Current Assets	96,078	145,788	131,891	129,905	22,309	71,813	57,916	55,930
Current Liabilities	62,134	62,409	62,409	62,409	31,136	31,136	31,136	31,136
Total borrowings ⁽³⁾	11,687	11,687	11,687	11,687	2,500	2,500	2,500	2,500
Cash and cash equivalents	25,755	74,771	60,874	58,888	2,453	51,469	37,572	35,586
Profit / (Loss) net of tax ⁽⁴⁾	18,758	18,618	18,618	18,618	(804)	(875)	(875)	(875)
Number of Shares (in '000)								
Issued and paid-up capital (excluding treasury shares and Subsidiary Holdings)	1,047,781	1,136,489 ⁽⁶⁾	1,113,759	1,113,759	1,047,781	1,136,489 ⁽⁶⁾	1,113,759	1,113,759
Financial Ratios								
NTA per Share (Singapore cents)	4.66	8.65	7.57	7.40	8.28	11.99	10.99	10.81
NAV per Share (Singapore cents)	9.02	12.66	11.67	11.50	8.28	11.99	10.99	10.81
Net gearing ratio (times) ⁽⁵⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾
Current ratio (times) ⁽⁷⁾	1.55	2.34	2.11	2.08	0.72	2.31	1.86	1.80
Earnings / (Loss) per Share (Singapore cents)	1.79	1.64	1.67	1.67	(0.08)	(0.08)	(0.08)	(0.08)

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Notes:

- (1) Financial effect as at the Latest Practicable Date.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including firm rights and film intangibles.
- (3) Assuming the purchase of the Shares by the Company will be funded by internal resources.
- (4) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) NM means not meaningful.
- (7) Current ratio equals to current assets divided by current liabilities.
- (8) Pursuant to the 959,400 Shares granted on 31 May 2017 under MM2 Performance Share Plan (PSP) and assuming the 87,748,000 Shares Placement with DBS Bank Ltd. and Maybank Kim Eng Securities Pte Ltd has been completed as at Latest Practicable Date.
- (9) Assumes that the Company purchases the 22,729,776 Shares at the Maximum Price of S\$0.61142 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 22,729,776 Shares is approximately S\$13,897,326.
- (10) Assumes that the Company purchases the 22,729,776 Shares at the Maximum Price of S\$0.69876 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 22,729,776 Shares is approximately S\$15,882,658.

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Scenario 4 Purchase of 22,729,776 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and cancelled

	GROUP				COMPANY			
	As at 31 March 2017 S\$'000	Before Share Purchase ⁽¹⁾ S\$'000	After Market Purchase S\$'000	After Off- Market Purchase S\$'000	As at 31 March 2017 S\$'000	Before Share Purchase ⁽¹⁾ S\$'000	After Market Purchase S\$'000	After Off- Market Purchase S\$'000
Share capital	88,212	137,787	137,787	137,787	88,212	137,787	137,787	137,787
Retained earnings/(accumulated losses)	35,619	35,479	21,582	19,596	(1,405)	(1,476)	(15,373)	(17,359)
Other reserves	(37,298)	(37,298)	(37,298)	(37,298)	—	—	—	—
Treasury shares	—	—	—	—	—	—	—	—
Shareholders' funds	86,533	135,968	122,071	120,085	86,807	136,311	122,414	120,428
Non-controlling interests	7,942	7,942	7,942	7,942	—	—	—	—
Total Equity	94,475	143,910	130,013	128,027	86,807	136,311	122,414	120,428
NTA ⁽²⁾	48,819	98,254	84,357	82,371	86,807	136,311	122,414	120,428
NAV	94,475	143,910	130,013	128,027	86,807	136,311	122,414	120,428
Current Assets	96,078	145,788	131,891	129,905	22,309	71,813	57,916	55,930
Current Liabilities	62,134	62,409	62,409	62,409	31,136	31,136	31,136	31,136
Total borrowings ⁽³⁾	11,687	11,687	11,687	11,687	2,500	2,500	2,500	2,500
Cash and cash equivalents	25,755	74,771	60,874	58,888	2,453	51,469	37,572	35,586
Profit / (Loss) net of tax ⁽⁴⁾	18,758	18,618	18,618	18,618	(804)	(875)	(875)	(875)
Number of Shares (in '000)								
Issued and paid-up capital (excluding treasury shares and Subsidiary Holdings)	1,047,781	1,136,489 ⁽⁶⁾	1,113,759	1,113,759	1,047,781	1,136,489 ⁽⁶⁾	1,113,759	1,113,759
Financial Ratios								
NTA per Share (Singapore cents)	4.66	8.65	7.57	7.40	8.28	11.99	10.99	10.81
NAV per Share (Singapore cents)	9.02	12.66	11.67	11.50	8.28	11.99	10.99	10.81
Net gearing ratio (times) ⁽⁵⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾
Current ratio (times) ⁽⁷⁾	1.55	2.34	2.11	2.08	0.72	2.31	1.86	1.80
Earnings / (Loss) per Share (Singapore cents)	1.79	1.64	1.67	1.67	(0.08)	(0.08)	(0.08)	(0.08)

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Notes:

- (1) Financial effect as at the Latest Practicable Date.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights and film intangibles.
- (3) Assuming the purchase of the Shares by the Company will be funded by internal resources.
- (4) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) NM means not meaningful.
- (7) Current ratio equals to current assets divided by current liabilities.
- (8) Pursuant to the 959,400 Shares granted on 31 May 2017 under MM2 Performance Share Plan (PSP) and assuming the 87,748,000 Shares Placement with DBS Bank Ltd. and Maybank Kim Eng Securities Pte Ltd has been completed as at Latest Practicable Date.
- (9) Assumes that the Company purchases the 22,729,776 Shares at the Maximum Price of S\$0.61142 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 22,729,776 Shares is approximately S\$13,897,326.
- (10) Assumes that the Company purchases the 22,729,776 Shares at the Maximum Price of S\$0.69876 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 22,729,776 Shares is approximately S\$15,882,658.

Shareholders should note that the financial effects, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NTA per Share and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 31 March 2017, and is not necessarily representative of future financial performance.

It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the full ten per cent. (10%) as mandated. Further, the Directors would like to emphasise that they do not propose to carry out purchases or acquisitions of the Shares to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution.

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2.8 Catalyst Rules

Rule 871 of the Catalyst Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalyst Rules) must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

The Catalyst Rules do not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalyst Rules.

In particular, in line with the best practices on dealings in securities under Rule 1204(19) of the Catalyst Rules, the Company would not purchase or acquire any Share through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s full-year results, and the period of two (2) weeks before the announcement of each of the first three (3) quarters of the Company’s financial year.

2.9 Reporting Requirements under the Companies Act

Within thirty (30) days of the passing of a Shareholders’ resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar. The Company shall notify the Registrar within thirty (30) days of a purchase or acquisition of Shares on Catalyst or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company’s issued ordinary share capital before the purchase or acquisition of Shares and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by the Registrar in the prescribed form.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

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2.10 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.10.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert with each other:

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and

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- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, a company is an “associated company” of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its issued Shares, the voting rights of such Directors and the persons acting in concert with them would increase to thirty per cent. (30%) or more, or in the event that such Directors and the persons acting in concert with them hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company’s voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company’s voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Purchase Mandate to be proposed at the AGM to be convened.

Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a takeover offer would arise by reason of any Share purchases by the Company.

2.10.4 Directors’ and Substantial Shareholders’ Interests

Assuming that:

- (a) the Company purchases or acquires Shares pursuant to the Share Purchase Mandate up to the maximum of ten per cent. (10%) of the issued Shares (excluding treasury shares and Subsidiary Holdings) as permitted by the Share Purchase Mandate;
- (b) no new Shares are issued following the Shareholders’ approval of the proposed Share Purchase Mandate at the AGM to be convened; and
- (c) such shares are either cancelled or held as treasury shares,

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the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date and after the purchase by the Company (other than from the Substantial Shareholders) of the maximum of ten per cent. (10%) of the issued Shares (excluding treasury shares and Subsidiary Holdings) pursuant to the Share Purchase Mandate, are as follows:

	As at the Latest Practicable Date		
	Direct Interest	Deemed Interest	% ⁽¹⁾
Directors			
Melvin Ang Wee Chye ⁽²⁾	145,844,000	317,910,000	40.81
Tan Liang Pheng	85,700	–	0.01
Chia Seng Hee, Jack	85,700	–	0.01
Thomas Lei Chee Kong	285,700	–	0.03
Mak Chi Hoo	85,700	–	0.01
Mock Pak Lum	–	–	–
Substantial Shareholders			
Yeo Khee Seng Benny ⁽³⁾	–	94,253,688	8.29
StarHub Ltd	88,000,000	–	7.74
Asia Mobile Holdings Pte. Ltd. ⁽⁴⁾	–	88,000,000	7.74
Asia Mobile Holdings Company Pte. Ltd. ⁽⁵⁾	–	88,000,000	7.74
STT Communications Ltd ⁽⁶⁾	–	88,000,000	7.74
Singapore Technologies Telemedia Pte Ltd ⁽⁷⁾	–	88,000,000	7.74
Temasek Holdings (Private) Limited ⁽⁸⁾	–	88,000,000	7.74
Ooredoo Investment Holding S.P.C. ⁽⁹⁾	–	88,000,000	7.74
Ooredoo QSC ⁽¹⁰⁾	–	88,000,000	7.74

Notes:

- (1) The percentage of Shares is calculated based on the Company's total number issued Shares of 1,136,488,820³ Shares as at the Latest Practicable Date.
- (2) Melvin Ang Wee Chye is deemed to be interested in (a) 10,000,000 Shares held under the name of Maybank Kim Eng Securities Pte Ltd, (b) 40,000,000 Shares held under the name of KGI Fraser Securities Pte Ltd, (c) 200,000,000 Shares held under the name of HSBC (Singapore) Nominees Pte Ltd, and (d) 67,910,000 Shares held under the name of Nomura Singapore Limited.
- (3) Yeo Khee Seng Benny is deemed interested in (a) the Shares held by Beyond Sea Investment Limited ("BSI") by virtue of Section 4 of the SFA as he owns fifty per cent (50%) of the shareholdings of BSI, (b) the Shares held by Apex Capital Group Pte Ltd ("Apex Capital") by virtue of Section 4 of the SFA as he owns seventy per cent (70%) of the shareholdings of Apex Capital, (c) 18,966,734 Shares held under the name of Nomura Singapore Limited, and (d) 25,009,200 Shares held under the name of DBS Nominees Pte Ltd.
- (4) Asia Mobile Holdings Pte. Ltd. ("AMH") holds a direct interest of approximately 55.81% in StarHub Ltd ("StarHub"), AMH is deemed interested in all the Shares held by StarHub in the Company.
- (5) Asia Mobile Holdings Company Pte. Ltd. ("AMHC") holds a direct interest of approximately 75% in AMH, which in turn holds direct interest of approximately 55.81% in StarHub, AMHC is deemed interested in all the Shares held by StarHub in the Company.
- (6) STT Communications Ltd ("STTC") holds a direct interest in the entire issued share capital of AMHC, which holds a direct interest of approximately 75% in AMH, which in turn holds direct interest of approximately 55.81% in StarHub, STTC is deemed interested in all the Shares held by StarHub in the Company.

³ The 1,136,488,820 issued Shares include the 87,748,000 shares issued pursuant to the placement agreement dated 15 June 2017 entered into between the Company, DBS Bank Ltd and Maybank Kim Eng Securities Pte Ltd.

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- (7) Singapore Technologies Telemedia Pte Ltd (“**STT**”) holds a direct interest in the entire issued share capital of STTC, which holds a direct interest in the entire issued share capital of AMHC, which in turn holds direct interest of approximately 75% in AMH, which in turn holds direct interest of approximately 55.81% in StarHub, STT is deemed interested in all the Shares held by StarHub in the Company.
- (8) StarHub is an indirect subsidiary of STT which in turn is a wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Temasek is deemed interested in all the Shares held by StarHub.
- (9) Ooredoo Investment Holding S.P.C. (“**OIH**”) holds a direct interest of approximately 25% in AMH, which in turn holds a direct interest of approximately 55.81% in StarHub. OIH is deemed interested in all the Shares held by StarHub. OIH is a wholly-owned subsidiary of Ooredoo QSC.
- (10) Ooredoo QSC (“**OQSC**”) holds direct interest in the entire issued share capital of OIH, which holds direct interest of approximately 25% in AMH, which in turn holds direct interest of approximately 55.81% in StarHub. OQSC is deemed interested in all the Shares held by StarHub.

Save as disclosed in this Appendix, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

2.10.5 Application of the Take-Over Code

As at the Latest Practicable Date, and for the purposes of the Take-over Code, as Mr Melvin Ang is a Director, and by virtue of Mr Ang Wee Gee being the brother of Mr Melvin Ang, Mr Melvin Ang and Mr Ang Wee Gee (collectively, the “**Relevant Parties**”) are presumed to be parties acting in concert with each other. As at the Latest Practicable Date, the shareholdings of the Relevant Parties are set out below:

	Number of Shares			Voting Rights in the Company (%) ⁽³⁾
	Direct Interest	Deemed Interest	Total Interest	
Relevant Parties				
Melvin Ang Wee Chye	145,844,000	317,910,000 ⁽¹⁾	463,754,000	40.81
Ang Wee Gee	–	15,845,200 ⁽²⁾	15,845,200	1.51

Notes:

- (1) Melvin Ang Wee Chye is deemed to be interested in (a) 10,000,000 Shares held under the name of Maybank Kim Eng Securities Pte Ltd, (b) 40,000,000 Shares held under the name of KGI Fraser Securities Pte Ltd, (c) 200,000,000 Shares held under the name of HSBC (Singapore) Nominees Pte Ltd, and (d) 67,910,000 Shares held under the name of Nomura Singapore Limited.
- (2) Mr Ang Wee Gee is deemed to be interested in 15,845,200 Shares held on his behalf by JP Morgan Chase Bank, which is held under the name of DBS Nominees.
- (3) The percentage of Shares held is calculated based on the Company’s total number of issued Shares (excluding treasury shares and Subsidiary Holdings) of 1,136,488,820⁴ as at the Latest Practicable Date.

In the event that the Company undertakes any purchase or acquisition of Shares of up to the maximum limit of ten per cent. (2%) of its issued Shares (excluding treasury shares and Subsidiary Holdings) as permitted by the Share Purchase Mandate, the aggregate shareholdings and voting rights of the Relevant Parties in the Company will increase from approximately 42.32% to approximately 44.20%.

Accordingly, if such increase in shareholding were to occur over any 6-month period, the shareholding of the Relevant Parties would have increased by more than one per cent. (1%). Under the Take-over Code, the Relevant Parties and persons acting in concert with them, if any, unless exempted, would become obliged to make a general offer for the Shares held by the Shareholders pursuant to Rule 14.1(b) of the Take-over Code

⁴ The 1,136,488,820 issued Shares include the 87,748,000 shares issued pursuant to the placement agreement dated 15 June 2017 entered into between the Company, DBS Bank Ltd and Maybank Kim Eng Securities Pte Ltd.

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2.10.6 Conditions for exemption from having to make a general offer under Rule 14 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, the Relevant Parties and persons acting in concert with them will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code as a result of any share buy-back carried out by the Company pursuant to the Share Purchase Mandate, subject to the following conditions:

- (a) the Appendix to Shareholders seeking their approval for the Share Purchase Mandate will contain:
 - (i) advice to the effect that by voting in favour of the resolution to approve the Share Purchase Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Parties and persons acting in concert with them who, as a result of the Company buying back its Shares, would increase their voting rights by more than one per cent. (1%) in any 6-month period; and
 - (ii) the names and voting rights of the Relevant Parties and persons acting in concert with them, and their voting rights at the time of the resolution and after the Company exercises the power under the Share Purchase Mandate in full and purchases ten per cent. (10%) of the issued Shares;
- (b) the resolution to authorise the Share Purchase Mandate is approved by a majority of Shareholders who are present and voting at the AGM on a poll who could not become obliged to make an offer as a result of the share buy-back by the Company pursuant to the Share Purchase Mandate;
- (c) the Relevant Parties and persons acting in concert with them will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Purchase Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Share Purchase Mandate, each of the Directors is to submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) the Relevant Parties and/or persons acting in concert with them together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the Share Purchase Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Purchase Mandate Expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than one per cent. (1%) in the preceding six (6) months.

It follows that where the aggregate voting rights held by a director and persons acting in concert with him increase by more than one per cent. (1%) solely as a result of the share buy-back and none of them has acquired any shares during the relevant period defined above, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

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2.10.7 Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption as set out in paragraph 2.10.5 above from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its Share Purchase Mandate.

As at the Latest Practicable Date, the Relevant Parties have informed the Company that they will be submitting the Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the adoption of the Share Purchase Mandate.

2.10.8 Advice to Shareholders

Shareholders should note that by voting for the Share Purchase Mandate, they are waiving their rights to a take-over offer at the required price from the Relevant Parties in the circumstances set out above. Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.

Save as disclosed, based on the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s), Director(s) and/or Shareholder(s) who are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of shares by the Company pursuant to the Share Purchase Mandate.

Appendix 2 of the Take-over Code requires that the resolution to authorise the Share Purchase Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the share buy-back. Accordingly, the said resolution is proposed to be taken on a poll and the Relevant Parties and persons acting in concert with them shall abstain from voting on such resolution.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or SIC at the earliest opportunity.

2.11 **Listing Status of Shares on the SGX-ST**

Rule 723 of the Catalist Rules requires a listed company to ensure that at least ten per cent. (10%) of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

As at 23 June 2017, there are 1,764 public shareholders, representing 44.30% of the issued Shares of the Company (there being no treasury shares held by the Company as at 23 June 2017). Assuming that the Company purchases its Shares through Market Purchases up to the full ten per cent. (2%) limit pursuant to the Share Purchase Mandate from the public on 23 June 2017, the percentage of Shares in the hands of the public would be reduced, representing 42.3% of the issued Shares of the Company (there being no treasury shares held by the Company as at 23 June 2017).

Accordingly, the Company is of the view that there is a sufficient number of Shares held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to two per cent. (2%) limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST.

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2.12 Shares bought by the company in the past twelve (12) months

The Company has not purchased any Shares within the past twelve (12) months preceding the Latest Practicable Date.

2.13 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

3. DIRECTORS' RECOMMENDATION

Save for Mr Melvin Ang, who is required to abstain from recommending for Shareholders to vote in favour of the proposed renewal of the Share Purchase Mandate, the Directors are of the opinion that the renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, save for Mr Melvin Ang, the Directors unanimously recommend that Shareholders vote in favour of Resolution 8 relating to the proposed renewal of the Share Purchase Mandate at the AGM to be convened.

4. ABSTENTION FROM VOTING

The Relevant Parties have informed the Company that save for their nominees, there are no parties acting in concert (as defined in the Take-over Code) with them for the purpose of Resolution 8 relating to the proposed Share Purchase Mandate.

The Relevant Parties will abstain, and will procure that their nominees abstain, from voting on Resolution 8 in relation to the proposed Share Purchase Mandate, whether by representative or proxy, pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in paragraph 2.10.6(c) above).

The Relevant Parties will also decline to accept appointment as proxies to attend and vote at the AGM to be convened, unless the Shareholder(s) appointing them as proxies give specific instructions in the relevant proxy form(s) as to the manner in which their votes are to be cast in respect of Resolution 8.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

6. ANNUAL GENERAL MEETING

The AGM will be held on 27 July 2017 at Six Battery Road, #10-01, Singapore 049909, at 4:00 p.m. (or at such time immediately following the EGM of the Company to be convened at 3:00 p.m. on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of the AGM.

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7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Appointment of Proxies

Shareholders who are unable to attend the AGM and wish to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Appendix, a proxy form ("**Shareholder Proxy Form**") which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach at the registered office of the Company not less than forty-eight (48) hours before the time appointed for the holding of the AGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM in place of his proxy/proxies if he finds that he is able to do so. In such an event, the Shareholder Proxy Form will be deemed to be revoked.

7.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time fixed for the AGM.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date hereof up to and including the date of the AGM to be convened:

- (a) the Constitution; and
- (b) the FY2017 Annual Report of the Company.

Yours faithfully
For and on behalf of the Board of Directors of
mm2 Asia Ltd.

Melvin Ang Wee Chye
Executive Chairman