

# MM2 ASIA LTD.

(Incorporated in Singapore)  
(Registration No. 201424372N)

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## ANNOUNCEMENT OF A PRIVATE PLACEMENT (THE "PROPOSED PLACEMENT") OF 390,000,000 ORDINARY SHARES (THE "PLACEMENT SHARES") IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.05 PER PLACEMENT SHARE

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### 1. INTRODUCTION

- 1.1 The Board of Directors (the "**Directors**" or "**Board**") of mm2 Asia Ltd. (the "**Company**" and, together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into placement agreements with Mr. Goi Seng Hui and Mr. Oei Hong Leong (the "**Placees**") (the placement agreements collectively, the "**Placement Agreement**") for the allotment and issue of 390,000,000 Placement Shares in the capital of the Company at an issue price of S\$0.05 (the "**Placement Price**") per placement share. The aggregate consideration payable by the Placees for the Placement Shares under the Placement Agreement is S\$19,500,000.
- 1.2 The Company will be applying to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the dealing in, listing of and quotation for the Placement Shares ("**LQN**") on the Mainboard of the SGX-ST and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.
- 1.3 The Placement Shares will be issued by way of a private placement in accordance with Section 272B of the Securities and Futures Act 2001 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

### 2. INFORMATION ON THE PLACES

- 2.1 Pursuant to their respective placement agreements, the details of the Placees, including the respective number of Placement Shares to be allotted and issued to the respective Placees, are as follows:

No.	Name of Placee	No. of Placement Shares	Placement Consideration (S\$)	Number of Placement Shares as a percentage of the existing share capital of the Company(1) (%)	Number of Placement Shares as a percentage of the enlarged share capital of the Company(2) (%)
1.	Mr. Goi Seng Hui	195,000,000	9,750,000	8.38	7.18
2.	Mr. Oei Hong Leong	195,000,000	9,750,000	8.38	7.18

Notes:

- (1) Calculated based on the number of Placement Shares over the existing capital of 2,325,609,220 Shares (adjusted for rounding).

- (2) Calculated based on the number of Placement Shares over the enlarged issued and paid-up share capital of the Company of 2,715,609,220 Shares after the Proposed Placement (adjusted for rounding).

- 2.2 The Placement Shares represent approximately 16.77% of the existing issued and paid-up share capital (excluding treasury shares) of the Company ("**Shares**") as at the date of this announcement. Immediately after completion of the Proposed Placement ("**Completion**") and assuming that no further Shares are issued prior thereto, the Proposed Placement will increase the issued and paid-up share capital of the Company to 2,715,609,220 and the Placement Shares will represent approximately 14.36% of the enlarged issued and paid-up share capital (excluding treasury Shares).
- 2.3 The placement agreements are not inter-conditional on each other.

### 3. **GENERAL MANDATE**

The Placement Shares will be allotted and issued pursuant to the general share issue mandate approved by shareholders of the Company (the "**Shareholders**") by way of an ordinary resolution (the "**General Mandate**") at the annual general meeting of the Company held on 30 July 2021 (the "**2021 AGM**"). As at the date of the 2021 AGM, the Company had 2,325,609,220 shares in issue and the Company does not hold any Shares in treasury.

As at the date of this announcement, the Company has, in an announcement dated 3 January 2022, agreed to allot and issue 75,000,000 new Shares to Kingsmead Properties Pte. Ltd. under the General Mandate. Therefore, the maximum number of new Shares which may be issued other than on a pro-rata basis to existing Shareholders pursuant to the General Mandate is 390,121,844 new shares.

Accordingly, the proposed allotment and issue of the Placement Shares falls within the limit of the General Mandate.

### 4. **THE PROPOSED PLACEMENT**

#### 4.1 **The Placement Shares**

The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, pari passu, in all respects with the existing Shares save that the Placement Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the completion date of the Proposed Placement (the "**Completion Date**").

#### 4.2 **Placement Price**

The Placement Price of S\$0.05 represents a 9.58% discount to the volume weighted average price (the "**VWAP**") of S\$0.0553 per Share, based on the trades done on the Shares on the SGX-ST for the full market day on 23 February 2022, being the last full market day on which the Shares were traded prior to the date of the Placement Agreement.

The Placement Price was agreed upon following arm's length negotiations between the Placees and the Company.

#### 4.3 **Conditions to the Proposed Placement**

Completion is conditional upon, *inter alia*:-

- (a) the LQN from the SGX-ST for the listing and quotation of the Placement Shares on the Main Board of the SGX-ST having been received from the SGX-ST, and not having been revoked or amended and where there are conditions attached to the LQN which are required to be fulfilled on or before Completion Date, they are so fulfilled to the satisfaction of the SGX-ST unless waived by the SGX-ST;
- (b) the allotment and issuance of the Placement Shares not resulting in any of the Placees holding directly or indirectly 15.0% or more of the total number of issued Shares (excluding treasury shares) of the Company, unless prior approval of shareholders of the Company in general meeting is obtained;
- (c) the allotment and issuance of the Placement Shares not resulting in any of the Placees and their respective concert parties incurring an obligation to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers;
- (d) there being no breach of the conditions attached to the LQN; and
- (e) there being no breach of any representations, warranties and undertakings required to be performed or caused to be performed by the Company under the Placement Agreement since the date hereof.

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemptions under Sections 272B of the Securities and Futures Act 2001 of Singapore. As such, no placement agent has been appointed in respect of the Proposed Placement. No commission or referral fees pursuant to the Proposed Placement will be paid to any party.

#### 4.4 **Back-Stop Date**

If any of the conditions precedent set out above is not satisfied on or before the 30th Market Day after the date of the Placement Agreement, or such other date as may be mutually agreed between the parties in writing, the Placement Agreement shall ipso facto cease and determine and in such event neither the Company nor the Placees shall have any claim against the other for costs, damages, compensation or otherwise, save for any claim (i) by a Placee against the other arising from an antecedent breach of the terms herein or (ii) under any clause which is expressly or by implication intended to survive such termination of the Placement Agreement.

### 5. **INFORMATION RELATING TO THE PLACEES**

*Shareholders of the Company should note that information relating to the Placees in this paragraph and elsewhere in this announcement was provided by the Placees. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.*

5.1 The details on the Placees are as set out in the table below:-

Name of Placee	Background of Placee
Mr. Goi Seng Hui	Mr. Goi Seng Hui is the Executive Chairman of global food and beverage manufacturer Tee Yih Jia Group and GSH Corporation.
Mr. Oei Hong Leong	Mr. Oei Hong Leong is the Chairman of Chip Lian Investments, the Oei Hong Leong Foundation and the Nei Xue Tang museum.

5.2 There is no introducer for the Proposed Placement. The Placees are private investors who were identified by the Company through business meetings, and have expressed interest to invest in the Company and subscribe for the Placement Shares for their respective investment purposes. No introducer fee or commission is paid or payable by the Company in connection with the Proposed Placement.

5.3 Each of the Placees has represented, warranted and undertaken to the Company that, *inter alia*:-

- (a) such Placee is not, as the case may be:-
  - (i) a substantial shareholder;
  - (ii) a related company (as defined in Section 6 of the Companies Act 1967 of Singapore), associated company or sister company of a substantial shareholder;
  - (iii) a corporation in whose shares the Company's directors and substantial shareholders have an aggregate interest of at least 10.0%;
  - (iv) does not have any relations by way of family, employment or directorships with any other Placee;
- (b) such Placee has full power and authority to execute and perform its obligations under the Placement Agreement;
- (c) the Placement Agreement constitutes legal, valid and binding obligations of the Placee, enforceable in accordance with its terms;
- (d) such Placee has entered into the Placement Agreement as principal and not agent, and not acting under the instructions of, or on behalf of, any other persons or entities, and further that the Placee is not acting in concert (as defined under the Singapore Code on Takeovers and Mergers) with any existing shareholder of the Company to obtain or consolidate effective control of the Company;
- (e) such Placee is subscribing for the Placement Shares for investment purposes only and has no intention of influencing the management of, or exercising control over, the Company or appointing a nominee director on to the board of the Company;
- (f) following Completion and assuming such Placee does not further subscribe for or otherwise acquire additional Shares) such Placee is not a person in respect of whom the issue and receipt of the Placement Shares would trigger the requirement under

Rule 14 of the Takeover Code for the Placee and/or any parties acting in concert with the Placee to make a mandatory general offer to acquire all the issued Shares; and

(g) such Placee has sufficient funds to fulfil its obligations under the Placement Agreement and the monies that it will use to settle the Placement Price and purchase the Placement Shares are legitimately owned by it and will not breach or infringe any money-laundering provisions in any way in any jurisdiction and it has not, and is not, in any way, directly or indirectly, involved in any form of money laundering, drug trafficking, tax evasion, financial misconduct or any form of illegal or prohibited activities in any jurisdiction.

5.4 The Placement Shares will not be placed out to any person who is a director or substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Mainboard Listing Rules of the SGX-ST ("**Mainboard Rules**"), save for exceptions under Rule 812(3) of the Mainboard Rules.

5.5 There is no moratorium imposed on the Placement Shares.

## 6. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Placement. These financial effects do not take into account any other corporate actions announced and undertaken by the Group on or after the financial year end of the Company as at 31 March 2021 and include the issuance of new Shares on 16 April 2022. The financial effects as set out below have been prepared based on (i) the latest announced interim financial statement of the Group for the half-year ended 30 September 2021 ("**1H FY22**"), (ii) latest audited consolidated financial statements of the Group for the financial year ended 31 March 2021 ("**FY2021**") and (iii) also do not take into account any fees and expenses to be incurred in relation to the Proposed Placement.

### Share Capital

Assuming the Proposed Placement had been completed on 30 September 2021, the financial effect on the Issued and paid-up share capital and total number of issued Shares of the Company as at 30 September 2021 are as follows:

	Before the Placement	After the Placement
Issued and paid-up share capital as at 1H FY22 (S\$'000)	205,102	224,602
Total number of issued Shares	2,325,609,220	2,715,609,220

## NTA/(NTL) per Share

Assuming the Proposed Placement had been completed on 31 March 2021, the financial effect on the NTA/(NTL) per share of the Group as at 31 March 2021 are as follows:

	Before the Placement	After the Placement
NTA/(NTL) as at FY2021 <sup>(1)</sup> (S\$'000)	(78,829)	(59,329)
Number of shares	2,325,609,220	2,715,609,220
NTA/(NTL) per shares (S\$ cents)	(3.39)	(2.18)

<sup>(1)</sup> NTA/(NTL) (Net Tangible Assets/(Liabilities)) = (Total Assets - Total Liabilities - Intangible assets and goodwill)

## EPS/(LPS)

Assuming the Proposed Placement had been completed on 1 April 2020, the financial effect on the Earning Per Share/(Loss per Share) ("EPS/(LPS)") of the Group for FY2021 are as follows:

	Before the Placement	After the Placement
(Loss)/Profit attributable to Shareholders for FY2021 (S\$'000)	(90,777)	(90,777)
Weighted average number of shares (excluding treasury shares)	2,325,609,220	2,715,609,220
EPS/(LPS) (S\$ cents)	(3.90)	(3.34)

## 7. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS

7.1 The estimated amount of proceeds from the Placement (net of estimated expenses of approximately S\$0.20 million in connection with the Placement) will be approximately S\$19.30 million (the "**Net Proceeds**"). The Company intends to utilise the Net Proceeds in the following proportion:

Use of Net Proceeds	Proportion of Net Proceeds (%)	Approximate Amount (S\$ million)
Reduction of bank borrowings for the next 12 months	38.86%	7.50
Working capital	61.14%	11.80
	100%	19.30

7.2 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company's interim and full-year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how

the Net Proceeds have been applied in the relevant announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

- 7.3 Pending deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit from time to time.

## **8. DIRECTORS' CONFIRMATION**

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. The Directors are of the opinion that, after taking into consideration the present bank facilities, and Net Proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the Company has decided to undertake the Proposed Placement to strengthen its financial position in order to meet its anticipated general working capital requirements and business expansion, and for greater flexibility to capitalise on growth opportunities.

## **9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors or Controlling Shareholders of the Company have any direct or indirect interest (other than through their shareholdings in the Company) in the Proposed Placement.

## **10. CAUTIONARY STATEMENT**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and investors should read this announcement and further announcements by the Company carefully, and where in doubt as to what action to take, consult their stock brokers, bank managers, solicitors or other professional advisers immediately

**Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.**

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**By Order of the Board**

Melvin Ang Wee Chye  
Executive Chairman  
23 February 2022