

**APPENDIX DATED 16 JULY 2023**

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

This Appendix is circulated to the Shareholders of mm2 Asia Ltd. (the "Company") with the Company's Annual Report (as defined herein). Its purpose is to explain to the Shareholders the rationale of and to provide information pertaining to the proposed renewal of the Share Purchase Mandate (as defined herein) and to seek Shareholders' approval of the same at the AGM to be held on Monday, 31 July 2023 at 1.00 p.m. at One Marina Boulevard, Level 8 – Room 801, NTUC Business Centre, Singapore 018989.

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

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Appendix.



**MM2 ASIA LTD.**

(Company Registration number 201424372N)  
(Incorporated in Singapore on 20 August 2014)

**APPENDIX TO THE NOTICE OF AGM**

in relation to

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form : 28 July 2023 at 1.00 p.m.  
Date and time of Annual General Meeting : 31 July 2023 at 1.00 p.m.

## DEFINITIONS

In this Appendix, the following definitions apply throughout unless the context otherwise requires:-

<b>"ACRA"</b>	: The Accounting and Corporate Regulatory Authority of Singapore
<b>"Act"</b>	: The Companies Act 1967 of Singapore
<b>"AGM"</b>	: Annual general meeting
<b>"Annual Report"</b>	: The annual report of the Company for the financial year ended 31 March 2023
<b>"CDP"</b>	: The Central Depository (Pte) Limited
<b>"Company"</b>	: mm2 Asia Ltd.
<b>"Constitution"</b>	: The constitution of the Company as amended or modified from time to time
<b>"Directors"</b>	: The directors of the Company for the time being
<b>"EPS"</b>	: Earnings per Share
<b>"Existing Share Purchase Mandate"</b>	: The share purchase mandate renewed by Shareholders at the AGM of the Company held on 29 July 2022
<b>"FY"</b>	: The financial year ended or ending 31 March
<b>"Group"</b>	: The Company and its subsidiaries
<b>"Latest Practicable Date"</b>	: 11 July 2023
<b>"Listing Manual"</b>	: The listing manual of the SGX-ST
<b>"Market Day"</b>	: A day on which the SGX-ST is open for trading in securities
<b>"Notice of AGM"</b>	: The notice of the AGM to be convened and held on 31 July 2023 at 1.00 p.m. at One Marina Boulevard, Level 8 – Room 801, NTUC Business Centre, Singapore 018989, as set out in the Annual Report
<b>"NTA"</b>	: Net tangible assets, being net assets less intangible assets (excluding non-controlling interest)
<b>"Off-Market Purchase"</b>	: Off-market share acquisition

<b>"On-Market Purchase"</b>	: On-market share acquisition
<b>"Relevant Period"</b>	: The period commencing from the date on which the AGM is held and the resolutions on the Share Purchase Mandate are passed and expiring on the date the next AGM of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the Shareholders of the Company in general meeting
<b>"Rule 14"</b>	: Rule 14 of the Take-over Code
<b>"Securities Account"</b>	: A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
<b>"SGXNET"</b>	: The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<b>"SGX-ST"</b>	: The Singapore Exchange Securities Trading Limited
<b>"SFA"</b>	: Securities and Futures Act 2001 of Singapore
<b>"Shareholders"</b>	: The registered holders of the Shares, except that where the registered holder is CDP, the term <b>"Shareholders"</b> shall, in relation to such Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
<b>"Share Purchase"</b>	: The purchase of Shares by the Company pursuant to the Share Purchase Mandate
<b>"Share Purchase Mandate"</b>	: The proposed general and unconditional mandate to authorise the Directors to exercise all the powers of the Company to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix
<b>"Shares"</b>	: Ordinary shares in the issued share capital of the Company
<b>"SIC"</b>	: Securities Industry Council
<b>"Subsidiary Holdings"</b>	: Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act

<b>"S\$" and "cents"</b>	: Singapore dollars and cents respectively, being the lawful currency of Singapore
<b>"Take-over Code"</b>	: The Singapore Code on Take-overs and Mergers
<b>"%" or "per cent."</b>	: Percentage or per centum

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore (the "**SFA**").

The terms "**associate**" and "**controlling shareholders**" shall have the meanings ascribed to them in the Listing Manual.

The terms "**subsidiaries**", "**substantial Shareholders**", "**related corporations**" and "**treasury share**" shall have the meanings ascribed to them respectively in the Act.

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

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

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

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

Any reference in this Appendix 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 Take-over Code or any statutory modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning assigned to it under the Act, the SFA, the Listing Manual, the Take-over Code or any statutory modification thereof, as the case may be.

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date unless otherwise stated.

**MM2 ASIA LTD.**

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

**Directors:**

Melvin Ang Wee Chye (Founder, Executive Chairman, Executive Director)  
Tan Liang Pheng (Lead Independent Director)  
Jack Chia Seng Hee (Independent Director)  
Thomas Lei Chee Kong (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

Date : 16 July 2023

To : The Shareholders the Company

Dear Sir/Madam

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

**1. INTRODUCTION**

- 1.1 We refer to item 8 of the Notice of AGM of the Company which is an ordinary resolution to be proposed at the AGM for the renewal of the Company's Share Purchase Mandate. The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate.
- 1.2 Approval of Shareholders for the proposed renewal of the Share Purchase Mandate will be sought at the AGM to be held on 31 July 2023 at 1.00 p.m. at One Marina Boulevard, Level 8 – Room 801, NTUC Business Centre, Singapore 018989, notice of which is set out in the Notice of AGM.
- 1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix. If any Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

**2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

**2.1 Introduction**

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Act and the rules of the Listing Manual, the Constitution and such other laws and regulations as may, for the time being, be applicable.

It is a requirement of the Act that before a company purchases or acquires its own shares, its Constitution must expressly permit the company to purchase or otherwise acquire the shares issued by it. Regulation 54(1) of the Constitution provides that the Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued Shares on such terms as the Company may think fit and in the manner prescribed by the Act.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders. Shareholders had previously renewed the Existing Share Purchase Mandate at the AGM of the Company held on 29 July 2022. The Existing Share Purchase Mandate will expire on the date of the forthcoming AGM. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate.

If the renewal of the Share Purchase Mandate is approved by Shareholders at the AGM, it will remain in force during the Relevant Period. The Share Purchase Mandate may be put to Shareholders for renewal at each subsequent AGM of the Company.

## **2.2 Rationale for the Share Purchase Mandate**

The Company proposes to seek Shareholders' approval for the renewal of the Share Purchase Mandate to give Directors the flexibility to purchase the Shares if and when circumstances permit, with the objective of increasing Shareholders' value and to improve, *inter alia*, the return on equity of the Group. Share Purchases are one of the ways through which Shareholders' value may be enhanced.

The Directors believe that the Share Purchase Mandate provides the Company with a mechanism to facilitate the return of surplus cash over and above the Group's working capital requirements, in an expedient and cost-efficient manner. Share Purchases also allow the Directors to exercise control over the Company's capital structure, dividend pay-out and cash reserves and, depending on market conditions, may lead to an enhancement of the EPS and/or NTA per Share. The Directors further believe that Share Purchases may also help to buffer short-term market volatility and offset the effects of share price speculation.

If and when circumstances permit, the Directors will decide whether to effect the Share Purchases, after taking into account factors such as the amount of surplus cash available and the prevailing market conditions.

The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/or Shareholders. No Share Purchases will be made in circumstances which the Directors believe will have or may have a material adverse effect on the financial position, liquidity and/or listing status of the Company and the Group, and the working capital requirements and gearing level of the Company and the Group.

## **2.3 Authority and Limits of the Share Purchase Mandate**

The authority and limitations placed on the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, if approved at the AGM, are summarised below.

### **(a) Maximum Number of Shares**

Only Shares which are issued and fully paid may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the Relevant Period or within any one (1) financial year of the Company, whichever is the earlier, is limited to that number of Shares representing not more than one per cent. (1.0%) of the issued

ordinary share capital of the Company excluding treasury shares and Subsidiary Holdings as at the date of the AGM at which the Share Purchase Mandate is approved, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered. Any of the Shares held by the Company as treasury shares shall be disregarded for purposes of computing the one per cent. (1.0%) limit.

**For illustrative purposes only**, based on 2,790,609,220 issued Shares (excluding treasury shares and Subsidiary Holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the forthcoming AGM, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to one per cent. (1.0%) of its issued Shares will result in the purchase or acquisition of 27,906,092 (excluding treasury shares and Subsidiary Holdings).

**(b) Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on or from the date of the AGM at which the Share Purchase Mandate is approved up to, the earliest of:-

- (i) the date on which the next AGM of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting, whichever is the earlier; or
- (iii) the date on which the Share Purchases are carried out to the full extent of the Share Purchase Mandate.

**(c) Manner of Purchase or Acquisition of Shares**

The Shares may be purchased or acquired by way of:-

- (i) an On-Market Purchase transacted on the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
- (ii) an Off-Market Purchase pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Act, and otherwise be in accordance with all other laws, the Listing Manual and other regulations and rules of the SGX-ST.

**(d) Information on Off-Market Purchases**

As prescribed by the Act, Off-Market Purchases pursuant to an equal access scheme must satisfy all the following conditions:-

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds issued Shares, to purchase or acquire the same percentage of their issued Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers must be the same, except that there shall be disregarded:-
  - (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
  - (B) if applicable, differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual requires that in the making of an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:-

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Purchase;
- (iv) the consequences, if any, of the proposed Share Purchase that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the proposed Share Purchase, if made, could affect the listing of the Company's Shares on the SGX-ST;
- (vi) details of any Share Purchase made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases in accordance with an equal access scheme), specifying the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

**(e) Maximum Price to be Paid for the Shares**

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, and other related expenses) to be paid for the Shares will be determined by the Directors.



However, the purchase price to be paid for the Shares as determined by the Directors must not exceed:-

- (i) in the case of On-Market Purchases, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of Off-Market Purchases, 120% of the Average Closing Price of the Shares,

in each case, excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses of the purchase or acquisition (the "**Maximum Price**").

For the purpose of determining the Maximum Price:-

**"Average Closing Price"** means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Share Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action which occurs after the relevant 5-day period.

**"date of the making of the offer"** means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme(s) for effecting the Off-Market Purchase.

## **2.4 Status of Purchased Shares**

The Shares purchased by the Company may be held in treasury as treasury shares. Upon the purchase of the treasury shares, the Company will be registered as a member in respect of the treasury shares but will not have the right to attend or vote at meetings or receive dividends in respect to them. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

The Act currently restricts the maximum permitted holding, as treasury shares, of the number of Shares of the relevant class of shares to ten per cent. (10%) of the total number of issued Shares. Any treasury share which exceeds this must either be disposed of or cancelled within six (6) months after the limit is first exceeded.

Disposal options (exercisable at any time) available to the Company holding treasury shares are as follows:-

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

- (c) transfer the treasury shares (or any of them) as consideration for acquisitions of shares or other assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister of Finance may by order prescribe.

As at the Latest Practicable Date, the Company does not hold any of its Shares as treasury shares.

Under Rule 704(28) of the Listing Manual, the Company must make an immediate announcement via SGXNET if there is any sale, transfer, cancellation and/or use of treasury shares. Such announcement must state the following:-

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

Pursuant to the Act, Shares bought back by the Company, unless kept as treasury shares, shall be cancelled. Where the Shares are cancelled, the Company shall:-

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. Where the purchased Shares are held in treasury, the total issued Shares of the Company will remain unchanged.

Any Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted by the Act) and cancelled will be automatically de-listed by the SGX-ST and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. Accordingly, in the event that the Shares purchased or acquired by

the Company are cancelled, the total number of issued Shares will be reduced by the number of Shares so cancelled.

## **2.5 Source of Funds**

In undertaking Share Purchases, the Company shall only apply funds legally available in accordance with its Constitution and the applicable laws in Singapore.

The Company may not purchase its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST respectively.

The Act provides that purchases and acquisitions of Shares may be made out of the Company's capital or profits so long as the Company is solvent (as defined in Section 76F(4) of the Act). It is an offence for a director or chief executive officer of a company to approve or authorise the purchase or acquisition of shares, knowing that the Company is not solvent.

In determining, for the above purposes, whether the value of the Company's assets is less than the value of its liabilities (including contingent liabilities), the Directors or the Company's management (a) must have regard to the most recent financial statements of the Company and all other circumstances that the Directors or the management know or ought to know affect, or may affect, the value of the Company's assets and the value of the Company's liabilities (including contingent liabilities); and (b) may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances. Where the value of contingent liabilities are required to be determined, the Directors or management may take into account the likelihood of the contingency occurring and any claim that the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company intends to use its internal resources and/or external borrowings, taking into consideration the financial position of the Group, to undertake its Share Purchases.

Where the purchase or acquisition of Shares is financed through internal resources, it will reduce the cash reserves of the Company, and thus the current assets and shareholders' funds of the Company. This will result in an increase in the gearing ratios of the Company and a decline in the current ratios of the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Company and a decline in the current ratios of the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired. However, the Directors do not propose to exercise the Share Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

## **2.6 Financial effects of the Share Purchase Mandate**

Pursuant to the Act, Shares purchased or acquired by the Company, are deemed cancelled immediately on purchase or acquisition unless such Shares are held by the Company as

treasury shares. All rights and privileges attached to the purchased Shares shall expire upon cancellation.

Where the consideration paid by the Company for the purchase or acquisition of the Shares (excluding related brokerage, goods and services tax, stamp duties and clearance fees) is paid for using:-

- (a) the Company's capital and/or profits, it will reduce the amount available for the Company's operations permitted under the Act; or
- (b) the Company's profits, it will reduce the amount available for distribution of dividends by the Company.

The NTA of the Company and the consolidated NTA of the Group will be reduced by the dollar value of the Shares bought. The Directors believe that even if the Company exercises the Share Purchase Mandate and acquires up to 27,906,092 or one per cent. (1.0%) of its issued Shares, it will not have any material impact on the earnings of the Company and the consolidated earnings of the Group for the current financial year.

**For illustrative purposes only**, assuming the Company had exercised the Share Purchase Mandate and purchased 27,906,092 Shares at the Maximum Price of S\$0.0414 (for On-Market Purchases) or S\$0.0473 (for Off-Market Purchases) for each Share (based on the average of the last dealt prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the financial effects of the purchase or acquisition of the Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made:-

- (a) entirely out of capital and held as treasury shares;
- (b) entirely out of capital and cancelled;
- (c) entirely out of profits and held as treasury shares; and
- (d) entirely out of profits and cancelled,

based on the latest audited financial statements of the Company for FY2023 are set out in the following pages.

## Scenario 1

### *Purchase of 27,906,092 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares*

As at 31 March 2023	GROUP				COMPANY			
	As at 31 March 2023	Before Share Purchase <sup>(1)</sup>	After On-Market Purchase <sup>(7)</sup>	After Off-Market Purchase <sup>(8)</sup>	As at 31 March 2023	Before Share Purchase <sup>(1)</sup>	After On-Market Purchase <sup>(7)</sup>	After Off-Market Purchase <sup>(8)</sup>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	230,602	230,602	230,602	230,602	211,102	230,602	230,602	230,602
Retained earnings/(accumulated losses)	(167,131)	(167,131)	(167,131)	(167,131)	(219,633)	(219,633)	(219,633)	(219,633)
Other reserves	(11,935)	(11,935)	(11,935)	(11,935)	-	-	-	-
Treasury shares	-	-	(1,154)	(1,319)	-	-	(1,154)	(1,319)
Shareholders' funds	51,536	51,536	50,382	50,217	(8,531)	10,969	9,815	9,650
Non-controlling interests	40,070	40,070	40,070	40,070	-	-	-	-
Total Equity	91,606	91,606	90,452	90,287	(8,531)	10,969	9,815	9,650
NTA <sup>(2)</sup>	43,810	43,810	42,656	42,491	10,968	10,968	9,814	9,649
NAV	91,606	91,606	90,452	90,287	(8,531)	10,969	9,815	9,650
Current Assets	227,707	227,707	226,553	226,388	90,301	90,301	89,147	88,982
Current Liabilities	206,122	206,122	206,122	206,122	120,166	120,166	120,166	120,166
Total borrowings <sup>(3)</sup>	231,164	231,164	231,164	231,164	190,904	190,904	190,904	190,904
Cash and cash equivalents	9,440	9,440	8,286	8,121	415	415	(739)	(904)
Profit / (Loss) net of tax <sup>(4)</sup>	(153,630)	(153,630)	(153,630)	(153,630)	(189,127)	(189,127)	(189,127)	(189,127)
<b>Number of Shares (In '000)</b>								
Issued and paid-up capital (excluding treasury shares and Subsidiary Holdings)	2,790,609	2,790,609	2,762,703	2,762,703	2,790,609	2,790,609	2,762,703	2,762,703
<b>Financial Ratios</b>								
NTA per Share (Singapore cents)	1.57	1.57	1.54	1.54	0.39	0.39	0.36	0.35
NAV per Share (Singapore cents)	3.28	3.28	3.27	3.27	(0.31)	0.39	0.36	0.35
Net gearing ratio (times) <sup>(5)</sup>	4.30	4.30	4.42	4.44	(22.33)	17.37	19.53	19.88
Current ratio (times) <sup>(6)</sup>	1.10	1.10	1.10	1.10	0.75	0.75	0.74	0.74
Earnings / (Loss) per Share (Singapore cents)	(5.51)	(5.51)	(5.56)	(5.56)	(6.78)	(6.78)	(6.85)	(6.85)

**Notes:-**

- (1) Financial effect as at the Latest Practicable Date.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles and film inventories.
- (3) Assuming the purchase of the Shares by the Company will be funded by internal sources.
- (4) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) Assuming the Company purchases the 27,960,092 Shares at the Maximum Price of S\$0.0414 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 27,960,092 Shares is approximately S\$1,154,475.
- (8) Assuming the Company purchases the 27,960,092 Shares at the Maximum Price of S\$0.0473 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 27,960,092 Shares is approximately S\$1,319,400.

## Scenario 2

### *Purchase of 27,906,092 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and cancelled*

As at 31 March 2023	GROUP				COMPANY			
	As at 31 March 2023	Before Share Purchase <sup>(1)</sup>	After On-Market Purchase <sup>(7)</sup>	After Off-Market Purchase <sup>(8)</sup>	As at 31 March 2023	Before Share Purchase <sup>(1)</sup>	After On-Market Purchase <sup>(7)</sup>	After Off-Market Purchase <sup>(8)</sup>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	230,602	230,602	229,448	229,283	211,102	230,602	229,448	229,283
Retained earnings/(accumulated losses)	(167,131)	(167,131)	(167,131)	(167,131)	(219,633)	(219,633)	(219,633)	(219,633)
Other reserves	(11,935)	(11,935)	(11,935)	(11,935)	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-
Shareholders' funds	51,536	51,536	50,382	50,217	(8,531)	10,969	9,815	9,650
Non-controlling interests	40,070	40,070	40,070	40,070	-	-	-	-
Total Equity	91,606	91,606	90,452	90,287	(8,531)	10,969	9,815	9,650
NTA <sup>(2)</sup>	43,810	43,810	42,656	42,491	10,968	10,968	9,814	9,649
NAV	91,606	91,606	90,452	90,287	(8,531)	10,969	9,815	9,650
Current Assets	227,707	227,707	226,553	226,388	90,301	90,301	89,147	88,982
Current Liabilities	206,122	206,122	206,122	206,122	120,166	120,166	120,166	120,166
Total borrowings <sup>(3)</sup>	231,164	231,164	231,164	231,164	190,904	190,904	190,904	190,904
Cash and cash equivalents	9,440	9,440	8,286	8,121	415	415	(739)	(904)
Profit / (Loss) net of tax <sup>(4)</sup>	(153,630)	(153,630)	(153,630)	(153,630)	(189,127)	(189,127)	(189,127)	(189,127)
<b>Number of Shares (In '000)</b>								
Issued and paid-up capital (excluding treasury shares and Subsidiary Holdings)	2,790,609	2,790,609	2,762,703	2,762,703	2,790,609	2,790,609	2,762,703	2,762,703
<b>Financial Ratios</b>								
NTA per Share (Singapore cents)	1.57	1.57	1.54	1.54	0.39	0.39	0.36	0.35
NAV per Share (Singapore cents)	3.28	3.28	3.27	3.27	(0.31)	0.39	0.36	0.35
Net gearing ratio (times) <sup>(5)</sup>	4.30	4.30	4.42	4.44	(22.33)	17.37	19.53	19.88
Current ratio (times) <sup>(6)</sup>	1.10	1.10	1.10	1.10	0.75	0.75	0.74	0.74
Earnings / (Loss) per Share (Singapore cents)	(5.51)	(5.51)	(5.56)	(5.56)	(6.78)	(6.78)	(6.85)	(6.85)

**Notes:-**

- (1) Financial effect as at the Latest Practicable Date.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles and film inventories.
- (3) Assuming the purchase of the Shares by the Company will be funded by internal sources.
- (4) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) Assuming the Company purchases the 27,960,092 Shares at the Maximum Price of S\$0.0414 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 27,960,092 Shares is approximately S\$1,154,475.
- (8) Assuming the Company purchases the 27,960,092 Shares at the Maximum Price of S\$0.0473 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 27,960,092 Shares is approximately S\$1,319,400.



### Scenario 3

**Purchase of 27,906,092 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and held as treasury shares**

As at 31 March 2023	GROUP				COMPANY			
	As at 31 March 2023	Before Share Purchase <sup>(1)</sup>	After On-Market Purchase <sup>(7)</sup>	After Off-Market Purchase <sup>(8)</sup>	As at 31 March 2023	Before Share Purchase <sup>(1)</sup>	After On-Market Purchase <sup>(7)</sup>	After Off-Market Purchase <sup>(8)</sup>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	230,602	230,602	230,602	230,602	211,102	230,602	230,602	230,602
Retained earnings/(accumulated losses)	(167,131)	(167,131)	(167,131)	(167,131)	(219,633)	(219,633)	(219,633)	(219,633)
Other reserves	(11,935)	(11,935)	(11,935)	(11,935)	-	-	-	-
Treasury shares	-	-	(1,154)	(1,319)	-	-	(1,154)	(1,319)
Shareholders' funds	51,536	51,536	50,382	50,217	(8,531)	10,969	9,815	9,650
Non-controlling interests	40,070	40,070	40,070	40,070	-	-	-	-
Total Equity	91,606	91,606	90,452	90,287	(8,531)	10,969	9,815	9,650
NTA <sup>(2)</sup>	43,810	43,810	42,656	42,491	10,968	10,968	9,814	9,649
NAV	91,606	91,606	90,452	90,287	(8,531)	10,969	9,815	9,650
Current Assets	227,707	227,707	226,553	226,388	90,301	90,301	89,147	88,982
Current Liabilities	206,122	206,122	206,122	206,122	120,166	120,166	120,166	120,166
Total borrowings <sup>(3)</sup>	231,164	231,164	231,164	231,164	190,904	190,904	190,904	190,904
Cash and cash equivalents	9,440	9,440	8,286	8,121	415	415	(739)	(904)
Profit / (Loss) net of tax <sup>(4)</sup>	(153,630)	(153,630)	(153,630)	(153,630)	(189,127)	(189,127)	(189,127)	(189,127)
<b>Number of Shares (In '000)</b>								
Issued and paid-up capital (excluding treasury shares and Subsidiary Holdings)	2,790,609	2,790,609	2,762,703	2,762,703	2,790,609	2,790,609	2,762,703	2,762,703
<b>Financial Ratios</b>								
NTA per Share (Singapore cents)	1.57	1.57	1.54	1.54	0.39	0.39	0.36	0.35
NAV per Share (Singapore cents)	3.28	3.28	3.27	3.27	(0.31)	0.39	0.36	0.35
Net gearing ratio (times) <sup>(5)</sup>	4.30	4.30	4.42	4.44	(22.33)	17.37	19.53	19.88
Current ratio (times) <sup>(6)</sup>	1.10	1.10	1.10	1.10	0.75	0.75	0.74	0.74
Earnings / (Loss) per Share (Singapore cents)	(5.51)	(5.51)	(5.56)	(5.56)	(6.78)	(6.78)	(6.85)	(6.85)

**Notes:-**

- (1) Financial effect as at the Latest Practicable Date.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles and film inventories.
- (3) Assuming the purchase of the Shares by the Company will be funded by internal sources.
- (4) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) Assuming the Company purchases the 27,960,092 Shares at the Maximum Price of S\$0.0414 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 27,960,092 Shares is approximately S\$1,154,475.
- (8) Assuming the Company purchases the 27,960,092 Shares at the Maximum Price of S\$0.0473 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 27,960,092 Shares is approximately S\$1,319,400.

#### Scenario 4

#### *Purchase of 27,906,092 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and cancelled*

As at 31 March 2023	GROUP				COMPANY			
	As at 31 March 2023	Before Share Purchase <sup>(1)</sup>	After On-Market Purchase <sup>(7)</sup>	After Off-Market Purchase <sup>(8)</sup>	As at 31 March 2023	Before Share Purchase <sup>(1)</sup>	After On-Market Purchase <sup>(7)</sup>	After Off-Market Purchase <sup>(8)</sup>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	230,602	230,602	230,602	230,602	211,102	230,602	230,602	230,602
Retained earnings/(accumulated losses)	(167,131)	(167,131)	(168,285)	(168,450)	(219,633)	(219,633)	(220,787)	(220,952)
Other reserves	(11,935)	(11,935)	(11,935)	(11,935)	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-
Shareholders' funds	51,536	51,536	50,382	50,217	(8,531)	10,969	9,815	9,650
Non-controlling interests	40,070	40,070	40,070	40,070	-	-	-	-
Total Equity	91,606	91,606	90,452	90,287	(8,531)	10,969	9,815	9,650
NTA <sup>(2)</sup>	43,810	43,810	42,656	42,491	10,968	10,968	9,814	9,649
NAV	91,606	91,606	90,452	90,287	(8,531)	10,969	9,815	9,650
Current Assets	227,707	227,707	226,553	226,388	90,301	90,301	89,147	88,982
Current Liabilities	206,122	206,122	206,122	206,122	120,166	120,166	120,166	120,166
Total borrowings <sup>(3)</sup>	231,164	231,164	231,164	231,164	190,904	190,904	190,904	190,904
Cash and cash equivalents	9,440	9,440	8,286	8,121	415	415	(739)	(904)
Profit / (Loss) net of tax <sup>(4)</sup>	(153,630)	(153,630)	(153,630)	(153,630)	(189,127)	(189,127)	(189,127)	(189,127)
<b>Number of Shares (In '000)</b>								
Issued and paid-up capital (excluding treasury shares and Subsidiary Holdings)	2,790,609	2,790,609	2,762,703	2,762,703	2,790,609	2,790,609	2,762,703	2,762,703
<b>Financial Ratios</b>								
NTA per Share (Singapore cents)	1.57	1.57	1.54	1.54	0.39	0.39	0.36	0.35
NAV per Share (Singapore cents)	3.28	3.28	3.27	3.27	(0.31)	0.39	0.36	0.35
Net gearing ratio (times) <sup>(5)</sup>	4.30	4.30	4.42	4.44	(22.33)	17.37	19.53	19.88
Current ratio (times) <sup>(6)</sup>	1.10	1.10	1.10	1.10	0.75	0.75	0.74	0.74
Earnings / (Loss) per Share (Singapore cents)	(5.51)	(5.51)	(5.56)	(5.56)	(6.78)	(6.78)	(6.85)	(6.85)

**Notes:-**

- (1) Financial effect as at the Latest Practicable Date.
- (2) NTA is computed based on total assets less total liabilities and less intangible assets but including film rights, film intangibles and film inventories.
- (3) Assuming the purchase of the Shares by the Company will be funded by internal sources.
- (4) Profit / (Loss) net of tax equals profit or loss after tax attributable to the Shareholders.
- (5) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by total equity.
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) Assuming the Company purchases the 27,960,092 Shares at the Maximum Price of S\$0.0414 for one Share which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 27,960,092 Shares is approximately S\$1,154,475.
- (8) Assuming the Company purchases the 27,960,092 Shares at the Maximum Price of S\$0.0473 for one Share which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 27,960,092 Shares is approximately S\$1,319,400.

The financial impact is the same whether the Shares are purchased via On-Market Purchases or Off-Market Purchases. The Group had a balance of S\$9.4 million in cash and cash equivalents as at 31 March 2023.

- (a) Assuming the purchase of up to 27,906,092 Shares at the Maximum Price for On-Market Purchases or of S\$0.0414 per Share, which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date, the Company's cash reserves would be reduced by S\$1.1 million and, all other things remaining the same, the working capital and NTA of the Group and the Company would be reduced by the dollar value of the Shares purchased. The consolidated NTA value per Share after the purchase of 27,906,092 Shares decrease to 1.54 cents .
- (b) Assuming the purchase of up to 27,906,092 Shares at the Maximum Price for Off-Market Purchases or S\$0.0473 per Share, which is 20% above the Average Closing Price of a Share over the last five (5) Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date, the Company's cash reserves would be reduced by S\$1.3 million and, all other things remaining the same, the working capital and NTA of the Group and the Company would be reduced by the dollar value of the Shares purchased. The consolidated NTA value per Share after the purchase of 27,906,092 Shares would decrease to 1.54 cents.

As illustrated in the tables above, the purchase of the Shares would reduce the current assets and shareholders' funds of the Group and the Company accordingly. This would result in an increase in the gearing ratio of the Company and the Group. The consolidated EPS as a result of the purchase of 27,906,092 Shares would be decreased to negative 5.56 cents.

The actual impact on the gearing and working capital ratio of the Company would depend on the number of Shares purchased and the price or prices at which the Shares are purchased. The actual impact on the respective ratios will depend on the number and price of the Shares bought back. The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company and the Group.

The acquisition or purchase of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of surplus cash and other financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhancing the EPS of the Group.

**Shareholders should note that the financial effects illustrated above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Company and the Group as at 31 March 2023, and are not representative of the Group's future financial performance.**

**Although the Share Purchase Mandate would authorise the Company to purchase up to 1.0% of the Company's issued Shares, the Company may not necessarily purchase all 1.0% of the issued Shares in full.**

**In particular, the maximum number of Shares that the Company may purchase under the Act is limited by the solvency requirements set out in the Act.**

## **2.7 Taxation**

**Shareholders are advised to obtain independent professional advice if they are uncertain about the impact of Share Purchases on their overall tax position, whether in Singapore or in other jurisdictions in the world.**

## **2.8 Reporting Requirements**

The Act and the Listing Manual require the Company to make the following reports in relation to the Share Purchase Mandate:-

- (a) to lodge a copy of the Shareholders' resolution approving the Share Purchase Mandate with ACRA within 30 days of the passing of such resolution;
- (b) to notify ACRA of an acquisition or purchase of Shares on the SGX-ST or otherwise within 30 days. Such notification shall be in the prescribed form and shall include:-
  - (i) the date of the acquisition or purchase of Shares;
  - (ii) the total number of Shares acquired or purchased;
  - (iii) the number of Shares cancelled;
  - (iv) the number of Shares held as treasury shares;
  - (v) the Company's issued share capital before the acquisition or purchase and after such acquisition or purchase;
  - (vi) the amount of consideration paid by the Company for the acquisition or purchase;
  - (vii) whether the Shares were purchased or acquired out of the profits or the capital of the Company; and
  - (viii) such other information as required by the Act.

Pursuant to the Listing Manual, the Company will report purchases of Shares to the SGX-ST in the forms prescribed which shall include details including, inter alia, the date of purchase, the price paid and the number of issued shares remaining in the share capital of the Company after the Share Purchases, and to make an announcement to the public:-

- (a) in the case of On-Market Purchases, not later than 9.00 a.m. on the trading day following any day on which the Company makes an On-Market Purchase; and
- (b) in the case of Off-Market Purchases, not later than 9.00 a.m. on the second trading day following the close of acceptance of offers made by the Company.

Such announcement should be made in compliance with Appendix 8.3.1 of the Listing Manual and must include details of, inter alia, the total number of Shares purchased and the

purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

## **2.9 Suspension of purchase of Shares**

As the Company would be considered an "insider" in relation to any purchase of Shares, the Company will not purchase Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any of its Shares during the period commencing two (2) weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full year financial results.

## **2.10 Listing Status on SGX-ST**

The Listing Manual requires a listed company to ensure that at least ten per cent. (10%) of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As defined in the Listing Manual, the "public" refers to persons other than the directors, chief executive officer, substantial shareholders, or controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there are 1,947,601,620 Shares held in the hands of the public (as defined above), representing 69.8% of the issued share capital of the Company. Assuming the Company exercises the Share Purchase Mandate and purchases 1.0% of its issued share capital from such public Shareholders, the number of Shares in the hands of the public would be reduced to 1,919,695,528 Shares, representing 68.8% of the issued share capital of the Company (excluding treasury shares).

Accordingly, as at the Latest Practicable Date, the Company will be able to undertake Share Purchases of up to 1.0% of its issued share capital pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the Main Board of the SGX-ST.

## **2.11 Take-over Implications under the Take-over Code**

Pursuant to Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share Purchase by the Company will be treated as an acquisition for the purposes of Rule 14.

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, inter alia, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Shares in the Company to obtain or consolidate effective control of the Company. Unless the contrary is established, the Take-over Code presumes, inter alia, the following individuals and companies to be persons acting in concert with each other:-

(a) the following companies:-

- (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:-
- (i) an individual;
  - (ii) the close relative of (i);
  - (iii) the related trusts of (i);
  - (iv) any person who is accustomed to act in accordance with the instructions of (i);
  - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
  - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

Consequently, a Director and persons acting in concert (as such term is defined in the Take-over Code) with him could, depending on the level of increase in his or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's purchase of Shares.



Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by 1% in any period of six (6) months.

Based on the shareholdings of the Directors and the substantial Shareholders in the Company as at the Latest Practicable Date, none of the Directors or the substantial Shareholders will become obligated to make a mandatory offer by reason only of the purchase of 27,906,092 Shares by the Company pursuant to the Share Purchase Mandate.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to purchase Shares pursuant to the Share Purchase Mandate.

**The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of share purchases by the Company are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Purchase Mandate is in force.**

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

## 2.12 Details of Share Purchases

Under the Existing Share Purchase Mandate as approved at the AGM of the Company held on 29 July 2022, the Shareholders authorised the purchase of up to 55,812,184 Shares. No Shares have been purchased by the Company under the Existing Share Purchase Mandate since approval of the Existing Share Purchase Mandate up to the Latest Practicable Date.

## 2.13 Limits on Shareholdings

The Company does not have any limits on the shareholding of any Shareholder.

## 3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and substantial Shareholders of the Company (that is, persons whose direct and indirect interests in the Company's issued share capital are equal to or more than 5%) are as follows:-

Name	Before Share Purchase (Number of Shares)			Before Share purchase (%)	After Share purchase (%)
	Direct Interest	Deemed Interest	Total Interest		
Melvin Ang Wee Chye	335,400	614,324,000	614,659,400	22.03%	22.25%

Tan Liang Pheng	171,400	-	171,400	0.006%	0.006%
Jack Chia Seng Hee	171,400	-	171,400	0.006%	0.006%
Mak Chi Hoo	85,700	-	85,700	0.003%	0.003%
Thomas Lei Chee Kong	971,400	-	971,400	0.035%	0.036%
Chia Choon Hwee Dennis	-	-	-	-	-
<b>Substantial Shareholders</b>					
Ron Sim Chye Hock	130,631,700	32,455,400	163,087,100	5.844%	5.903%
Goi Seng Hui	235,776,100	-	235,776,100	8.449%	8.534%
Oei Hong Leong	190,000,000	-	190,000,000	6.809%	6.877%

**Notes:-**

- (1) As a percentage of the issued share capital of the Company comprising 2,790,609,220 Shares as at the Latest Practicable Date.
- (2) As a percentage of the issued share capital of the Company comprising 2,762,703,128 Shares (excluding treasury shares) assuming that the Company purchases 1.0% of its issued share capital pursuant to the Share Purchase Mandate).
- (3) Mr Melvin Ang Wee Chye ("**Mr Melvin Ang**") is deemed to be interested in the 614,324,000 ordinary shares, which are maintained under the following nominee accounts (collectively, the "**MA Nominee Accounts**") set out below respectively:-
  - (a) 297,800,000 ordinary shares under CGS-CIMB Securities (Singapore) Pte. Ltd; and
  - (b) 316,524,000 ordinary shares under UOB Kay Hian Pte. Ltd.

Under the UOB Kay Hian Pte Ltd account, a total of 201,064,000 ordinary shares are held under Lionsgate Alpha Ltd., a company which is wholly owned by Mr Melvin Ang.

Pursuant to Section 7 of the Act, Mr Melvin Ang is deemed to be interested in the shares held by the MA Nominee Accounts.
- (4) Mr Ron Sim Chye Hock ("**Mr Ron Sim**") is deemed to be interested in the 32,455,400 ordinary shares held under Future Store Pte Ltd, which is an indirect subsidiary of V3 Group Ltd, a company wholly-owned by Mr Ron Sim.

None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Share Purchase Mandate, save for their interests by virtue of their shareholdings and/or directorships, as the case may be, in the Company.

#### 4. DIRECTORS' RECOMMENDATION

Having fully considered the rationale, the benefit and the information relating to the Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution in respect of the renewal of the Share Purchase Mandate to be proposed at the AGM.

#### 5. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Notice of AGM, will be held on 31 July 2023 at One Marina Boulevard, Level 8 – Room 801, NTUC Business Centre, Singapore 018989 for the purpose of, inter alia, considering and, if thought fit, passing, with or without any

modifications, ordinary resolution item 8 on the renewal of the Share Purchase Mandate as set out in the Notice of AGM.

## **6. ACTION TO BE TAKEN BY SHAREHOLDERS**

6.1 The AGM will be held in a wholly physical format. **There will be no option for Shareholders to participate virtually.**

### **6.2 Submission of Questions in Advance of the AGM**

All Shareholders can submit questions relating to the business of the AGM up till 23 July 2023 at 1.00 p.m. either:

- (a) via post to B.A.C.S. Private Limited, the Share Registrar, at 77 Robinson Road #06-03 Robinson 77 Singapore 068896; or
- (b) via electronic mail to the Company at [ir@mm2asia.com](mailto:ir@mm2asia.com).

Shareholders who submit questions in advance of the AGM should provide their full name, address, contact number, email and the manner in which they hold Shares (if you hold Shares directly, please provide your account number with The Central Depository (Pte) Limited ("**CDP**"); otherwise, please state if you hold your Shares through CPF or SRS or other Relevant Intermediary), for our verification purposes.

The Company will respond to substantial and relevant questions:

- (i) (if received by the deadline set out in section 6.2 above) before the AGM, and if the substantial and relevant questions are so received by 26 July 2023 at 1.00 p.m. (being 48 hours prior to the closing date and time for the lodgement of the forms of proxy), via an announcement on SGXNet and the Company's website; or
- (ii) (if received after the deadline set out in section 6.2 above) during the AGM.

The Company will also, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above.

## **7. DIRECTORS' RESPONSIBILITY STATEMENT**

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

## **8. INSPECTION OF DOCUMENTS**

Subject to the prevailing laws and guidelines relating to safe distancing measures, the following documents may be inspected at the registered office of the Company during normal business hours from the date of this Appendix up to and including the date of the AGM:-

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company.

This Appendix and the Annual Report are also available on SGXNET.

Yours faithfully

For and on behalf of the Board of Directors of  
**MM2 ASIA LTD.**

**MELVIN ANG WEE CHYE**

Founder, Executive Chairman, Executive Director