

## mm2 ASIA MOVES FORWARD WITH S\$54 MILLION BOND DEAL FOR CINEMA BUSINESS WITH UOB KAY HIAN

- Bond deal was initially announced on 16 June 2022
- S\$54 million bond deal consists of issue of exchangeable bonds with detachable warrants

[Singapore, 25 September 2022] mm2 Asia Ltd. (“mm2 Asia”, “mm2 全亚影视娱乐有限公司” or collectively with its subsidiaries, “the Group”) today announced that it has entered into a Bond Subscription Agreement with UOB Kay Hian for the S\$54 million bond deal that is exchangeable into shares of mm Connect group which owns, operates, and manages cinemas including the Cathay Cineplexes and mmCineplexes brands in Singapore and Malaysia. This transaction formalizes the earlier term sheet that was signed on 16 June 2022.

mm2 Asia will be moving forward with the necessary approvals from the regulatory authorities including the Singapore Exchange Securities Trading Limited, followed by an extraordinary general meeting (EGM) likely to be held within the next two months.

The exchangeable bonds bear a coupon rate of 5% per annum, payable on a semi-annual basis, and have a tenure of three (3) years. If bondholder elects to exchange (at the end of second (2nd) year), the bondholder will receive shares of mm Connect constituting 60% of the share capital, at a base valuation of S\$90 million. The exchange ratio is subject to adjustment – with the valuation potentially raised to S\$105 million if certain benchmarks are met in relation to mm Connect group’s EBITDA performance for the 24-month period ending 30 September 2024. At the valuation cap of S\$105 million, bondholder(s) are to invest an additional S\$9.0 million, or exercise the Exchange Right at 51.4% of mm Connect shares.

Bonds that are not exchanged into mm Connect shares will be fully redeemed in cash or mm2 Asia may choose to satisfy the S\$54 million redemption obligation by delivering 100% equity of mm Connect at the end of the tenure.

Additionally, the bonds are issued together with 250 million detachable warrants, each carrying the right for a period of five (5) years from issue date to subscribe for one new ordinary share of mm2 Asia at the exercise price of S\$0.065 per new share. If fully exercised, mm2 Asia will raise additional gross proceeds of S\$16.25 million.

The bond deal does not preclude mm2 Asia from continuing to pursue an IPO of its cinema business at a pre-IPO valuation of not less than S\$150 million, provided the Bondholder(s) can exchange for more than 50% of mm Connect shares at the enlarged share capital post-IPO without making additional investments.

“The successful signing of this exchangeable bond deal indicates the confidence and belief in the strong recovery and fundamentals of our cinema business and the mm2 group in general,” says Mr. Melvin Ang, Executive Chairman, mm2 Asia. “We want to thank the team at UOB Kay Hian for their trust in us to turn around and grow the cinema business in Singapore and Malaysia. We cannot wait to share the long-term plans and new business innovations we have in store with all our stakeholders.”

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### **About mm2 Asia**

Headquartered in Singapore, mm2 Asia Ltd. (“mm2 Asia”, or together with its subsidiaries, the “Group”) champions “Content and Media for Asia”, with integrated businesses across the content, entertainment, cinema, event and concert industries in Singapore, Malaysia, Hong Kong, Taiwan, China and the United States of America.

Since our listing on the Catalist Board of SGX-ST in December 2014, and the successful transfer to the Mainboard of SGX-ST in August 2017, mm2 Asia has strengthened its competitive advantage through its acquisitions of a majority stake in an award-winning virtual reality, visual effects and computer-generated imagery studio, Vividthree Holdings Ltd. (SGX Stock Code: OMK), and an event production and concert promotion company, UnUsUaL Limited (SGX Stock Code: 1D1). With the establishment of mmCineplexes and the acquisition of Cathay Cineplexes Pte. Ltd., mm2 Asia is currently one of the key cinema operators in Malaysia and Singapore. ([www.mm2asia.com](http://www.mm2asia.com))

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