

mm2 RECEIVES OFFER FOR CINEMA BUSINESS

- **mm2 enters into a non-exclusive binding term sheet with financial investment firm Kingsmead Properties for the proposed sale of 80% or more of its Cinema Business**
- **Acquisition price is based on a S\$80 million to S\$120 million valuation for the entire Cinema Business under the Group's wholly-owned subsidiary mm Connect Pte Ltd**
- **Proposed transaction will strengthen its balance sheet and remove current drag on bottom line**

[Singapore, Wed 28 July 2021] **mm2 Asia Ltd.** (“**mm2 Asia**”, “**mm2 全亚影视娱乐有限公司**” or collectively with its subsidiaries, “**the Group**”) today announced that it has entered into a non-exclusive binding term sheet (“**the Term Sheet**”) with financial investment firm **Kingsmead Properties Pte Ltd** (“**Kingsmead**”, Company Registration No. 201131573M) for the proposed sale of 80% or more of its Cinema Business (“**the proposed transaction**”).

The acquisition price for the proposed transaction is based on a valuation of between S\$80 million and S\$120 million for the entire Cinema Business, under mm Connect Pte Ltd, a wholly-owned subsidiary of mm2 Asia. Kingsmead will pay mm2 a S\$6 million deposit in this transaction.

mm2 believes the Proposed Transaction would provide more financial stability to the Group as a whole, by allowing it to de-leverage, resulting in interest cost savings. This in turn would strengthen its balance sheet and remove the current drag on its bottom line. Following this transaction, mm2 would be able to focus on what it does best, which is the business of movie production and content creation. This core business continues to grow at a decent pace, as COVID-19 pandemic lockdowns boost global video streaming demand.

“The cinema business has always been a strategic part of the Group’s content creation and distribution businesses. However, as the group’s most asset-heavy member, the cinema business has been particularly challenging since the outbreak of COVID-19. With this, mm2 has been looking for ways to optimize its stake in the cinema business whilst retaining its strategic advantage. We are happy that Kingsmead looks upon the business with a long-term investment perspective, with the resources to help grow and transform the cinema business,” says mm2 Asia’s Founder and Executive Chairman, Melvin Ang.

The proposed transaction is subject to the conditions including that Kingsmead concludes a satisfactory completion of due diligence into the Cinema Business, and secures financing for the proposed transaction, that mm2 obtains the approval of its shareholders in an extraordinary general meeting (EGM) to be convened for the proposed transaction, approval from applicable regulators, and the execution of a shareholder's agreement between mm2 and Kingsmead.

In the event that the proposed transaction is not completed, the S\$6 million deposit will be converted to either mm2 Asia shares at a premium of 8.0 cents (relative to Tuesday's share price of 6.7 cents) or IPO shares of mm Connect Pte Ltd.

The final offer and price of the proposed transaction will be announced ahead of the EGM for shareholder's consideration.

Other earlier options including the possible merger and independent spinoff IPO of mm2's cinema business are still ongoing.

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About mm2 Asia

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

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

For more information and interview opportunities, please contact:

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