



**MM2 ASIA LTD.**

(Company Registration No. 201424372N)

(Incorporated in Singapore)

(the “**Company**”)

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## **RESPONSES TO QUESTIONS FROM SHAREHOLDERS**

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The board of directors (the “**Board**”) of mm2 Asia Ltd. (the “**Company**” or “**mm2**”, together with its subsidiaries, the “**Group**”) would like to thank the Company’s shareholders (“**Shareholders**”) for submitting their questions in advance of the Company’s Extraordinary General Meeting to be held on 24 October 2024 at 11.00 a.m. Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed thereto in the Company’s circular dated 9 October 2024

The Company wishes to inform shareholders that the Company has made editorial amendments to some of the questions received to ensure that they are clear. For the avoidance of doubt, the editorial amendments do not change the meaning of the questions received by the Company.

The Company’s responses to the questions received from Shareholders are set out in **Appendix A**.

It is important to note that these questions and responses should be read in conjunction with the Company’s circular dated 9 October 2024 and along with the Company’s previous announcements.

### **BY ORDER OF THE BOARD**

Melvin Ang Wee Chye  
Executive Chairman

18 October 2024

## Appendix A

### Questions from Shareholders

1. I note that the company is doing a rather dilutive placement exercise to Mr Ron Sim and his entities at a very low price of \$0.017. This is lower than the \$0.02 exercise price for the rights issue that the Company conducted earlier this year. As existing shareholders would be unable to participate in the placement exercise, existing shareholders like myself would be penalised and diluted.

**Please explain the rationale of a placement exercise. Specifically, why did the Company choose to conduct a "placement exercise" instead of conducting another round of "rights issue"?**

**Has the Company considered the dilutive impact of a placement exercise? Another round of "rights issue" would allow existing shareholders to participate and maintain their percentage of shareholding in the Company - why was this option not considered? Or if it was considered, why was it not chosen?**

#### Company's Response

Thank you for raising your concerns. The Company recently conducted a rights issue, and conducting another in such a short time frame could place undue pressure on the shareholders of the Company and may not be well-received by the market. A private placement will allow the Company to raise the necessary funds more quickly and efficiently, given the shorter time frame compared to a rights issue, which requires regulatory approval and more extensive processes. This approach ensures that the Company's immediate capital needs can be met without delay.

The total aggregate commitment of approximately S\$15 million from the V3 Placees (i.e. V3 Capital Investments Pte. Ltd. and V3 Brands Limited) in the Proposed Placement offers the required capital to strengthen the Company's financial position at a critical time. While we understand the concerns over dilution, the Board have carefully considered the impact and believes that the decision to proceed with the Proposed Placement is in the best interest of the Company's long-term growth.

The Placement Price of S\$0.017 per Placement Share represents a premium of approximately 13.33% to the volume weighted average price of S\$0.015 for trades done on the SGX-ST for the full market day on 2 August 2024.

Please refer to the circular dated 9 October 2024 for more information.

- 2. Besides financial capital, what does Mr Ron Sim and his associates being a controlling shareholder bring to the Company? Does he have any experience in the entertainment and movie industry? Please explain and elaborate.**

Company's Response

Beyond financial capital, Mr. Ron Sim brings substantial business acumen and leadership experience, having built the V3 Group into a global lifestyle brand. His proven track record in growing businesses and navigating challenging market environments positions him as a strong strategic partner for the Company.

While the Company understands that Mr. Ron Sim may not be directly involved in day-to-day management of any entertainment and/or movie companies, Mr. Ron Sim has invested in multiple entertainment companies and his extensive network, business insights, and strategic oversight will provide valuable guidance as we pursue our growth strategy. Moreover, the involvement of V3 Group Limited and Mr Ron Sim in the Company can open doors to new partnerships, market opportunities, and operational improvements that can potentially benefit the Company.

We believe that Mr. Ron Sim's business expertise and commitment to the Company will play a key role in supporting our long-term success.

- 3. After being a controlling shareholder of the Company, does Mr Ron Sim intend to inject his businesses, such as OSIM or TWG or others into the company via a RTO or VSA?**

Company's Response

While the Company is not in a position to comment on the intentions of V3 Group Limited or Mr. Ron Sim, it understands that V3 Group Limited and Mr. Ron Sim have no plans of injecting V3 Group Limited's businesses – such as OSIM, TWG Tea, or any other entities – into the Company via a reverse takeover (RTO) or a very substantial acquisition (VSA) at this time. The focus of V3 Group Limited and Mr. Ron Sim, as controlling shareholders of the Company, is to support the Company's existing business and strategy. The Board and the Company's management remain committed to driving value within the Company's core operations, and there are no plans for any such transactions involving V3 Group Limited and/or Mr. Ron Sim's other businesses.

4. **Following the placement exercise and assuming that the placement shares are fully taken up, what is the pro-forma Debt/equity ratio and gearing ratio of the Company? Please detail and elaborate.**

Company's Response

Please see the table below for the pro forma gearing ratio:

**Gearing (as at 31 March 2024)\***

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement (including the Upsize Option)</b>
Total net borrowings (S\$'000)	221,262	182,762
Total equity (S\$'000)	114,130	152,630
Net gearing (times)	1.94	1.20

\* These calculations take into account the aggregate expenses incurred in connection with the Proposed Placement amounting to approximately S\$1,500,000.

5. **Will the Company please illustrate its debt maturity profile? How much debt is maturing in 2024 and 2025? Will the Company be able to meet its debt obligations for this and next year? Please detail and elaborate.**

Company's Response

The Company's debt obligations are maturing over the next 2 years. While we acknowledge these upcoming maturities, the Company has a strong track record of managing our debt effectively, having been able to manage our obligations over the past four years through the COVID-19 pandemic and post-COVID. The Company remains positive in its ability to manage these upcoming commitments as well, both the short and long term. We appreciate your feedback and continued support as we move forward.