

CIRCULAR DATED 27 FEBRUARY 2021

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

If you have sold or transferred all your shares (the "**Shares**") in the capital of mm2 Asia Ltd. (the "**Company**"), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the stockbroker, bank or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee, subject to the distribution restriction set out in this Circular.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation is expected to commence after their issuance and after all relevant conditions imposed by the SGX-ST are satisfied, all certificates for the Rights Shares have been issued and the notification letters from The Central Depository (Pte) Limited ("**CDP**") have been despatched.

The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained or opinions expressed in this Circular. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, and/or its subsidiaries.

This Circular is not for distribution, directly or indirectly, in or into the United States of America (the "**U.S.**") and is not an offer of securities for sale in the U.S. or in any other jurisdiction. The Rights and the Rights Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the U.S., and may not be offered, re-sold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. There will be no public offering of the Rights and the Rights Shares in the U.S.

The Circular shall not constitute an offer to sell or a solicitation of an offer to buy shares or other securities, including the Rights and the Rights Shares. This Circular may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights and the Rights Shares or make an offer of the Rights and the Rights Shares and the Rights and the Rights Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. This Circular is issued to Shareholders solely for the purposes of providing Shareholders with the information pertaining to the EGM, convening the EGM and seeking Shareholders' approval for resolutions to be proposed at the EGM. Shareholders are authorized to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this Circular and/or the sale or transfer of the Rights and the Rights Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Circular has been made available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.mm2asia.com/announcement.php>. A printed copy of this Circular will **NOT** be despatched to Shareholders.

**Due to the current COVID-19 restrictions orders in Singapore, Shareholders will not be able to attend the EGM.** Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to paragraph 14 of this Circular and the Company's announcement dated 27 February 2021 entitled "Extraordinary General Meeting In Relation To The Rights Issue" which has been uploaded together with this Circular on the Singapore Exchange website for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at <https://www.mm2asia.com/announcement.php>.



**mm2 Asia Ltd.**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 201424372N)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE (THE "RIGHTS ISSUE") OF UP TO 1,162,804,610 NEW SHARES (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.047 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD BY ENTITLED SHAREHOLDERS AS AT THE RECORD DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

**Manager and Underwriter of the Rights Issue**



**UOB Kay Hian Private Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 197000447W)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	12 March 2021 at 9.30 a.m. (Singapore time)
Date and time of Extraordinary General Meeting	:	15 March 2021 at 9.30 a.m. (Singapore time)
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means

## TABLE OF CONTENTS

	Page
LETTER TO SHAREHOLDERS .....	11
1. INTRODUCTION .....	11
2. PROPOSED RIGHTS ISSUE .....	12
3. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS .....	17
4. INTENTION OF CONTROLLING SHAREHOLDER .....	18
5. UNDERWRITING AGREEMENT .....	19
6. STATEMENT BY THE BOARD .....	19
7. FINANCIAL EFFECTS OF THE RIGHTS ISSUE.....	20
8. REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL .....	20
9. RECORD DATE .....	20
10. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS .....	20
11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	21
12. EXTRAORDINARY GENERAL MEETING .....	22
13. OFFER INFORMATION STATEMENT .....	22
14. ACTION TO BE TAKEN BY SHAREHOLDERS.....	22
15. DIRECTORS' RECOMMENDATION .....	23
16. DIRECTORS' RESPONSIBILITY STATEMENT .....	24
17. STATEMENT BY THE MANAGER AND UNDERWRITER.....	24
18. CONSENT.....	24
19. DOCUMENTS FOR INSPECTION .....	24
APPENDIX 1.....	26
APPENDIX 2.....	30
APPENDIX 3.....	33
NOTICE OF EXTRAORDINARY GENERAL MEETING .....	N-1
PROXY FORM .....	P-1

## DEFINITIONS

In this Circular, the following definitions shall apply throughout unless otherwise stated:-

- "1H2020"** : The six month period ended 30 September 2019
- "1H2021"** : The six month period ended 30 September 2020
- "Announcement"** : The announcement released by the Company on 3 February 2021, in relation to the Rights Issue
- "ARE"** : Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
- "ARS"** : Application and acceptance form for Rights Shares to be issued to Purchasers
- "associate"** : (a) In relation to any director, chief executive officer, Substantial Shareholder or controlling shareholder (being an individual) means:-
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "ATM"** : Automated teller machine of a Participating Bank
- "Board of Directors" or "Board"** : The board of Directors of the Company as at the date of this Circular
- "CDP"** : The Central Depository (Pte) Limited
- "Closing Date"** : The time and date to be determined by the Directors, being the last time and date for acceptance of and/or Excess

	Application and payment and renunciation of, the Rights Shares under the Rights Issue
<b>"Code"</b>	: The Singapore Code on Take-overs and Mergers, as amended, supplemented or revised from time to time
<b>"Companies Act"</b>	: The Companies Act, Chapter 50 of Singapore, as amended or modified or supplemented from time to time
<b>"Company"</b>	: mm2 Asia Ltd.
<b>"controlling interest"</b>	: The interest of a controlling shareholder
<b>"controlling shareholder"</b>	: a person who:- <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company; or</li> <li>(b) in fact exercises control over a company</li> </ul>
<b>"CPF"</b>	: The Central Provident Fund
<b>"CPF Funds"</b>	: CPF Investible Savings
<b>"CPF Investment Account"</b>	: The investment account maintained with a CPF agent bank for the purpose of investment of CPF Funds under the CPFIS-Ordinary Account
<b>"CPFIS"</b>	: CPF Investment Scheme
<b>"Directors"</b>	: The directors of the Company as at the date of this Circular
<b>"EGM"</b>	: The extraordinary general meeting of the Company to be convened
<b>"Entitled Depositors"</b>	: Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Record Date and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents
<b>"Entitled Scripholders"</b>	: Shareholders whose share certificates are not deposited with CDP or who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents

<b>"Entitled Shareholders"</b>	: Entitled Depositors and Entitled Scripholders
<b>"EPS"</b>	: Earnings per Share
<b>"Excess Applications"</b>	: Applications by Entitled Shareholders of the Rights Shares in excess of their provisional allotments of Rights Shares
<b>"Excess Rights Shares"</b>	: Rights Shares in excess of the provisional allotments of Entitled Shareholders to the extent that they are not subscribed by Entitled Shareholders
<b>"Existing Share Capital"</b>	: The issued and paid-up share capital of the Company, consisting 1,162,804,610 shares
<b>"Foreign Purchasers"</b>	: Purchasers whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b>"Foreign Shareholders"</b>	: Shareholders whose registered addresses with CDP or the Company are outside Singapore as at the Record Date, and who have not, at least three (3) Market Days prior to the Record Date, provided to the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
<b>"FY"</b>	: The financial year ended or ending 31 March, as the case may be
<b>"Group"</b>	: The Company and its subsidiaries, collectively
<b>"immediate family"</b>	: in relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
<b>"Issue Price"</b>	: The issue price of S\$0.047 for each Rights Share
<b>"Last Trading Day"</b>	: 1 February 2021, being the last trading day on which trades were done on the Shares prior to the Announcement
<b>"Latest Practicable Date" or "LPD"</b>	: 15 February 2021, being the latest practicable date prior to the issuance of this Circular
<b>"Listing Manual"</b>	: The listing manual of the SGX-ST, as amended and modified from time to time
<b>"Manager and Underwriter"</b>	: UOB Kay Hian Private Limited
<b>"Market Day"</b>	: A day on which the SGX-ST is open for securities trading
<b>"MAS" or "Authority"</b>	: The Monetary Authority of Singapore

<b>"NAV"</b>	: Net Asset Value
<b>"Nil-Paid Rights"</b>	: The "nil-paid" provisional entitlements to subscribe for the Rights Shares under the Rights Issue
<b>"Notice of EGM"</b>	: The notice of EGM set out on pages N-1 to N-4 of this Circular
<b>"Offer Information Statement"</b>	: The offer information statement referred to in Section 277 of the SFA, together with the PAL, the ARE, the ARS and all other accompanying documents including, where the context so admits, any supplementary or replacement document to be issued by the Company in connection with the Rights Issue
<b>"Participating Banks"</b>	: The banks that will be participating in the Rights Issue by making available their ATMs to Entitled Depositors and Purchasers for acceptances of the Rights Shares and applications for Excess Rights Shares, as the case may be, to be made under the Rights Issue
<b>"PAL"</b>	: The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Rights Shares under the Rights Issue
<b>"Proxy Form"</b>	: The proxy form in respect of the EGM as set out on pages P-1 to P-2 of this Circular
<b>"Purchaser"</b>	: Persons purchasing the Nil-Paid Rights traded on the SGX-ST through the book-entry (scripless) settlement system during the Nil-Paid Rights trading period
<b>"Record Date"</b>	: The time and date (to be announced by the Company) at and on which, subject to the approval of the Rights Issue being obtained at the EGM, the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Rights Issue
<b>"Register of Members"</b>	: Register of members of the Company
<b>"Rights Issue"</b>	: Based on the issued share capital of the Company of 1,162,804,610 Shares as at the date of the Announcement, the proposed renounceable underwritten rights issue by the Company of up to 1,162,804,610 Rights Shares at the Issue Price for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded
<b>"Rights Issue Resolution"</b>	: The resolution proposed to approve the issue of Rights Shares pursuant to the Rights Issue, as set out in the Notice of EGM

<b>"Rights Shares"</b>	: Up to 1,162,804,610 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
<b>"Securities Account"</b>	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>"SFA"</b>	: The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
<b>"SGX-ST"</b>	: The Singapore Exchange Securities Trading Limited
<b>"Share Registrar"</b>	: B.A.C.S. Private Limited
<b>"Shareholders"</b>	: Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "Shareholder" shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
<b>"Shares"</b>	: Ordinary shares in the capital of the Company and "Share" shall be construed accordingly
<b>"SIC"</b>	: Securities Industry Council of Singapore
<b>"SRS"</b>	: Supplementary Retirement Scheme
<b>"SRS Approved Banks"</b>	: Approved banks in which SRS Investors hold their accounts under the SRS
<b>"SRS Investors"</b>	: Investors who have previously purchased Shares under the SRS
<b>"subsidiary"</b>	: Has the meaning ascribed to it in Section 5 of the Companies Act
<b>"Substantial Shareholder"</b>	: A person who has an interest of 5.0% or more of the aggregate of the nominal amount of all the Shares of the Company
<b>"S\$" </b>	: Singapore dollars, the legal currency of the Republic of Singapore
<b>"Underwriting Agreement"</b>	: The underwriting agreement dated 3 February 2021 entered into between the Company and the Manager and Underwriter, pursuant to which the Manager and Underwriter will underwrite the Underwritten Rights Shares at the Issue Price on the terms and subject to the conditions therein



<b>"Underwritten Rights Shares"</b>	: Based on the Rights Issue size of 1,162,804,610 Rights Shares, up to 1,162,804,610 Rights Shares which the Manager and Underwriter has agreed to underwrite at the Issue Price on the terms and subject to the conditions of the Underwriting Agreement
<b>"Unit Share Market"</b>	: The unit share market of the SGX-ST
<b>"US\$"</b>	: United States dollar, the legal currency of the United States
<b>"% or per cent"</b>	: Percentage or per centum

Except where specifically defined, the terms "**we**", "**us**" and "**our**" in this Circular refer to the Group.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

The term "**subsidiary**" shall have the same meaning ascribed to it in Section 5 of the Act.

The terms "**acting in concert**", "**concert parties**" and "**effective control**" shall have the meanings ascribed to them respectively in the Code.

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 neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Listing Manual, the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context requires otherwise.

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

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

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

Any reference to a website or any website directly or indirectly linked to such websites in this Circular is not incorporated by reference into this Circular and should not be relied upon.

Certain statements contained in this Circular, which are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", "could" or similar words. However these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategy, plans and prospects are forward-looking statements and accordingly involve known and unknown

risks, uncertainties and other factors that may cause the Group's actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties which may cause the Group's actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this Circular, undue reliance must not be placed on those statements. The Company does not represent or warrant that the Group's actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group's expectations with respect to such statements after the date of this Circular or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

## mm2 Asia Ltd.

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201424372N)

### LETTER TO SHAREHOLDERS

#### Directors:

Melvin Ang Wee Chye (*Executive Chairman & Executive Director*)  
Tan Liang Pheng (*Lead Independent Director*)  
Lei Chee Kong Thomas (*Independent Director*)  
Chia Seng Hee, Jack (*Independent Director*)  
Mak Chi Hoo (*Non-Executive Director*)  
Chia Choon Hwee Dennis (*Non-Executive Director*)

#### Registered Office:

1002 Jalan Bukit Merah  
#07-11  
Singapore 159456

27 February 2021

To: The Shareholders of mm2 Asia Ltd.

Dear Sir/Madam,

#### 1. INTRODUCTION

- 1.1 **Proposed Rights Issue.** On 3 February 2021, the Company announced that it proposes to carry out a renounceable underwritten Rights Issue to raise gross proceeds of approximately S\$54.65 million. Pursuant to the Rights Issue, up to 1,162,804,610 Rights Shares will be offered at the Issue Price of S\$0.047 for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

To show his support for the Rights Issue and to demonstrate his commitment to and confidence in the prospects of the Group, Melvin Ang Wee Chye ("**Melvin Ang**"), a controlling shareholder of the Company, will vote in favour of the resolutions to approve the Rights Issue, and intends to subscribe for his *pro-rata* entitlement to the Rights Shares under the Rights Issue, subject to availability of financial resources. Melvin Ang does not intend to apply for any excess Rights Shares.

The Company has appointed UOB Kay Hian Private Limited as the Manager and Underwriter for the Rights Issue. The Manager and Underwriter has agreed to underwrite the Underwritten Rights Shares, at the Issue Price on the terms and subject to the conditions of the Underwriting Agreement.

As a result of the entry into the Underwriting Agreement, the Rights Issue is effectively fully underwritten and all of the Rights Shares to be allotted and issued by the Company under the Rights Issue will be fully subscribed and paid for.

The Rights Issue is subject to, *inter alia*, the approval of the Rights Issue Resolution at the EGM.

Please see paragraph 2 of this Circular for further information on the proposed Rights Issue.

- 1.2 **Approval in-principle.** The Company also announced on 3 February 2021 that the SGX-ST had granted approval in-principle for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 2.3 of this Circular. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, all certificates for the Rights Shares have been issued and the notification letters from CDP have been despatched.

The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained or opinions expressed in this Circular. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

- 1.3 **EGM.** In connection thereto, the Directors are convening an extraordinary general meeting to seek the Shareholders' approval in relation the Rights Issue Resolution.

The purpose of this Circular is to provide Shareholders with information pertaining to, and to seek Shareholders' approval at the EGM for the Rights Issue Resolution. The Notice of EGM is set out on pages N-1 to N-4 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

- 1.4 **Legal Advisers.** TSMP Law Corporation is the legal adviser to the Company as to Singapore law in relation to the Rights Issue. Rajah & Tann Singapore LLP is the legal adviser to the Manager and Underwriter as to Singapore law in relation to the Rights Issue.

## 2. PROPOSED RIGHTS ISSUE

- 2.1 **Principal Terms.** The principal terms of the Rights Issue are summarized below.

**Number of Rights Shares to be issued :** Based on the Existing Share Capital of the Company of 1,162,804,610 Shares (excluding treasury Shares) as at the Latest Practicable Date and assuming that all Entitled Shareholders subscribe in full and pay for their pro rata entitlements of Rights Shares, up to 1,162,804,610 Rights Shares will be issued.

Upon the allotment and issuance of 1,162,804,610 Rights Shares, the Company will have an enlarged issued share capital comprising up to 2,325,609,220 Shares.

**Basis of Provisional Allotment :** One (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

**Issue Price of the Rights Shares :** S\$0.047 for each Rights Share, payable in full upon acceptance and/or application.

The Issue Price of S\$0.047 for each Rights Share represents a discount of approximately:-

- (a) 60.83% to the closing price of S\$0.120 per Share for trades done on the Main Board of the SGX-ST on the Last Trading Day;
- (b) 61.51% to the volume weighted average price of S\$0.1221 per Share traded over the last five (5) consecutive market days including the Last Trading Day; and
- (c) 43.71% to the theoretical ex-rights price ("TERP")<sup>1</sup> of S\$0.0835 per Share, calculated based on the closing price of S\$0.120 per Share on the Last Trading Day.

**Status of the Rights Shares** : The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of allotment and issue of the Rights Shares.

**Estimated Net Proceeds** : After deducting estimated costs and expenses of approximately S\$2.50 million incurred in connection with the Rights Issue from the gross proceeds of approximately S\$54.65 million, the estimated Net Proceeds from the Rights Issue is expected to be approximately S\$52.15 million.

**Use of Proceeds** : The Company intends to utilise the net proceeds from the Rights Issue (i) to repay the S\$50 million 7% fixed rate notes issued by the Company and the accrued interest thereon pursuant to the US\$300 million Guaranteed Multicurrency Medium Term Note Programme of the Company, the maturity date of which is 27 April 2021 and (ii) for general working capital and operations of the Group.

**Eligibility to participate in the Rights Issue** : As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please see Appendix 1 of this Circular for details on the eligibility of Shareholders to participate in the Rights Issue.

**Trading of Nil-Paid Rights** : Entitled Depositors who wish to trade all or part of their Nil-Paid Rights on the SGX-ST can do so during the trading period for the Nil-Paid Rights.

<sup>1</sup> TERP of each Share is calculated based on the following formula:

$$\text{TERP} = \frac{\text{Market capitalisation of the Company based on the last traded price} + \text{gross proceeds from the Rights Issue}}{\text{Number of Shares after completion of the Rights Issue}}$$

All dealings and transactions (including transfers) in relation to the Nil-Paid Rights effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "*Terms and Conditions for Operation of Securities Account with the Central Depository (Pte) Limited*", as the same may be amended from time to time, copies of which are available from CDP.

**Listing of the Rights Shares :** On 2 February 2021, the SGX-ST granted approval in-principle for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 2.3 of this Circular. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

**Trading of the Rights Shares :** Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.

Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. Shareholders who hold odd lots of Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares.

**Acceptance, excess applications and payment procedures :** Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce their entire provisional allotment of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors will also be able to trade their Nil-Paid Rights on the SGX-ST during the rights trading period prescribed by the SGX-ST.

Fractional entitlements to the Rights Shares will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy Excess Applications for Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have

representation (direct or through a nominee) on the Board of Directors will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotment of Rights Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

**Use of CPF Funds** : As the Company's Shares are not registered under the CPFIS, monies in CPF Investment Accounts cannot be used for the payment of the Issue Price to accept or purchase provisional allotments of Rights Shares or to apply for Excess Rights Shares.

**Use of SRS Funds** : SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) can only do so, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the respective SRS Approved Banks, using monies standing to the credit of their respective SRS accounts.

Such SRS investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) using SRS monies, must instruct the respective SRS Approved Banks in which they hold their SRS accounts, to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) on their behalf. For avoidance of doubt, SRS Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Banks for information and directions as to the use of monies.

**Underwriting** : The Rights Issue will be underwritten by UOB Kay Hian Private Limited. Please refer to paragraph 5 of this Circular for details.

**Scaling provisions** : Depending on the level of subscription for the Rights Shares, the Company may, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for his/her/its pro-rata Rights Shares entitlement and/or apply for excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him/her/it (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their

Rights Shares entitlements fully, and/or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of Shareholders is obtained in a general meeting.

**Governing Law** : Laws of the Republic of Singapore.

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Manager and Underwriter, may deem appropriate. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be lodged with the Authority and despatched by the Company to Entitled Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights Issue Resolution at the EGM.

2.2 **Conditions to the Rights Issue.** Shareholders should note that the Rights Issue is subject to the following conditions:-

- (a) the approval in-principle from the SGX-ST for the listing and quotation of the Rights Shares on Main Board of the SGX-ST which was granted on 2 February 2021, not having been withdrawn or revoked prior to the completion of the Rights Issue;
- (b) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights Issue, with the Authority;
- (c) the approval of the Shareholders for the Rights Issue, including the allotment and issue of the Rights Shares at the EGM; and
- (d) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue being obtained and not having been revoked or amended before the Closing Date.

2.3 **SGX-ST Conditions.** On 2 February 2021, the SGX-ST granted approval in-principle for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to the following conditions:-

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Rights Issue;
- (c) a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report; and
- (d) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regards to the allotment of any Excess Rights Shares.



The Company has provided the written undertakings and confirmations referred to in subparagraphs (c) and (d) above to the SGX-ST. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

- 2.4 **Notification under Section 309B of the SFA.** The provisional allotments of Rights Shares and the Rights Shares are prescribed capital market products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### 3. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

- 3.1 The Group's diversified businesses and multi-market presence have helped to mitigate the impact of COVID-19 on the Group's businesses. COVID-19 has caused unprecedented global disruption to the media and entertainment industry. The enforcement of social distancing and travel restrictions to contain COVID-19 resulted in delays to the release of various project title, project completion and events. These have adversely impacted the Group's businesses across the board.

Nevertheless, the Company's core production pipeline remains robust, and we have secured full funding of all confirmed content production projects over the next 12-18 months. Our content production pipeline is expected to exceed our past years, supported by higher demand for Asian content, particularly in North Asia as well as increasing demand for more content by various streaming platforms in Asia. Our title releases will likewise resume with an increasing number of scheduled launches in the next 12-18 months, auguring well for the recovery of our content revenue generation.

With the gradual opening of cinemas in North Asia, including China's recent ability to achieve up to 80% of pre-COVID-19 box office numbers and the record-breaking highest daily box office performance on New Year's Day (1 January 2021) since records began in 2011, we expect an improvement in the Company's distribution business as the Company's pipeline of over a dozen completed projects is scheduled for release in the coming months. In addition, with the release of Hollywood, Asian and local titles in December 2020, local box office performance has increased significantly since Singapore cinema's reopening in July 2020, despite operating at close to 50% capacity due to safe distancing requirements. We expect the postponed slate of Hollywood movie releases from 2020 to be progressively released in the coming months of 2021.

Notwithstanding the anticipated recovery of our business, the Group's operating cash flows and financial position have been adversely affected by the COVID-19 disruption. The Company is thus undertaking the Rights Issue as a prudent measure to strengthen the financial position and capital base of the Group. The Rights Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company.

- 3.2 **Use of Proceeds.** The estimated gross proceeds from the Rights Issue are expected to be approximately S\$54.65 million, while the estimated net proceeds (estimated gross proceeds less the estimated costs and expenses of S\$2.50 million to be incurred in connection with the Rights Issue) are expected to be approximately S\$52.15 million. The Company intends to utilise the net proceeds from the Rights Issue in the following manner:-

- (i) up to S\$51.75 million for the repayment of the S\$50 million 7% fixed rate notes issued by the Company and the accrued interest thereon pursuant to the US\$300 million Guaranteed Multicurrency Medium Term Note Programme of the Company, the maturity date of which is 27 April 2021, amounting to approximately 99.23% of the Net Proceeds; and
- (ii) the balance for the general working capital and operations of the Group.

Pending the deployment of the proceeds from the Rights Issue, the proceeds may be deposited with banks and/or financial institutions as the Directors may deem appropriate in the interests of the Group.

Pursuant to Rules 704(30) and 1207(20) of the Listing Manual, the Company will make periodic announcements on the utilisation of the proceeds from the Rights Issue via SGXNET, as and when the funds from the Rights Issue are materially disbursed whether such a use is in accordance with the stated use and in accordance with the percentage allocated; and provide a status report in the Company's annual reports on the use of proceeds from the Rights Issue, and where there is any material deviation from the stated use of the proceeds from the Rights Issue, to announce the reasons for such deviation. Where the proceeds from the Rights Issue are used for general working capital purposes, the Company will disclose a breakdown with specific details on the use of the proceeds for working capital in the Company's announcement(s) and in the Company's annual reports.

#### **4. INTENTION OF CONTROLLING SHAREHOLDER**

- 4.1 As at the Latest Practicable Date, Melvin Ang, a controlling shareholder of the Company, holds 443,135,400 Shares directly and indirectly, representing approximately 38.11 per cent. of the existing issued share capital of the Company (excluding treasury Shares held by the Company).
- 4.2 To show his support for the Rights Issue and to demonstrate his commitment to and confidence in the prospects of the Group, Melvin Ang will vote in favour of the resolutions to approve the Rights Issue and intends to subscribe for his *pro-rata* entitlement to the Rights Shares under the Rights Issue, subject to availability of financial resources. Melvin Ang does not intend to apply for any Excess Rights Shares. In the event that Melvin Ang subscribes for his *pro-rata* entitlement to the Rights Shares and does not apply for any Excess Rights Shares, he will hold 886,270,800 Shares, directly and indirectly, representing approximately 38.11 per cent. of the enlarged issued share capital of the Company immediately following completion of the Rights Issue (excluding treasury Shares held by the Company).
- 4.3 As the Rights Issue will be fully underwritten, details of which are set out in paragraph 5 of this Circular, the Rights Issue will not trigger an obligation for Melvin Ang to make a mandatory general offer for the shares of the Company under Rule 14 of the Code in the event that none of the other Shareholders subscribe for any Rights Shares, on the basis that Melvin Ang subscribes in full for his *pro-rata* entitlement to the Rights Shares and does not apply for Excess Rights Shares. As such, the Company will not be seeking a whitewash waiver from the SIC and Shareholders.
- 4.4 Depending on the level of subscription for the Rights Shares, the Company may, if necessary, scale down the subscription and/or excess applications for the Rights Shares

by any of the Shareholders (if such Shareholder chooses to subscribe for his/her/its pro-rata Rights Shares entitlement and/or apply for excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him/her/it (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their Rights Shares entitlements fully, or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of Shareholders is obtained in a general meeting.

- 4.5 Under the terms of the Underwriting Agreement, the Manager and Underwriter may place out any portion of the Underwritten Rights Shares to any person(s) or enter into such other arrangement as would have the effect of any portion of the Underwritten Rights Shares being acquired by any person(s), upon such terms and conditions as it deems fit, and for the purposes of ensuring that the Manager and Underwriter's obligations under the Underwriting Agreement do not result in a transfer of controlling interest in the Company and/or trigger of an obligation under Rule 14 of the Code to make a mandatory general offer for all the Shares it does not already own.

## **5. UNDERWRITING AGREEMENT**

- 5.1 The Manager and Underwriter has agreed to underwrite the Underwritten Rights Shares, at the Issue Price on the terms and subject to the conditions of the Underwriting Agreement.
- 5.2 Pursuant to the Underwriting Agreement, the Company will pay the Manager and Underwriter an underwriting commission of 2.85 per cent. of the Issue Price multiplied by the Underwritten Rights Shares.
- 5.3 Under the terms of the Underwriting Agreement, the extension of the maturity date of the S\$47.85 million convertible notes and convertible bonds issued on 7 February 2018 by the Company's subsidiary, mm Connect Pte. Ltd. ("**mm Connect Notes and Bonds**") to 31 December 2021, is a condition to the underwriting by the Manager and Underwriter. The maturity date of the mm Connect Notes and Bonds has been extended to 31 December 2021 as announced on 21 January 2021.

## **6. STATEMENT BY THE BOARD**

- 6.1 The Directors are of the opinion that barring any unforeseen circumstances:-
- (i) the Group is not under pressure from its bankers to repay any of its existing bank borrowings and there are currently no arrangements made or being made for the refinancing of the Group's borrowings save for discussions in the ordinary course of business in relation to borrowings which will become due and payable in the next 12 months;
  - (ii) after taking into account the Group's present bank facilities, internal resources, operating cash flows, the extension of the maturity date of the mm Connect Notes and Bonds and net proceeds of the Rights Issue, the Group has sufficient resources to meet its capital commitments; and
  - (iii) after taking into consideration the Group's present bank facilities, internal resources, operating cash flows, the extension of the maturity date of the mm Connect Notes and Bonds and net proceeds of the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements.

- 6.2 The Rights Issue will also provide the Shareholders with an opportunity to further their equity participation in the Company. For the reasons outlined above in paragraph 3, the Directors believe the Rights Issue is in the interests of the Group.

## 7. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

For illustrative purposes only, the *pro forma* financial effects of the Rights Issue on the Group are set out in Appendix 2 of this Circular. **The *pro forma* financial effects are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Rights Issue.**

## 8. REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

The profit and loss statements, the cash flow statements, the balance sheets and the working capital position of the Group for FY2018, FY2019, FY2020 and 1H2021 are set out in Appendix 3 of this Circular.

## 9. RECORD DATE

Subject to the Rights Issue Resolution being approved at the EGM, the Register of Members and Share Transfer Books of the Company will be closed at a time and date to be announced by the Company, to determine the provisional allotments of the Rights Shares of Entitled Shareholders under the Rights Issue.

## 10. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

- 10.1 **Directors' Interests.** As at the Latest Practicable Date, the Directors' interests in Shares as recorded in the Register of Directors' Shareholdings are as follows:-

<i>Director</i>	<i>Number of Shares</i>			
	<i>Direct Interest</i>	<i>%<sup>(1)</sup></i>	<i>Deemed Interest</i>	<i>%<sup>(1)</sup></i>
Melvin Ang Wee Chye	14,335,400	1.23	428,800,000	36.88 <sup>(3)</sup>
Thomas Lei Chee Kong	485,700	0.04	-	-
Jack Chia Seng Hee	85,700	n.m. <sup>(2)</sup>	-	-
Tan Liang Pheng	85,700	n.m. <sup>(2)</sup>	-	-
Terry Mak Chi Hoo	85,700	n.m. <sup>(2)</sup>	-	-
Dennis Chia Choon Hwee	-	-	-	-

Notes:

- (1) Based on 1,162,804,610 Shares in issue as at the Latest Practicable Date.
- (2) Not meaningful. Less than 0.01%.
- (3) Melvin Ang is deemed to be interested in the 428,800,000 ordinary shares maintained under the nominee accounts set out below:-
- (a) 93,000,000 ordinary shares under KGI Securities (Singapore) Pte. Ltd.;
- (b) 165,800,000 ordinary shares under CGS-CIMB Securities (Singapore) Pte. Ltd.; and
- (c) 170,000,000 ordinary shares under HSBC (Singapore) Nominees Pte. Ltd. (collectively the "Nominee Accounts").

- 10.2 **Substantial Shareholders' Interests.** As at the Latest Practicable Date, the interests of the Substantial Shareholder in Shares as recorded in the Register of Substantial Shareholder are as follows:-

<b>Name</b>	<b>Number of Shares</b>			
	<b>Direct Interest</b>	<b>%<sup>(1)</sup></b>	<b>Deemed Interest</b>	<b>%<sup>(1)</sup></b>
Melvin Ang Wee Chye	14,335,400	1.23	428,800,000	36.88 <sup>(2)</sup>
StarHub Ltd.	114,315,790	9.83	-	-
Asia Mobile Holdings Pte. Ltd.	-	-	114,315,790 <sup>(3)</sup>	9.83
Asia Mobile Holding Company Pte. Ltd.	-	-	114,315,790 <sup>(3)</sup>	9.83
STT Communications Ltd	-	-	114,315,790 <sup>(3)</sup>	9.83
Singapore Technologies Telemedia Pte. Ltd.	-	-	114,315,790 <sup>(3)</sup>	9.83
Temasek Holdings (Private) Limited	-	-	114,315,790 <sup>(3)</sup>	9.83
OIH Investment LLC	-	-	114,315,790 <sup>(3)</sup>	9.83
Ooredoo Q.P.S.C.	-	-	114,315,790 <sup>(3)</sup>	9.83
Yeo Khee Seng Benny	28,584,554	2.46	68,792,334 <sup>(4)</sup>	5.92

Notes:

- (1) Based on 1,162,804,610 Shares in issue as at the Latest Practicable Date.
- (2) Melvin Ang is deemed to be interested in the 428,800,000 ordinary shares maintained under the nominee accounts set out below:-
- (a) 93,000,000 ordinary shares under KGI Securities (Singapore) Pte. Ltd.;
- (b) 165,800,000 ordinary shares under CGS-CIMB Securities (Singapore) Pte. Ltd.; and
- (c) 170,000,000 ordinary shares under HSBC (Singapore) Nominees Pte. Ltd. (collectively the "Nominee Accounts").
- (3) (a) StarHub Ltd ("**StarHub**") holds a total of 114,315,790 ordinary shares in mm2 Asia Ltd.;
- (b) Based on our latest records as of 31 July 2020, Asia Mobile Holdings Pte. Ltd. ("**AMH**") holds approximately 55.77% of the total issued share capital of StarHub (excluding treasury shares);
- (c) StarHub is a subsidiary of AMH, which in turn is a subsidiary of Asia Mobile Holding Company Pte. Ltd. ("**AMHC**"), a wholly-owned subsidiary of STT Communications Ltd ("**STTCom**"), which in turn is a wholly-owned subsidiary of Singapore Technologies Telemedia Pte Ltd ("**ST Telemedia**"), a wholly-owned subsidiary of Temasek (Holdings) Private Limited ("**Temasek**");
- (d) OIH Investment LLC ("**OIH**"), a wholly-owned subsidiary of Ooredoo Q.P.S.C. (formerly known as Ooredoo Q.S.C.) ("**Ooredoo**"), holds approximately 25% of the total issued share capital of AMH; and
- (e) accordingly, each of AMH, AMHC, STTCom, ST Telemedia, Temasek, OIH and Ooredoo have a deemed interest in the 114,315,790 shares of the Company held by StarHub.
- (4) Yeo Khee Seng Benny is deemed interested in 24,816,400 Shares held under the name of BNP Paribas Nominees Singapore Pte. Ltd. and 43,975,934 Shares held under the name of Raffles Nominees (Pte) Ltd.

## 11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in paragraph 10 of this Circular, none of the Directors or Substantial Shareholders or their respective associates has any direct or indirect interest in the Rights

Issue Resolution other than through their respective shareholdings (direct or indirect) in the Company.

## 12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be convened and held by way of electronic means on 15 March 2021 at 9.30 a.m. (or any adjournment thereof) for the purpose of considering, and if thought fit, passing with or without any modifications, the Rights Issue Resolution set out in the Notice of EGM.

## 13. OFFER INFORMATION STATEMENT

The Offer Information Statement will be despatched or, as the case may be, disseminated by the Company to Entitled Shareholders subject to, inter alia, the approval of the Rights Issue Resolution being obtained at the EGM. Acceptances and applications under the Rights Issue can be made on the following (all of which will form part of the Offer Information Statement):-

- (i) the PAL, in case of Entitled Scripholders;
- (ii) the ARE, in the case of Entitled Depositors;
- (iii) the ARS, in the case of persons purchasing provisional allotments of Rights Shares through the book-entry (scripless) settlement system whose registered addressees with CDP are in Singapore; and
- (iv) the ATMs of the Participating Banks, providing electronic applications through such ATMs, in the case of Entitled Shareholders or their renounces or Purchasers.

The procedures for, and the terms and conditions applicable to, the acceptances, the renunciations and/or sales of the provisional allotments of the Rights Shares and for the Excess Applications for the Rights Shares pursuant to the Rights Issue, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

## 14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1 **EGM to be Convened by way of Electronic Means.** The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Circular will **NOT** be sent to Shareholders. This Circular (together with the Notice of EGM and the Proxy Form) may be accessed at the Company's website at <https://www.mm2asia.com/announcement.php> and is also available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements>.

14.2 **Alternative Arrangements relating to Attendance at the EGM.** Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the EGM, addressing of substantial and relevant questions either before the EGM on SGXNET and the Company's website at the URL <https://www.mm2asia.com/announcement.php> or

during the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the accompanying Company's announcement dated 27 February 2021. This announcement may be accessed at the Company's website at <https://www.mm2asia.com/announcement.php> and is also available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements>.

- 14.3 **No attendance in Person – Appointment of the Chairman of the EGM as Proxy. Due to the current COVID-19 situation in Singapore, a member will not be allowed to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** Printed copies of this Circular (together with the Proxy Form) will **NOT** be sent to Shareholders. The Proxy Form may be accessed at the Company's website at <https://www.mm2asia.com/announcement.php> and is also available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements>.

SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS Approved Banks to submit their votes by 5.00 p.m. on 3 March 2021.

- 14.4 **Submission of Proxy Forms.** The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:-

- (i) if in hard copy and sent personally or by post, the proxy form must be lodged at the office of the Share Registrar, 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
- (ii) if submitted electronically by email, the proxy form must be received by the Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, not less than 72 hours before the time appointed for the EGM, by 9.30 a.m. on 12 March 2021.

A Shareholder who wishes to submit a Proxy Form must first download (where necessary), complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In the alternative, a Shareholder may download, complete and authorize the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

## 15. DIRECTORS' RECOMMENDATION

- 15.1 **Rights Issue Resolution.** The Directors, having considered, *inter alia*, the rationale for the Rights Issue as set out in paragraph 3 of this Circular, are of the opinion that the Rights Issue is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Rights Issue Resolution, including the allotment and issue of the Rights Shares pursuant to the Rights Issue, to be proposed at the EGM.
- 15.2 **Note to Shareholders.** Shareholders, in deciding whether to vote in favour of the Rights Issue Resolution, are advised to weigh the consequences of the outcome of their vote. Should the Rights Issue Resolution not be approved, the Rights Issue cannot proceed and the position of the Company will remain status quo. Voting for the resolutions will provide

the Company with the much-needed liquidity and working capital to be in a better position to ride out the current industry downturn.

Shareholders are also advised to read this Circular carefully in its entirety, including the terms and conditions of the Rights Issue, the rationale for the Rights Issue and the financial effects of the Rights Issue.

In giving the above recommendation, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique constraints of any individual Shareholder.

#### **16. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights Issue Resolution and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 this Circular in its proper form and context.

#### **17. STATEMENT BY THE MANAGER AND UNDERWRITER**

To the best of the Manager and Underwriter's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Rights Issue and the Group, and the Manager and Underwriter is not aware of any facts the omission of which would make any statement in this Circular misleading.

#### **18. CONSENT**

UOB Kay Hian Private Limited, as the Manager and Underwriter for the Rights Issue, has given and not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

#### **19. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the registered address of the Company at 1002 Jalan Bukit Merah, #07-11, Singapore 159456 during normal business hours from the date of this Circular up to and including the date of the EGM:-

- (i) the constitution of the Company;
- (ii) the Annual Reports of the Company for FY2018, FY2019 and FY2020; and
- (iii) the letter of consent referred to in paragraph 18 of this Circular.



Yours faithfully

for and on behalf of  
the Board of Directors of  
**mm2 Asia Ltd.**

Melvin Ang Wee Chye  
Chairman

**APPENDIX 1**  
**ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE**

**1. ENTITLED SHAREHOLDERS.**

Entitled Shareholders are entitled to participate in the Rights Issue and to receive the Offer Information Statement (through electronic dissemination), together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be.

Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade their Nil-Paid Rights on the SGX-ST (during the rights trading period prescribed by the SGX-ST) and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue. For avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renouces) shall be entitled to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

***All dealings in and transactions of the Nil-Paid Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.***

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority for the rounding of odd lots and the allotment of Excess Rights Shares. The Company will also not make any allotment or issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

**(a) Entitled Depositors**

Entitled Depositors who do not receive the ARE may obtain it from CDP or the Share Registrar during the period up to the Closing Date.

Entitled Depositors should note that all notices and documents will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589, not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Record Date.

**(b) Entitled Scripholders**

Entitled Scripholders who do not receive the PAL may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or to effect any

change in address must reach mm2 Asia Ltd. c/o the Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Record Date.

Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Record Date so that their Securities Accounts may be credited by CDP with their Shares and the Nil-Paid Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with their Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with CDP or such later date subject to the completion of the lodgement process.

The procedures for, and the terms and conditions applicable to, acceptances, splitting, renunciation and/or sales of the provisional allotments of Nil-Paid Rights and the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, will be contained in the Offer Information Statement and in the ARE, the ARS and the PAL to be despatched by the Company in due course.

## **2. FOREIGN SHAREHOLDERS.**

The Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Shares will **NOT** be offered to and the Offer Information Statement and its accompanying documents have not been and will **NOT** be despatched or disseminated to Foreign Shareholders or into any jurisdictions outside Singapore.

***Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares by any Foreign Shareholder will be valid.***

The Offer Information Statement and its accompanying documents will also NOT be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept Nil-Paid Rights credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

Further, any renounce of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the Nil-Paid Rights renounced to him.

For the avoidance of doubt, even if a Foreign Shareholder has provided a Singapore address as aforesaid, the offer of Nil-Paid Rights and/or Rights Shares to him will be subject to compliance with applicable securities laws outside Singapore.

The Company reserves the right to reject any acceptances of the Rights Shares and (if applicable) any applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances or applications may violate the applicable legislation of any jurisdiction.

The Company further reserves the right to treat as invalid any ARE, ARS or PAL which (i) appears to the Company or its agents to have been executed in a jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (ii) provides an address outside Singapore for the receipt of the share certificate(s) of the Rights Shares or which requires the Company to dispatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (iii) purports to exclude any deemed representation, warranty or confirmation.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after commencement of trading of Nil-Paid Rights, at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Manager and Underwriter, CDP, the Share Registrar and/or their respective officers in connection therewith. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Manager and Underwriter, CDP or the Share Registrar and/or their respective officers in connection therewith.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore wishing to take up their Nil-Paid Rights or apply for Excess Rights Shares under the Rights Issue to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only and any Foreign Shareholder who is in doubt as to his position should consult his professional advisers without delay.

If such Nil-Paid Rights cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Nil-Paid Rights, the Rights Shares represented by such provisional allotments will be aggregated and allotted to satisfy Excess Applications (if any) or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Manager and Underwriter, CDP, the Share Registrar and/or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

***Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompany documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in those territories.***

***The Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.***

***In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, the Offer Information Statement, the ARE, the ARS or the PAL must be treated as sent for information only and should not be copied or redistributed.***

Further details will be set out in the Offer Information Statement.

**APPENDIX 2**  
**PRO FORMA FINANCIAL EFFECTS OF THE RIGHTS ISSUE**

**1. Assumptions**

The pro forma financial effects of the Rights Issue as presented herein:

- (a) are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Rights Issue;
- (b) are based on the audited consolidated financial statements of the Group for FY2020 in calculating the *pro forma* financial effects as at 31 March 2020;
- (c) are based on the unaudited results of the Group for 1H2021 in calculating the *pro forma* financial effects as at 30 September 2020;
- (d) assume that the Rights Shares had been allotted and issued on 31 March 2020 and 30 September 2020 in calculating the pro forma financial effects on NAV and gearing as at 31 March 2020 and 30 September 2020 respectively;
- (e) assume that the Rights Shares had been allotted and issued on 1 April 2019 and 1 April 2020 in calculating the pro forma financial effects on EPS for FY2020 and 1H2021 respectively;
- (f) assume that the net proceeds of the Rights Issue will be utilized for, *inter alia*, repayment of the S\$50 million 7% fixed rate notes issued by the Company and the accrued interest thereon pursuant to the US\$300 million Guaranteed Multicurrency Medium Term Note Programme of the Company on 1 April 2019 and 1 April 2020 in calculating the pro forma financial effects on EPS for FY2020 and 1H2021 respectively;
- (g) do not take into account any theoretical ex-rights adjustment factor; and
- (h) net proceeds, after deducting applicable expenses, of the Rights Issue will be S\$52.15 million.

**2 Share Capital.**

	<b>Number of Shares</b>	<b>S\$ 'million</b>
Issued share capital (excluding treasury shares) as at the Latest Practicable Date	1,162,804,610	152.87
ADD: Rights Shares to be allotted and issued	1,162,804,610	52.15
Issued share capital (excluding treasury shares) after the Rights Issue	2,325,609,220	205.02

3 **NAV.**

	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
<b>NAV</b>		
NAV before the Rights Issue (S\$ 'million)	195.03	217.52
Net proceeds from the Rights Issue (S\$ 'million)	52.15	52.15
NAV after adjusting for the Rights Issue (S\$ 'million)	247.18	269.67
<b>NAV per Share</b>		
Number of Shares (excluding treasury shares) before the Rights Issue	1,162,804,610	1,162,804,610
NAV per Share before the Rights Issue (cents) <sup>(1)</sup>	16.77	18.71
Number of Share (excluding treasury shares) after the Rights Issue	2,325,609,220	2,325,609,220
NAV per Share after the Rights Issue (cents) <sup>(1)</sup>	10.63	11.60

**Note:**

(1) NAV per Share = (Net assets – non-controlling interest) / Number of Shares outstanding (excluding treasury shares)

4 **Gearing.**

	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
<b>Before the Rights Issue</b>		
Total net borrowings (S\$ 'million)	253.3	228.5
Total equity (S\$ 'million)	247.7	273.6
Net gearing (times) <sup>(1)</sup>	1.0	0.8
<b>After the Rights Issue</b>		
Total net borrowings (S\$ 'million)	201.1	176.3
Total equity (S\$ 'million)	299.9	325.8
Net gearing (times) <sup>(1)</sup>	0.7	0.5

**Note:**

(1) Net gearing = (Gross Borrowings - Cash) / Total equity

5 **Earnings per Share.**

	<b>1H2021</b>	<b>FY2020</b>
<b>Before the Rights Issue</b>		
Net (loss)/profit attributable to Shareholders of the Company (S\$ 'million)	(22.42)	3.33
Weighted average number of Shares (excluding treasury shares)	1,162,804,610	1,162,804,610
<b>After the Rights Issue</b>		

Net (loss)/profit attributable to Shareholders of the Company (S\$ 'million)	(20.67)	6.83
Weighted average number of Shares (excluding treasury shares)	2,325,609,220	2,325,609,220
<b>EPS</b>		
Basic EPS before the Rights Issue (cents) <sup>(1)</sup>	(1.93)	0.29
Basic EPS after the Rights Issue (cents) <sup>(1)</sup>	(0.89)	0.29

**Note:**

(1) EPS = Net (loss)/profit attributable to Shareholders / Weighted average number of Shares outstanding (excluding treasury shares).



**APPENDIX 3**  
**REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL**

The audited consolidated income statements of the Group for FY2018 (i.e. for the financial year ended 31 March 2018), FY2019 (i.e. for the financial year ended 31 March 2019) and FY2020 (i.e. for the financial year ended 31 March 2020) and the unaudited consolidated income statements of the Group for 1H2020 (i.e. for the 6 months ended 30 September 2019) and 1H2021 (i.e. for the 6 months ended 30 September 2020) are set out below:-

	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>1H2020</b>	<b>1H2021</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	As restated in FY2019				
<b>(in S\$' 000)</b>					
<b>Revenue</b>	192,035	266,187	235,774	117,431	19,907
<b>Cost of sales</b>	(104,728)	(141,988)	(146,387)	(59,230)	(19,777)
Gross profit	87,307	124,199	89,387	58,201	130
<b>Other income</b>					
- Interest income	470	233	104	44	30
- Others	477	4,270	471	284	8,033
	947	4,503	575	328	8,063
Other gains/(losses) - net					
- Expected credit loss on financial assets	-	(2,101)	(1,035)	-	-
- Others	214	971	8,184	171	(1,374)
	214	(1,130)	7,149	171	(1,374)
<b>Expenses</b>					
- Administrative expenses	(47,035)	(69,893)	(67,902)	(31,015)	(22,453)
- Finance expenses	(4,932)	(17,876)	(19,436)	(10,203)	(9,610)
	(51,967)	(87,769)	(87,338)	(41,218)	(32,063)
Share of (losses)/profits of associated companies and joint venture	112	22	(147)	(13)	234
Profit/(loss) before income tax	36,613	39,825	9,626	17,469	(25,010)
Income tax expense	(7,099)	(11,109)	(3,337)	(4,683)	(783)
<b>Net profit/(loss) for the financial year/ period</b>	<b>29,514</b>	<b>28,716</b>	<b>6,289</b>	<b>12,786</b>	<b>(25,793)</b>

	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>1H2020</b>	<b>1H2021</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	As restated in FY2019				
<b>(in S\$' 000)</b>					
Other comprehensive income/(loss), net of tax:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences arising from consolidation – gains/ (losses)	360	(141)	(47)	(73)	(85)
<b>Total comprehensive income/ (loss) for the financial year/ period</b>	29,874	28,575	6,242	12,713	(25,878)
<b>Net profit/ (loss) attributable to:</b>					
Equity holders of the Company	22,395	19,138	3,334	9,176	(22,415)
Non-controlling interests	7,119	9,578	2,955	3,610	(3,378)
	29,514	28,716	6,289	12,786	(25,793)
<b>Total comprehensive income/ (loss) attributable to:</b>					
Equity holders of the Company	22,779	18,986	3,274	9,129	(22,484)
Non-controlling interests	7,095	9,589	2,968	3,584	(3,394)
	29,874	28,575	6,242	12,713	(25,878)
<b>Earnings/ (loss) per share for net profit attributable to equity holders of the Company</b>					
Basic and diluted (cents)	1.98	1.65	0.29	0.79	(1.93)

The audited consolidated statements of financial position of the Group as at 31 March 2018, 31 March 2019 and 31 March 2020 and the unaudited consolidated statement of financial position of the Group as at 30 September 2020 are set out below:-

	31 Mar 2018	31 Mar 2019	31 Mar 2020	30 Sept 2020
	(Audited) (Restated) S\$'000	(Audited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	93,180	18,566	29,383	11,076
Trade and other receivables	107,890	180,656	138,434	126,806
Inventories	417	363	412	299
Other current assets	14,115	66,156	84,498	86,975
Film products and films under production	20,686	21,882	2,825	2,825
Income tax recoverable	-	-	277	353
	<b>236,288</b>	<b>287,623</b>	<b>255,829</b>	<b>228,334</b>
<b>Non-current assets</b>				
Trade and other receivables	-	3,500	21,603	20,867
Financial assets, at fair value through profit or loss ("FVPL")	-	710	4,765	4,808
Available-for-sale financial asset	710	-	-	-
Investments in associated companies	2,554	2,658	2,522	2,792
Investment in a joint venture	73	99	87	49
Property, plant and equipment	42,095	36,437	112,894	103,141
Intangible assets and goodwill	290,295	289,652	279,812	282,458
Film rights	4,694	29,234	41,635	37,714
Film intangibles and film inventories	4,184	14,434	16,442	26,499
Deferred income tax assets	1,297	1,377	1,721	382
	345,902	378,101	481,481	478,710
<b>TOTAL ASSETS</b>	<b>582,190</b>	<b>665,724</b>	<b>737,310</b>	<b>707,044</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	273,043	131,356	91,720	85,693
Contract liabilities	3,756	17,053	11,662	13,856
Borrowings	4,972	36,820	131,693	181,897
Lease liabilities	-	-	23,093	18,248
Derivative financial instruments	-	-	163	177
Current income tax liabilities	9,235	10,329	5,929	4,138
	<b>291,006</b>	<b>195,558</b>	<b>264,260</b>	<b>304,009</b>

	31 Mar 2018	31 Mar 2019	31 Mar 2020	30 Sept 2020
	(Audited) (Restated) S\$'000	(Audited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000
<b>Non-current liabilities</b>				
Trade and other payables	3,600	-	-	-
Borrowings	60,970	186,172	126,144	82,457
Lease liabilities	-	-	61,743	61,980
Derivative financial instruments	6,874	5,905	113	44
Provisions	4,978	4,841	5,009	4,956
Deferred income tax liabilities	6,298	6,619	6,435	5,870
	82,720	203,537	199,444	155,307
<b>TOTAL LIABILITIES</b>	<b>373,726</b>	<b>399,095</b>	<b>463,704</b>	<b>459,316</b>
<b>NET ASSETS</b>	<b>208,464</b>	<b>266,629</b>	<b>273,606</b>	<b>247,728</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	152,870	152,870	152,870	152,870
Reserves	(30,907)	(14,455)	(14,435)	(14,504)
Retained profits	56,610	75,748	79,082	56,667
	178,573	214,163	217,517	195,033
Non-controlling interests	29,891	52,466	56,089	52,695
<b>TOTAL EQUITY</b>	<b>208,464</b>	<b>266,629</b>	<b>273,606</b>	<b>247,728</b>

The audited consolidated statements of cash flows of the Group for FY2018 (i.e. for the financial year ended 31 March 2018), FY2019 (i.e. for the financial year ended 31 March 2019) and FY2020 (i.e. for the financial year ended 31 March 2020) and the unaudited consolidated income statements of the Group for 1H2021 (i.e. for the 6 months ended 30 September 2020) are set out below:-

	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>1H2021</b>
<b>(in S\$' 000)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>
	<i>Restated in FY2019</i>			
<b>Cash flows from operating activities</b>				
Net profit	29,514	28,716	6,289	(25,793)
Adjustments for:				
- Income tax expense	7,099	11,109	3,337	783
- Interest income	(470)	(233)	(104)	(30)
- Finance expenses	4,932	17,876	19,436	9,610
- Amortisation of film rights	11,457	6,968	22,158	4,684
- Amortisation of film intangibles and film inventories	3,879	3,013	3,584	608
- Amortisation of intangible assets	1,608	1,055	1,300	794
- Depreciation of property, plant and equipment	5,719	9,805	31,142	15,544
- Impairment loss on goodwill	-	-	10,698	-
- Inventories written off	-	-	6	-
- Bad debt written off	-	-	49	-
- Property, plant and equipment written off	-	40	-	554
- Loss/ (Gain) on fair value changes in derivative financial instrument	4	(969)	(5,805)	(54)
- Gain on fair value changes in deferred consideration for business combination	-	(3,559)	-	-
- Loss on fair value changes in financial assets, FVPL	-	-	62	-
- Gain on disposal of property, plant and equipment	(6)	(19)	(19)	(15)
- Loss on disposal of an intangible asset	-	-	1,095	-
- Impairment of receivables/ Expected credit loss on financial assets	-	2,101	1,035	(15)
- Share of (profits)/losses of associated companies and joint venture	(112)	(22)	147	(234)
- Issuance of subsidiary's shares to its employees prior to initial public offering ("IPO") of the subsidiary	-	200	-	-
- Performance share plan expenses	574	-	-	-
- (Gain)/ Loss on unrealised foreign exchange	(1,050)	868	983	802
Operating cash flows before working capital changes	63,148	76,949	95,393	7,238

	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>1H2021</b>
<b>(in S\$' 000)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>
	<i>Restated in FY2019</i>			
Changes in working capital:				
- Trade and other receivables	(59,065)	(64,571)	20,783	10,462
- Inventories	(107)	54	(56)	111
- Other current assets	(13,013)	(51,699)	(18,157)	(2,614)
- Film products and films under production	(7,817)	(3,259)	221	-
- Film intangible and film inventories	(4,559)	(9,464)	(5,606)	(10,680)
- Trade and other payables	28,732	62,922	(46,059)	(6,463)
- Contract liabilities	(1,492)	13,297	(5,391)	2,195
Cash generated from operations	5,827	24,229	41,128	249
Income tax paid	(5,160)	(9,775)	(8,542)	(1,877)
<b>Net cash generated from/(used in) operating activities</b>	<b>667</b>	<b>14,454</b>	<b>32,586</b>	<b>(1,628)</b>
<b>Cash flows from investing activities</b>				
Acquisition of a subsidiary, net of cash acquired	(5,773)	-	-	-
Acquisition of business assets	(31,458)	-	-	-
Acquisition of associated companies	(920)	(114)	-	-
Acquisition of joint venture	(102)	-	-	-
Acquisition of subsidiary's shares from non-controlling interest	-	(422)	-	-
Additions to available-for-sale financial asset	(710)	-	-	-
Additions to film rights	(82)	(29,777)	(15,862)	(776)
Additions to investment in financial assets, FVPL		-	(2,232)	-
Additions to intangible assets	(3,450)	(763)	(3,030)	(2,577)
Additions to property, plant and equipment	(10,194)	(4,576)	(6,091)	(6,033)
Deposit paid for acquisition of intangible assets	-	(13,848)	-	-
Interest received	470	233	71	23
Proceeds from disposal of intangible assets		-	100	-
Proceeds from disposal of partial investment in a subsidiary	-	25,800	-	-
Proceeds from disposal of property, plant and equipment	47	133	120	16
Payment for an investment in associated company	(1,500)	-	-	-
Repayment of deferred purchase consideration	(20,000)	(215,000)	-	-
<b>Net cash used in investing activities</b>	<b>(73,672)</b>	<b>(238,334)</b>	<b>(26,924)</b>	<b>(9,347)</b>

	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>1H2021</b>
<b>(in S\$' 000)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>
	<i>Restated in FY2019</i>			
<b>Cash flows from financing activities</b>				
Release of/(increased in) fixed deposit pledged	(103)	1,000	-	-
Interest paid	(943)	(8,752)	(15,930)	(6,551)
Dividend paid by a subsidiary to non-controlling interests	(123)	(10,000)	-	-
Proceeds from issuance of shares of the Company	64,084	-	-	-
Proceeds from issuance of subsidiary's shares pursuant to conversion of pre-IPO convertible loans	-	2,000	-	-
Proceeds from issuance of shares of a subsidiary, net of IPO expenses	17,542	11,522	-	-
Proceeds from issuance of shares of subsidiary to non-controlling interests	-	-	660	-
Proceeds from issuance of medium term note programme	-	50,000	-	-
Proceeds from issuance of loan notes		5,000	-	-
Proceeds from issuance of convertible bonds and notes	115,495	-	5,000	-
Proceeds from borrowings	29,071	233,410	56,113	11,500
Repayments of borrowings	(84,315)	(133,825)	(25,018)	(7,449)
Repayment of finance lease liabilities	(95)	(54)	-	-
Repayments of lease liabilities	-	-	(16,982)	(4,726)
<b>Net cash generated from/(used in) financing activities</b>	<b>140,613</b>	<b>150,301</b>	<b>3,843</b>	<b>(7,226)</b>
<b>Net changes in cash and cash equivalents</b>	<b>67,608</b>	<b>(73,579)</b>	<b>9,505</b>	<b>(18,201)</b>
<b>Cash and cash equivalents</b>				
At beginning of financial year/period	24,858	92,180	18,566	28,088
Effects of currency translation on cash and cash equivalents	(286)	(35)	17	(123)
<b>At end of financial year/period</b>	<b>92,180</b>	<b>18,566</b>	<b>28,088</b>	<b>9,764</b>
<i>For the purpose of presenting in the consolidated statement of cash flows, cash and cash equivalents comprise the following:</i>				
Cash and bank balances	93,180	18,566	29,383	11,076
Fixed deposits pledged	(1,000)	-	-	-
Less: bank overdrafts	-	-	(1,295)	(1,312)
	<b>92,180</b>	<b>18,566</b>	<b>28,088</b>	<b>9,764</b>

## **REVIEW OF PAST PERFORMANCE**

### **FY2019 compared to FY2018**

#### **Revenue**

In FY2019, the Group recorded revenue of S\$266.2 million, an increase of S\$74.2 million or 38.6% from S\$192.0 million in the FY2018. The increase was mainly contributed by our cinema operations segment, which recorded an increase of S\$55.7 million as, in FY2019, the Group consolidated full 12-month financial results of the previous financial year's acquisitions of subsidiary, Cathay Cineplexes Pte. Ltd.'s, and cinema business assets in Malaysia as opposed to 4 months and 6 months respectively in FY2018. Apart from that, the increase in revenue was also contributed by our event production and concert promotion segment, UnUsUaL Limited, and post and content production segment, Vividthree Holdings Ltd., which recorded increases of S\$9.7 million and S\$3.0 million respectively. The Group's core business segment grew by S\$4.6 million, from S\$93.6 million in FY2018 to S\$98.2 million in FY2019.

#### **Cost of sales**

Cost of sales increased by S\$37.3 million, or 35.6%, from S\$104.7 million in FY2018 to S\$142.0 million in FY2019. The increase was in tandem with the increase in revenue from each of the segments. However, the increase was mainly contributed by cinema operations as, in FY2019, the Group consolidated the full-year financial results of the previous financial year's acquisitions as mentioned above.

#### **Gross profit**

The Group's gross profit was uplifted approximately by S\$36.9 million or 42.3%, from S\$87.3 million in FY2018 to S\$124.2 million in FY2019. The increase corresponded to the revenue growth in all Group's segments. The Group's gross profit margin in FY2019 was approximately at 46.7% as compared to FY2018 with marginal increase.

#### **Other income**

Other income increased by S\$3.6 million or 400.0%, from S\$0.9 million in FY2018 to S\$4.5 million in FY2019. The increase was mainly due to recognition of gains on fair value changes in deferred consideration amounting to S\$3.6 million during FY2019.

#### **Other gains/(losses) – net**

The other (losses)/gains-net were mainly arising from recognition of expected credit loss on financial assets amounting to S\$2.1 million in FY2019.

#### **Administrative expenses**

Administrative expenses increased by S\$22.9 million or 48.7%, from S\$47.0 million in FY2018 to S\$69.9 million in FY2019. The increase in administrative expenses was mainly due to, in FY2019, the Group's consolidation of the full 12-month financial results of the previous financial year's acquisitions. The increase in administrative expenses was also due to the expansion of post and content production segment since the listing of Vividthree Holdings Ltd.. Overall, the increase was generally due to the Group's expansion of its businesses and operations.

#### **Finance expenses**



Finance expenses increased by S\$13.0 million or 265.3%, from S\$4.9 million in FY2018 to S\$17.9 million in FY2019. The increase was due to finance expenses arising from the issuance of convertible bonds and notes in last quarter of FY2018, issuance of medium term note programme (“**MTN**”) and drawdown of bank borrowings during the FY2019.

### **Share of Profits of Associated Companies and Joint Venture**

The share of profits of associated companies and joint venture decreased by S\$90,000 or 80.4%, from S\$112,000 in FY2018 to S\$22,000 in FY2019. The decrease was mainly due to lower profits generated by our associated companies in FY2019 as compared to FY2018.

### **Profit before income tax**

As a result of the above-mentioned, the Group achieved profit before income tax of S\$39.8 million in FY2019 from S\$36.6 million in FY2018, an increase of S\$3.2 million or 8.7%.

### **FY2020 compared to FY2019**

#### **Revenue**

The Group posted a revenue of S\$235.8 million for FY2020, a decrease of S\$30.4 million or 11.4%, from S\$266.2 million for FY2019. Revenue from Event Production and Concert Promotion (“**Concert & Event**”) segment has seen an increase by approximately S\$5.6 million was mainly due to completion of larger scale projects during first nine months of FY2020. The increase is offset by lower revenue contributed from Core business, Cinema segment and Post and Digital Content Production segment by approximately S\$21.3 million, S\$12.8 million and S\$3.5 million respectively.

Since the outbreak of COVID-19 pandemic, the Group’s sales and operations have been greatly affected in the fourth quarter of FY2020 (“**4QFY2020**”), as a result, the Group’s entire operations in countries which the Group operates in have been disrupted since 4QFY2020 by the enforcement of social distancing and travel restrictions to contain COVID-19. Consequently, the release of various project titles, project completion and events dates have been rescheduled by the clients. Cinema segment sales have similarly been affected by COVID-19 due to slowdown of economic activities in Singapore and Malaysia at the end of January 2020 which saw cancellation of several global movie releases. The cinema operations in Singapore and Malaysia were closed since 26 March 2020 and 18 March 2020 respectively, due to the respective governments’ efforts to curb the spread of COVID-19 in both countries.

#### **Cost of sales**

Cost of sales increased by S\$4.4 million or 3.1%, from S\$142.0 million in FY2019 to S\$146.4 million in FY2020. The increase is mainly contributed by (i) Concert & Event segment’s cost of sales increased by approximately S\$14.8 million which is in tandem with increase in its revenue; and (ii) Post and Digital Content Production segment’s cost of sales increased by S\$1.3 million due to higher amortisation and depreciation charges, partially offset by lower cost of sales in Core business and Cinema segment for an aggregate decrease of S\$13.3 million as the businesses/operations were disrupted by COVID-19 outbreak.

#### **Gross Profit**

As Group's revenue has significantly dipped in most of the Group's business segments as result of COVID-19 impact, while its fixed direct cost and amortisation charges were incurred continually during period under review, gross profit has decreased by S\$34.8 million or 28.0%, from S\$124.2 million in FY2019 to S\$89.4 million in FY2020. Accordingly, gross profit margin decreased from 46.7% in FY2019 to 37.9% in FY2020.

### **Other income**

Other income decreased by approximately S\$3.9 million or 86.7%, from S\$4.5 million in FY2019 to S\$0.6 million in FY2020. The decrease was mainly due to the absence of one-off gain S\$3.6 million on fair value changes in deferred consideration for business combination recorded in FY2019.

### **Other gains/(losses) - net**

In FY2020, Group recorded net other gains approximately of S\$7.1 million compared to net other losses of S\$1.1 million in FY2019. The net other gains in FY2020 mainly comprising the following:

- net fair value gain in derivatives financial instrument of S\$5.8 million arising from convertible bonds and notes and interest rate swaps;
- net gain on foreign currency exchange of S\$2.4 million; and
- losses in provision of expected credit losses on trade and other receivables of S\$1.0 million.

### **Administrative expenses**

In FY2020, administrative expenses incurred approximately S\$67.9 million, a decrease by S\$2.0 million or 2.9%, from S\$69.9 million in FY2019. The decrease was mainly contributed by:

- decrease in staff cost by approximately S\$4.9 million;
- decrease in professional fees by approximately S\$1.5 million due to prior financial year's refinancing expenses;
- net reduction in rental expense by approximately S\$1.6 million due to the effect of adoption of SFRS(I)16 Leases; and
- savings in utilities expenses by S\$0.6 million.

The above savings in administrative expenses were offset by recognition of impairment loss on goodwill of Cinema segment amounting to S\$10.7 million after consideration of the impact of COVID-19 on certain cinema operations.

### **Finance expenses**

Finance expenses mainly comprising the following:

- Interest expenses from banks and other instruments borrowings in FY2020 incurred S\$14.8 million, a decrease of S\$1.4 million or 8.6%, from S\$16.2 million in FY2019 was mainly due to lower interest expense on convertible bonds and notes by S\$1.6 million;
- One-off unwinding of discount on deferred consideration for business combinations amounted

to S\$1.6 million which had recorded in FY2019; and

- Recognition of interest on lease liabilities in FY2020 amounting to S\$4.6 million (FY2019: Nil) following the adoption of SFRS(I)16 Leases at beginning of FY2020.

Overall, the Group's total finance expenses increased by S\$1.5 million or 8.4%, from S\$17.9 million in FY2019 to S\$19.4 million in FY2020.

### **Profit before tax**

The Group recorded a lower profit before tax of approximately S\$9.6 million, a decrease of S\$30.2 million or 75.9%, as compared to S\$39.8 million in FY2019 due to aforementioned analysis and COVID-19 impact.

### **1H2021 compared to 1H2020**

#### **Revenue**

Group's revenue declined significantly by S\$97.5 million or 83.0%, from S\$117.4 million in 1H2020 to S\$19.9 million in 1H2021 was mainly due to adverse impact from the outbreak of COVID-19 to all the Group's business segments since January 2020.

Core business's commercial activities has been slow-down from the beginning of the 1H2021, nevertheless, Core business has completed and delivered several projects to customers in 1H2021. Revenue from Core business decreased by S\$16.0 million or 54.4% from S\$29.4 million in 1H2020 to S\$13.4 million in 1H2021, primarily due to lesser number of projects delivered and distribution business also had been affected due to cinema closure during the first three months of 1H2021.

Revenue from Cinema segment decreased by S\$45.9 million or 92.7% from S\$49.5 million in 1H2020 to S\$3.6 million in 1H2021. In 1H2021, Cinema segment is significantly affected by COVID-19 as its operations had been temporarily closed due to directives of both Singapore and Malaysia governments, from beginning of 1H2021 and only resumed operation in July 2020 with limited capacity because of implementation of social distancing measures.

Revenue from Concert & Events segment fell by S\$32.9 million or 96.8%, from S\$34.0 million in 1H2020 to S\$1.1 million in 1H2021. This is mainly due to the segment did not hold any live entertainment event/concert during 1H2021 as most of the large-scale projects had been deferred as to contain the spread of COVID-19.

Revenue from Post-production segment declined by S\$3.1 million or 91.2%, from S\$3.4 million in 1H2020 to S\$0.3 million in 1H2021 was mainly due the segment did not produce any live entertainment such as new tour show/ MICE (Meetings Incentives, Conferences and Exhibitions) in 1H2021 and many of its customers had rescheduled completion dates due to the uncertainty of the COVID-19, although the segment delivered some smaller scale of post-production work projects.

#### **Cost of sales**

Cost of sales decreased by approximately S\$39.4 million or 66.6%, from S\$59.2 million in 1H2020 to S\$19.8 million in 1H2021. The decrease in cost of sales was in line with the decrease in revenue of all respective business segments except for other direct fixed cost had been incurred consistently throughout 1H2021 such as depreciation and amortisation of films rights and films intangibles and inventories.

## **Gross profit**

Gross profit decreased by S\$58.1 million or 97.3%, from S\$58.2 million in 1H2020 to S\$0.1 million in 1H2021, and the gross profit margin decreased from 49.6% in 1H2020 to 0.7% in 1H2021. This was primarily due to lower revenue as explained above and the same recurring direct fixed cost such as depreciation, amortisation and direct staff cost continually incurred in the same period.

## **Other income**

Other income increased by S\$7.7 million, from S\$0.3 million in 1H2020 to S\$8.0 million in 1H2021, mainly due to (i) grant receipts of approximately S\$3.0 million from Jobs Support Scheme and (ii) waiver of lease liability repayment (i.e. rental rebate) of the Cinema segment for approximately S\$4.7 million.

## **Other (losses)/gains - net**

Group recorded net other losses of S\$1.4 million in 1H2021 compared to net gains of S\$0.2 million in 1H2020. The net other losses in 1H2021 was mainly contributed from (i) loss on foreign exchange approximately by S\$1.1 million and (ii) property, plant and equipment written off attributable to rationalising part of Cinema segment and café business (within Others segment) of S\$0.2 million and S\$0.4 million respectively as affected by COVID-19 pandemic.

## **Administrative expenses**

The Group implemented cost containment measures at the beginning of 1H2021 which saw administrative expenses reduced by S\$8.5 million or 27.4%, from S\$31.0 million in 1H2020 to S\$22.5 million in 1H2021. The cost savings were mainly derived from (i) staff costs reduced by S\$2.9 million due to group-wide salary reductions and (ii) cinema segment's utilities, cleaning fees and repair and maintenance and other cinema operations reduced by approximately S\$4.5 million due to cinema closure during the first 3 month of 1H2021.

## **Finance expenses**

Overall, the total finance expenses decreased slightly by S\$0.6 million or 5.9%, from S\$10.2 million in 1H2020 to S\$9.6 million in 1H2021. Finance expenses comprise:

- interest expense on borrowings of S\$7.6 million (1H2020: S\$7.9 million), decreased marginally by S\$0.3 million or 3.8% mainly due to lower bank borrowings as compared to 1H2020; and
- interest expense on lease liabilities of S\$2.0 million (1H2020: S\$2.3 million), decreased by S\$0.3 million or 13%. The decrease is mainly due to lower lease liabilities as compared to 1H2020.

## **Profit/(Loss) before tax**

As a result of the aforementioned, the Group reported a loss before income tax of approximately S\$25.0 million in 1H2021, compared to net profit before tax of S\$17.5 million in 1H2020, a decrease of S\$42.5 million or 242.9%. It is mainly derived from Cinema segment reported loss before tax of S\$16.5 million and Event segment reported loss before tax of S\$3.9 million as both segments' revenue and operations were adversely affected by the COVID-19 pandemic.

## **REVIEW OF FINANCIAL POSITION**

### **31 March 2019 compared to 31 March 2018**

As at 31 March 2019, the Group maintained a healthy financial position. Total assets amounted to S\$665.7 million, an increase of S\$83.5 million from as at 31 March 2018, while total liabilities amounted to S\$399.1 million, from S\$373.7 million as at 31 March 2018.

#### **Current Assets**

Current assets increased by S\$51.3 million or 21.7%, from S\$236.3 million as at 31 March 2018 to S\$287.6 million as at 31 March 2019, representing 43.2% of the Group's total assets. Trade and other receivables increased by S\$72.8 million, mainly contributed by segments from core business and event production and concert promotion, and post and content production. Moreover, other current assets increased by S\$52.1 million, mainly contributed by the core business segment. Apart from that, cash and cash equivalents decreased by S\$74.6 million as a result of repayment of the deferred purchase consideration for the acquisition of Cathay Cineplexes Pte Ltd.

#### **Non-current assets**

Non-current assets increased by S\$32.2 million or 9.3%, from S\$345.9 million as at 31 March 2018 to S\$378.1 million as at 31 March 2019, representing 56.8% of the Group's total assets. The increase in non-current assets was largely due to the increase of S\$24.5 million in film rights and S\$10.3 million in film intangibles and film inventories, contributed by the core business segment. Included in non-current asset as at 31 March 2019 are the long-term trade and other receivables of S\$3.5 million which comprise deposits. The increase in non-current assets was offset with the decrease in property, plant and equipment by S\$5.7 million largely due to depreciation charges in FY2019.

#### **Current liabilities**

Current liabilities decreased by S\$95.4 million or 32.8% from S\$291.0 million as at 31 March 2018 to S\$195.6 million as at 31 March 2019, representing 49.0% of the Group's total liabilities. This was mainly due to repayment of the deferred purchase consideration for the acquisition of Cathay Cineplexes Pte Ltd that amounted to S\$215.0 million, but was offset with the increase in trade and other payable of S\$73.3 million (excluding the repayment of the deferred consideration), contract liabilities of S\$13.3 million, and borrowings of S\$31.8 million.

#### **Non-current liabilities**

Non-current liabilities increased by S\$120.8 million or 146.1%, from S\$82.7 million as at 31 March 2018 to S\$203.5 million as at 31 March 2019, representing 51.0% of the Group's total liabilities. This was mainly due to the issuance of MTN and drawdown of bank loans during FY2019.

### **31 March 2020 compared to 31 March 2019**

As at 31 March 2020, the Group's total assets amounted to S\$737.3 million, an increase of S\$71.6 million or 10.8% from S\$665.7 million as at 31 March 2019, while total liabilities amounted to S\$463.7 million, a decrease of S\$64.6 million or 16.2% from S\$399.1 million as at 31 March 2019. This translates to net assets of S\$273.6 million as at 31 March 2020.

## Current assets

Current assets decreased by S\$31.8 million or 11.1%, from S\$287.6 million as at 31 March 2019 to S\$255.8 million as at 31 March 2020. The decrease was mainly due to:

- (i) net reduction of trade and other receivables by approximately S\$42.3 million or 23.4%, from S\$180.7 million as at 31 March 2019 to S\$138.4 million as at 31 March 2020, comprising the following:
  - total net reduction in trade debts and accrued income of S\$51.6 million or 36.3% from FY2019, including additional provision for expected credit losses of S\$0.8 million in FY2020; and
  - increase in other receivables and prepayment by S\$9.4 million mainly contributed by Core business for projects, net of provision for expected credit losses of S\$0.2 million in FY2020;
- (ii) film products and film under production decreased by approximately S\$19.1 million or 87.2%, from S\$21.9 million as at 31 March 2019 to S\$2.8 million as at 31 March 2020, was mainly due to the transfer of film products to film rights amounted to S\$18.7 million;
- (iii) increase in cash and cash equivalents by approximately S\$10.8 million or 58.1%, from S\$18.6 million as at 31 March 2019 to S\$29.4 million as at 31 March 2020, mainly comprising the following:
  - cash inflows from operating activities and financing activities of S\$32.6 million and S\$3.8 million respectively; and
  - cash utilisation in investing activities of S\$26.9 million;
- (iv) increase in other current assets (i.e. costs incurred by the Group in fulfilling a contract with its customers (third party commissioned projects)) by approximately S\$18.3 million or 27.6% as compared to last financial year, was mainly due to more projects with higher value in progress and also its handover/completion dates have been postponed due to COVID-19 impact.

## Non-current assets

Non-current assets increased by S\$103.4 million or 27.3%, from S\$378.1 million as at 31 March 2019 to S\$481.5 million as at 31 March 2020, was contributed from:

- (i) reclassification of long-term other receivables amounting to S\$18.1 million as the repayment is not expected to be within the Group's normal operating cycle due to delays in a project as a result of the outbreak of COVID-19;
- (ii) recognition of right-of-use assets (classified within Property, plant and equipment) of S\$79.0 million is in respect of rental of office, retail and cinema spaces following the adoption of SFRS(I)16 at beginning of FY2020;
- (iii) film rights increased by S\$12.4 million or 42.5%, from S\$29.2 million as at 31 March 2019 to S\$41.6 million as at 31 March 2020, was mainly due to the completion of film production and acquisition of film rights, net of amortisation charges during the period under review;

- (iv) additional of film intangibles and film inventories by S\$2.0 million; and
- (v) investment in financial assets, at fair value through profit or loss increased by approximately S\$4.1 million comprising unquoted securities of S\$2.8 million (31 March 2019: S\$0.7 million) and unquoted convertible loans of S\$1.3 million (31 March 2019: Nil).

The above increases are offset by recognition of impairment loss on goodwill for Cinema segment amounting to S\$10.7 million in FY2020 due to the reassessment of the future cash flows of the cinema operations after due consideration of the outbreak of COVID-19's impact. It was allocated to Cathay acquisition, Malaysia and Cathay acquisition, Singapore amounting to S\$3.7 million and S\$7.0 million respectively.

### **Current liabilities**

Current liabilities increased by S\$68.7 million or 35.1%, from S\$195.6 million as at 31 March 2019 to S\$264.3 million as at 31 March 2020, was mainly due to:

- (i) increase in short-term borrowings by approximately S\$94.9 million or 257.9%, from S\$36.8 million as at 31 March 2019 to S\$131.7 million as at 31 March 2020, comprising of:
  - reclassification of convertible bonds and notes and loan notes amounting S\$47.3 million and S\$5.0 million respectively from non-current liabilities to current liabilities in accordance to the repayment period of the debt instruments; and
  - new short-term loan (net of repayment) of S\$42.7 million for Core business and Cinema segments (S\$33.6 million), Concert & Event segment (S\$7.4 million) and Post & Digital Content Production segment (S\$1.7 million) are mainly for the purposes of working capital;
- (ii) the Group recognised short-term lease liabilities of S\$23.1 million as at 31 March 2020 following the adoption of SFRS(I)16 on 1 April 2019;
- (iii) decrease in trade and other payables by S\$39.7 million or 30.2%, from S\$131.4 million as at 31 March 2019 to S\$91.7 million as at 31 March 2020, was mainly due to repayment of creditors during FY2020; and
- (iv) decrease in contract liabilities, in relation to advance billings but services yet to be fully completed and delivered, by S\$5.4 million or 31.6%, from S\$17.1 million as at 31 March 2019 to S\$11.7 million as at 31 March 2020 due to recognition of revenue for completion of projects during FY2020.

### **Non-current liabilities**

Non-current liabilities decreased by approximately S\$4.1 million or 2.0%, from S\$203.5 million as at 31 March 2019 to S\$199.4 million as at 31 March 2020. The decrease was mainly due to:

- (i) recognition of long-term lease liabilities of S\$61.7 million following the adoption of SFRS(I)16;
- (ii) reduction in derivatives financial instruments of S\$5.8 million due to increase in its fair value;
- (iii) net repayment of borrowings of S\$14.7 million; and

- (iv) reclassification of convertible bonds and notes and loan notes amounting to S\$47.3 million and S\$5.0 million respectively from non-current liabilities to current liabilities as mentioned above.

### **30 September 2020 compared to 31 March 2020**

#### **Current assets**

Current assets decreased by S\$27.5 million or 10.8%, from S\$255.8 million as at 31 March 2020 to S\$228.3 million as at 30 September 2020, was attributable from:

- (i) net reduction of trade and other receivables by approximately S\$11.6 million or 8.4%, from S\$138.4 million as at 31 March 2020 to S\$126.8 million as at 30 September 2020. The net movement comprising the following:
- total net decrease in trade receivables and unbilled receivables by approximately S\$3.5 million; and
  - net decrease in other receivables and deposits for approximately S\$8.1 million is mainly due to reduction in project deposits paid for approximately S\$2.0 million in Core and Post-production segment and reduction in prepayment of S\$5.4 million in Concert & Event segment;
- (ii) decrease in cash and cash equivalents by approximately S\$18.3 million or 62.2%, from S\$29.4 million as at 31 March 2020 to S\$11.1 million as at 30 September 2020, was mainly due to cash utilisation in operation, investing and financing activities of S\$1.6 million, S\$9.3 million and S\$7.2 million respectively;
- (iii) increase in other current assets (i.e. costs incurred by the Group in fulfilling a contract with its customers (third party commissioned projects) by approximately S\$2.5 million or 3.0%, from S\$84.5 million as at 31 March 2020 to S\$87.0 million as at 30 September 2020, was mainly due to:
- production costs incurred for new and existing on-going projects; and
  - certain project handover have deferred to later date and hence did not recognised to profit or loss as at date of review.

#### **Non-current assets**

Non-current assets decreased by S\$2.8 million or 0.6%, from S\$481.5 million as at 31 March 2020 to S\$478.7 million as at 30 September 2020, was mainly due to:

- (i) decrease in long term non-trade receivables was contributed by Concert & Events Segment by S\$0.7 million or 3.2% was due to loss in revaluation of foreign currency balance (i.e. unrealised foreign exchange loss) during the period;
- (ii) decrease in property, plant and equipment ("**PPE**") by S\$9.8 million or 8.7% was mainly due to:
- PPE written off approximately S\$0.6 million arising from rationalising part of Cinema and cafe segment (Other segment), affected by the COVID-19 pandemic of S\$0.2 million and S\$0.4 million respectively;



- monthly depreciation charges on PPE, including Right-of-use, approximately S\$15.5 million,  
offset with additions of property, plant and equipment approximately S\$6.0 million from Event segment;
- (iii) decrease in film rights by S\$3.9 million or 9.4% was mainly due to amortisation of film rights amounted S\$4.7 million during the period;
- (iv) additional of intangible assets and goodwill by S\$2.6 million or 0.9% was mainly attributable to Post-production segment as to increase their acquired rights for their future post and digital content productions projects;
- (v) additional of film intangibles and film inventories by S\$10.1 million or 61.0% was mainly attributable to:
  - additional of film inventories for approximately S\$8.0 million in Core segment; and
  - post-production segment approximately S\$2.0 million as to increase their future post and digital content productions projects.

#### **Current liabilities**

Current liabilities increased by S\$39.7 million or 15.0%, from S\$264.3 million as at 31 March 2020 to S\$304.0 million as at 30 September 2020, was mainly due to:

- (i) increase in short-term borrowings by approximately S\$50.2 million or 38.1%, from S\$131.7 million as at 31 March 2020 to S\$181.9 million as at 30 September 2020, was mainly due to the reclassification of Medium Term Note Programme ("MTN") amounted S\$50.0 million from non-current to current liabilities in accordance with the terms and conditions of MTN;
- (ii) decrease in trade and other payable by S\$6.0 million or 6.5% was mainly due to repayment of creditors during the period under review;
- (iii) decrease in lease liabilities by S\$4.9 million or 21.2% was mainly attributable to Cinema segment's waiver of lease liabilities payment (i.e. rental rebate) from landlords for approximately S\$4.7 million during the period under review;
- (iv) increase in contract liabilities (advance billing but services yet to be delivered) by S\$2.2 million or 18.8% was mainly attributable to Core and Cinema segments amounted S\$1.4 million arising from increase in progress billing for on-going projects and deferred income from unutilised cinemas' sales of voucher; and
- (vi) decrease in current income tax liabilities by S\$1.8 million or 30.5% was mainly due to repayment of tax during the period.

#### **Non-current liabilities**

Non-current liabilities decreased by approximately S\$44.1 million or 22.1%, from S\$199.4 million as at 31 March 2020 to S\$155.3 million as at 30 September 2020. The decrease was mainly due to the reclassification of MTN from non-current to current liabilities.

## **REVIEW OF CASH POSITION**

### **31 March 2019 compared to 31 March 2018**

As at 31 March 2019, the Group's cash and cash equivalents amounted to S\$18.6 million as compared to S\$92.2 million as at 31 March 2018.

#### **Net Cash Generated from Operating Activities**

In FY2019, the Group generated net cash inflow of S\$76.9 million from operating activities before net working capital changes of S\$62.5 million in cash outflows. The Group's net working capital outflow was mainly attributable to the segments of core business, event production and concert promotion and post and content production.

#### **Net Cash Used in Investing Activities**

Net cash used in investing activities amounted to S\$238.3 million, of which S\$215.0 million was utilised for repayment of the deferred purchase consideration for the acquisition of Cathay Cineplexes Pte Ltd, S\$29.8 million to acquire film rights, S\$4.6 million to purchase property, plant and equipment and S\$13.8 million of deposit paid for acquisition of intangible assets. The cash outflows in investing activities were offset with proceeds of S\$25.8 million from the disposal of partial investment of the Group's stake in a subsidiary.

#### **Net Cash Generated from Financing Activities**

Net cash of S\$150.3 million generated from financing activities was mainly due to cash inflow of S\$233.4 million arising from the drawdown of bank borrowings, including issuance of MTN and loan notes. In additions, there was cash inflow of S\$11.5 million pursuant to the issuance of shares by a subsidiary, Vividthree Holdings Ltd. through an initial public offering. The cash generated from financing activities was offset against cash outflow from repayment of borrowings of S\$133.8 million, interest payments of S\$8.8 million and dividend paid by a subsidiary to non-controlling interest of S\$10.0 million.

### **31 March 2020 compared to 31 March 2019**

As at 31 March 2020, our cash and cash equivalents amounted to approximately S\$28.1 million, as compared to S\$18.6 million as at 31 March 2019. The increase in cash and cash equivalents is mainly arising from:

#### **Net cash inflows from operating activities**

In FY2020, the Group generated S\$95.4 million (FY2019: S\$76.9 million) net cash from operating activities before net working capital changes. After applying net working capital changes, it generated S\$32.6 million (FY2019: S\$14.5 million) net cash inflows from operating activities. The changes in working capital mainly contributed by net decrease in trade and other receivables of S\$20.8 million, and offset by the outflows from:

- (i) cost incurred in other current assets for S\$18.2 million was mainly due to more projects with higher projects value on-going;
- (ii) additions to film intangibles and film inventories for S\$5.6 million;
- (iii) trade and other payables for S\$46.1 million mainly due to net repayment of creditors;

- (iv) contract liabilities for S\$5.4 million due to recognition of revenue upon completion of services; and
- (v) tax payments made for S\$8.5 million during the FY2020.

#### **Net cash outflows from investing activities**

In FY2020, net cash used in investing activities amounted to approximately S\$26.9 million as compared to previous financial year of S\$238.3 million. It was mainly contributed from:

- (i) acquisition of film rights for S\$15.9 million as Core business continues to expand its films library and intellectual properties;
- (ii) additions to property, plant and equipment for S\$6.1 million;
- (iii) increase in investment in financial assets, FVPL of S\$2.2 million;
- (iv) increase in intangible assets by Post and Digital Content Production segment for S\$2.7 million which arising from acquired rights and capitalised development cost of its OTT platform.

#### **Net cash inflows from financing activities**

In FY2020, net cash inflows from financing activities amounted to approximately S\$3.8 million (FY2019: S\$150.3 million), mainly contributed by:

- (i) proceeds, net of principal repayment, from loan drawn down for S\$31.1 million for the working capital for respective segments;
- (ii) proceeds from issuance of convertible bonds of S\$5.0 million by Cinema segment;
- (iii) repayment of lease liabilities for S\$17.0 million; and
- (iv) interest payment of S\$15.9 million (comprising interest on bank borrowing of S\$11.4 million and interest on lease liabilities of S\$4.5 million).

As aforementioned, the Group recorded a net cash increase of approximately S\$9.5 million in FY2020, as compared to a net cash decrease of approximately S\$73.6 million in FY2019.

#### **30 September 2020 compared to 30 September 2019**

As at 30 September 2020, our cash and cash equivalents amounted to approximately S\$9.8 million, as compared to S\$17.5 million as at 30 September 2019. The decrease in cash and cash equivalents is mainly arising from:

#### **Net cash used in operating activities**

In 1H2021, the Group generated approximately S\$7.2 million (1H2020: S\$50.3 million) net cash from operating activities before net working capital changes. After applying net working capital changes, it generated net cash outflows of approximately S\$1.6 million (1H2020: net cash inflows S\$1.7 million). The net working capital changes derived from:-

- (i) decrease in trade and other receivables of S\$10.5 million;
- (ii) increase in contract liabilities of S\$2.2 million due to increase in progress billing for on-going projects;
- (iii) increase in other current assets of S\$2.6 million due to incurring production cost for on-going projects;
- (iv) increase in film intangibles and film inventories of S\$10.6 million due to additional investment by Core and Post-production segment;
- (v) decrease in trade and other payables of S\$6.5 million; and
- (vi) corporate tax payment of S\$1.9 million during the periods.

#### **Net cash used in investing activities**

In 1H2021, net cash used in investing activities amounted to approximately S\$9.3 million as compared to 1H2020 of S\$21.7 million, was mainly contributed by:

- (i) acquisition of film rights for approximately S\$0.8 million from Core business;
- (ii) increase in intangible assets by Post-production segment for S\$2.6 million which arising from project investment; and
- (iii) additions to property, plant and equipment for S\$6.0 million which mainly contributed by Concert & Events segment.

#### **Net cash generated from financing activities**

In 1H2021, net cash outflows from financing activities amounted to approximately S\$7.3 million (1H2020: net cash inflows S\$19.0 million), mainly contributed by:

- (i) proceeds from bank borrowing approximately S\$11.5 million. Included this proceeds is temporary bridging loan under Enterprise Financing Scheme amounted to S\$10.0 million;
- (ii) borrowing repayment for S\$7.5 million, mainly derived from Core and Event segments;
- (iii) reduction in lease liabilities for S\$4.7 million; and
- (iv) interest payment of S\$6.6 million (comprising interest on bank borrowing of S\$4.6 million and interest on lease liabilities of S\$2.0 million).

As aforesaid mentioned, the Group recorded a net cash decrease of approximately S\$18.2 million in 1H2021, as compared to a net cash decrease of approximately S\$1.0 million in 1H2020.

**mm2 Asia Ltd.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201424372N)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**") of the Company will be held on 15 March 2021 at 9.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications.

All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular to Shareholders of the Company dated 27 February 2021.

**ORDINARY RESOLUTION**

**THE PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE**

RESOLVED THAT:-

- (a) a proposed renounceable underwritten rights issue (the "**Rights Issue**") of up to 1,162,804,610 new Shares (the "**Rights Shares**") at an issue price of S\$0.047 for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, be and is hereby approved;
- (b) authority be and is hereby given to Directors to undertake the Rights Issue, provisionally allot and issue the Rights Shares at the Issue Price on the basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, and allot and issue the Rights Shares at the Issue Price on the terms and conditions set out below and/or on such other terms and conditions (including the basis of provisional allotments of the Rights Shares) as the Directors may in their absolute discretion and from time to time think fit:-
  - (i) the provisional allotment of the Rights Shares shall be made on a renounceable basis to Entitled Shareholders;
  - (ii) no provisional allotment of the Rights Shares shall be made to Foreign Shareholder unless otherwise determined by the Directors that the Rights Shares may be offered based on applicable securities legislation;
  - (iii) the provisional allotment of the Rights Shares which would otherwise accrue to Foreign Shareholders or Shareholders who are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue may be disposed of, or dealt with, by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the provisional allotment relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) among such Foreign Shareholders or Shareholders who are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue in proportion to their respective shareholdings as at the Record Date provided that if the amount to be distributed to any single Foreign Shareholder or Shareholder who is restricted or prohibited by the laws of the jurisdiction in which it is located or resident from participating in the Rights Issue or persons acting to the account or

benefit of any such persons is less than S\$10.00, such amount shall instead be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

- (iv) fractional entitlements to the Rights Shares shall be aggregated and used with the provisional allotment of the Rights Shares which are not taken up or allotted for any reason to satisfy Excess Applications for the Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company (including the allotment and issue of Rights Shares to satisfy any subscription of unsubscribed Rights Shares under the Rights Issue pursuant to the Underwriting Agreement; and
  - (v) the Rights Shares when allotted and issued will rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Rights Shares; and
- (c) the Directors be and are hereby authorised to complete and do all such acts and things (including but not limited to finalising, approving and executing all such documents as may be required in connection with the Rights Issue, the issue of the provisional allotments of the Rights Shares and the issue of the Rights Shares, and making amendments to the terms and conditions of the Rights Issue (including the Issue Price)), and to exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or to give full effect to this resolution, the Rights Issue and the allotment and issue of the Rights Shares.

BY ORDER OF THE BOARD

**Lissa Siau**

Company Secretary

Singapore, 27 February 2021

**Notes:-**

1. The Extraordinary General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Circular (including this Notice) will **NOT** be sent to members. This Notice may be accessed at the Company's website at <https://www.mm2asia.com/announcement.php> and is also available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Extraordinary General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the Extraordinary General Meeting, addressing of substantial and relevant questions either before the Extraordinary General Meeting on SGXNET and the Company's website at the URL <https://www.mm2asia.com/announcement.php> or during the Extraordinary General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Extraordinary General Meeting, are set out in the accompanying Company's announcement dated 27 February 2021. This announcement may be accessed at the Company's website at <https://www.mm2asia.com/announcement.php> and will also be made available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 situation in Singapore, a member will not be allowed to attend the Extraordinary General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting. Printed copies of the Circular (including the Proxy Form) will **NOT** be sent to members. The Proxy Form may be accessed at the Company's website at <https://www.mm2asia.com/announcement.php> and is also available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective approached SRS Approved Banks to submit their votes by 5.00 p.m. on 3 March 2021.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:-
  - (i) if in hard copy and sent personally or by post, the proxy form must be lodged at the office of the Share Registrar, 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
  - (ii) if submitted electronically by email, the proxy form must be received by the Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, not less than 72 hours before the time appointed for the Extraordinary General Meeting, by 9.30 a.m. on 12 March 2021.

A member who wishes to submit an instrument of proxy must first download (where necessary), complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In the alternative, a member may download, complete and authorize the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

6. **Personal data privacy:** By submitting an instrument appointing the Chairman as proxy to attend, speak and vote at the EGM and/or any adjournment thereof and/or submitting questions relating to the resolutions to be tabled for approval at the EGM or the Company's businesses and operations, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of his/her/its participation in the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.
7. **Important Notice.** This notice is for information only and does not constitute or form part of any offer or invitation to sell or issue or subscribe for or any solicitation of any offer to acquire, any Rights Shares or to take up any entitlements to Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. No person should acquire any Rights Shares except on the basis of the information contained in an offer information statement to be lodged by the Company with the Monetary Authority of Singapore. The information contained in this notice should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of Rights Shares and the acquisition or purchase of the Rights Shares are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

The distribution of this notice into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this notice and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such

jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinked on the Company's website is incorporated in, or forms part of, this notice.



**mm2 Asia Ltd.**

(Company Registration No. 201424372N)  
(Incorporated in the Republic of Singapore)  
(the "Company")

<b>IMPORTANT</b>
<ol style="list-style-type: none"> <li>The Extraordinary General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Extraordinary General Meeting will <b>NOT</b> be sent to members. The Notice of Extraordinary General Meeting may be accessed at the Company's website at <a href="https://www.mm2asia.com/announcement.php">https://www.mm2asia.com/announcement.php</a> and is also available on the Singapore Exchange website at <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a>.</li> <li>Alternative arrangements relating to attendance at the Extraordinary General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the Extraordinary General Meeting, addressing of substantial and relevant questions either before the Extraordinary General Meeting on SGXNET and the Company's website at the URL <a href="https://www.mm2asia.com/announcement.php">https://www.mm2asia.com/announcement.php</a> or during the Extraordinary General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Extraordinary General Meeting, are set out in the accompanying Company's announcement dated 27 February 2021. This announcement may be accessed at the Company's website at <a href="https://www.mm2asia.com/announcement.php">https://www.mm2asia.com/announcement.php</a> and will also be made available on the Singapore Exchange website at <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a>.</li> <li>Due to the current COVID-19 situation in Singapore, a member will not be allowed to attend the Extraordinary General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting.</li> <li>An investor who holds shares under the Supplementary Retirement Scheme who wishes to appoint the Chairman of the Meeting as proxy should approach their respective approved SRS Approved Banks to submit their votes by 5.00 p.m. on 3 March 2021.</li> <li>By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 27 February 2021.</li> </ol>

**PROXY FORM – EXTRAORDINARY GENERAL MEETING**

I/We \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of mm2 Asia Ltd. (the "Company") hereby appoint:-

The Chairman of the Meeting

as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held by way of electronic means on 15 March 2021 at 9.30 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**)

No.	Ordinary Resolutions	For	Against	Abstain
1.	To approve the Rights Issue			
			<b>Total number of Shares held:</b>	

\_\_\_\_\_  
Signature(s) of Shareholder(s)  
and, Common Seal of Corporate Shareholder

\_\_\_\_\_  
Date

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

## NOTES:-

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. Due to the current COVID-19 situation in Singapore, a member will not be allowed to attend the Extraordinary General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting. This Proxy Form may be accessed at the Company's website at <https://www.mm2asia.com/announcement.php> and will also be made available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective approached SRS Approved Banks to submit their votes by 5.00 p.m. on 3 March 2021.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:-
  - (i) if in hard copy and sent personally or by post, the proxy form must be lodged at the office of the Share Registrar, 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
  - (ii) if submitted electronically by email, the proxy form must be received by the Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, not less than 72 hours before the time appointed for the Extraordinary General Meeting, by 9.30 a.m. on 12 March 2021.

A member who wishes to submit an instrument of proxy must first download (where necessary), complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In the alternative, a member may download, complete and authorize the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

5. Where the instrument appointing the Chairman of the Meeting as proxy is submitted by post, it must be under the hand of the appointor or of his attorney duly authorized in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized.

Where the instrument appointing the Chairman of the Meeting as proxy is submitted electronically, it must be authorized in the following manner:-

- (i) by way of the affixation of an electronic signature by the appointor or of his attorney duly authorized in writing or, as the case may be, an officer or duly authorized attorney of a corporation; or
- (ii) by way of the appointor or his duly authorized attorney or, as the case may be, an officer or duly authorized attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

Where an instrument appointing the Chairman of the Meeting as proxy is signed or, as the case may be, authorized on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.