

**MM2 ASIA LTD.**

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

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**PROPOSED SHARE CONSOLIDATION OF EVERY TEN (10) EXISTING SHARES OF THE COMPANY AS AT THE RECORD DATE TO BE DETERMINED BY THE DIRECTORS INTO ONE (1) CONSOLIDATED SHARE OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

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**1. INTRODUCTION**

- 1.1. The Board of Directors (“**Board**”) of mm2 Asia Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a share consolidation, pursuant to which the Company proposes to consolidate every ten (10) existing issued ordinary shares in the capital of the Company (“**Shares**”) held by the shareholders of the Company (the “**Shareholders**”, and each, a “Shareholder”) as at the record date to be determined by the Directors (“**Record Date**”) into one (1) ordinary share of the Company (collectively referred to as the “**Consolidated Shares**”, and each, a “**Consolidated Share**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).
- 1.2. As a result of the Proposed Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every ten (10) existing Shares held prior to the Proposed Share Consolidation as at the Record Date.
- 1.3. Pursuant thereto, the Company proposes to seek Shareholders’ approval for the Proposed Share Consolidation at an extraordinary general meeting of the Company (“**EGM**”) to be convened.
- 1.4. The Company will be issuing a circular to Shareholders (the “**Circular**”) containing information pertaining to the Proposed Share Consolidation, together with the notice of EGM in due course, via announcement on the Singapore Exchange Securities Trading Limited’s (the “**SGX-ST**”) website and the Company’s website. Printed copies of the notice of EGM, the proxy form and the request form will also be despatched to Shareholders.

**2. INFORMATION ON THE PROPOSED SHARE CONSOLIDATION**

- 2.1. Subject to Shareholders’ approval at the EGM for the Proposed Share Consolidation and the other conditions set out in paragraph 4.1 below being obtained, fulfilled or waived (as the case may be), it is proposed that the number of Consolidated Shares held by Shareholders arising from the Proposed Share Consolidation will be ascertained on the Record Date. After the Record Date, every ten (10) existing Shares registered in the name of each Shareholder as at the Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.
- 2.2. Each Consolidated Share will rank *pari passu* in all respects with each other. Trading in the Consolidated Shares on the Mainboard of the SGX-ST will be in board lots of one hundred (100) Consolidated Shares.
- 2.3. Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of existing Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in the manner set out in paragraph 2.5 below.

- 2.4. Shareholders who hold less than ten (10) existing Shares as at the Record Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation (the “**Affected Shareholders**”). Affected Shareholders should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/return requirements, wish to consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to a multiple of ten (10) existing Shares as at the Record Date.
- 2.5. All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including but not limited to (i) disregarding fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company or on such other basis as they may, in their absolute discretion, deem appropriate. Shareholders will not be paid for any fractional Consolidated Shares which are disregarded or any of the proceeds arising from any aggregation and sale of such fractions.
- 2.6. Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in such odd lots, may trade with a minimum size of one (1) Consolidated Share on the SGX-ST Unit Share Market. The SGX-ST Unit Share Market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying shares. As odd lots of Consolidated Shares can be traded on the SGX-ST Unit Share Market, no separate arrangement will be made for the trading of such odd lots.
- 2.7. Shareholders should note that the market for trading of such odd lots of Consolidated Shares may be illiquid and they may have to bear disproportionate transaction costs in trading their Consolidated Shares on the SGX-ST Unit Share Market. Shareholders who wish to trade their Consolidated Shares on the SGX-ST Unit Share Market should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.
- 2.8. As at the date of this announcement, the Company has an issued and paid-up share capital of approximately S\$302,596,129, comprising 6,535,644,330 Shares, no treasury shares and no subsidiary holdings. The Company also has no outstanding share options, share awards or convertible securities. On the assumption that there will be no new Shares issued by the Company up to and including the Record Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, and subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the EGM, the issued and paid-up share capital of the Company would be approximately S\$302,596,129, comprising up to 653,564,433 Consolidated Shares, following the completion of the Proposed Share Consolidation.
- 2.9. The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company and has no effect on the shareholders’ funds (if any) of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and disregarding fractional entitlements.

### **3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION**

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

#### **3.1. Reduction of volatility of the Company's Share price**

The absolute price of the Shares of the Company traded on the Mainboard of the SGX-ST has been closing at a low level in the past six (6) months before the date of this announcement, with the last traded Share price being S\$0.14. As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation. Given their susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares. The Board believes that the Proposed Share Consolidation may serve to reduce the volatility of its Share price, reduce fluctuations in the Company's market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

#### **3.2. Increase in the market interest and attractiveness of the Company**

The Directors are of the view that the low share price may lead to the Shares being negatively perceived as penny stocks, which reduces its appeal to long-term retail and institutional investors. The Directors expect that, following the Proposed Share Consolidation, all other things being equal, the theoretical trading price and net tangible asset value ("NTA") of each Consolidated Share would be higher than that of the current trading price and NTA of each existing Share, taking into account the decrease in the number of Shares in issue following the Proposed Share Consolidation. Accordingly, the Proposed Share Consolidation is expected to improve and to allow the Company to move away from such potential market perception of the Shares.

Additionally, following the Proposed Share Consolidation, the increased share price may facilitate corporate actions and increase market interest and activity in the Consolidated Shares, and may generally make the Consolidated Shares more attractive to retail and institutional investors. The Proposed Share Consolidation may also increase coverage of the Company amongst research houses and fund managers, potentially providing a more diverse shareholder base, liquidity and exposure for strong corporate brand value.

#### **3.3. Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results described above or benefit all Shareholders, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

### **4. APPROVALS AND CONDITIONS FOR THE PROPOSED SHARE CONSOLIDATION**

#### **4.1. The Proposed Share Consolidation is subject to, *inter alia*:**

- (a) the receipt of in-principle approval of the SGX-ST for the dealing in, listing of and quotation for the (i) Consolidated Shares and (ii) new Consolidated Shares to be issued upon the exercise of the adjusted Outstanding Warrants and the adjusted Outstanding CEBs, on the Mainboard of the SGX-ST and compliance with such conditions (if any) as the SGX-ST may impose in connection therewith; and
- (b) the approval of the Shareholders for the Proposed Share Consolidation by Ordinary Resolution at the EGM.

- 4.2. An application will be made to the SGX-ST to obtain in-principle approval for the dealing in, listing of and quotation for the (i) Consolidated Shares and (ii) new Consolidated Shares to be issued upon the exercise of the adjusted Outstanding Warrants and the adjusted Outstanding CEBs. An announcement on the outcome of the application will be made in due course. Any in-principle approval which may be granted by the SGX-ST for the listing and quotation of the Consolidated Shares is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Company, its subsidiaries, the Shares, the Consolidated Shares and/or the new Consolidated Shares to be issued upon the exercise of the adjusted Outstanding Warrants and the adjusted Outstanding CEBs.

## 5. ADJUSTMENTS TO OUTSTANDING WARRANTS AND OUTSTANDING CEBs

- 5.1. As at the date of this announcement, the Company has the following securities that are convertible into Shares:

- (a) in aggregate 296,875,000 unexercised and unlisted warrants ("**Outstanding Warrants**") pursuant to the deed poll issued by the Company on 30 December 2022 ("**Deed Poll**"); and
- (b) S\$8,248,512 in aggregate principal amount of convertible exchangeable bonds ("**Outstanding CEBs**") issued pursuant to the bond subscription agreements dated from 1 January 2023 up to 24 March 2023 (collectively, the "**BSAs**").

For more information in relation to the Deed Poll and the BSAs, please refer to:

- (a) (in relation to the Deed Poll) the Company's announcements dated 30 December 2022, and 23 January 2024; and
  - (b) (in relation to the BSAs) the Company's announcements dated 31 December 2022, 24 March 2023, 21 April 2023, and 2 January 2024.
- 5.2. Pursuant to the terms and conditions of the Deed Poll and each of the BSAs, the Proposed Share Consolidation constitutes an event giving rise to adjustments to:
- (a) (under the Deed Poll) the exercise price payable for each new Share on the exercise of the Outstanding Warrants and the number of Outstanding Warrants; and
  - (b) (under each BSA) the conversion price payable upon conversion of the Outstanding CEBs.

- 5.3. Copies of the:

- (a) Deed Poll;
- (b) a certificate to be signed by the auditor of the Company certifying the adjustment to the exercise price and/or the number of Outstanding Warrants (as required under the terms of the Deed Poll);
- (c) a certificate to be signed by a Director setting out particulars of the adjustments (as required under the terms of the Deed Poll); and
- (d) the BSAs,

will in due course be made available for inspection at the registered office of the Company.

- 5.4. The Company will make further announcements in relation to these adjustments when appropriate. Shareholders are advised that the adjustments to the Outstanding Warrants and Outstanding CEBs arise as a result of the Proposed Share Consolidation (in accordance with the terms of the Deed Poll and the BSAs). There will be no adjustments to the Outstanding Warrants and Outstanding CEBs if the Proposed Share Consolidation is not effected.

**6. CIRCULAR**

As mentioned in paragraph 1.4 above, a Circular containing further information pertaining to the Proposed Share Consolidation, together with the notice of the EGM, will be issued to Shareholders in due course.

**7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial Shareholders and their respective associates have any interest, direct or indirect, in the Proposed Share Consolidation (other than through their respective shareholdings in the Company).

**8. 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 Share Consolidation and the Company and its subsidiaries which are relevant to the Proposed Share Consolidation, 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.

**9. CAUTIONARY STATEMENT**

- 9.1. Shareholders and potential investors are advised to exercise caution in trading their Shares. The Proposed Share Consolidation is subject to numerous conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Share Consolidation will be completed or that no changes will be made to the terms thereof. Shareholders are advised to read this announcement and any past and future announcements by the Company carefully.
- 9.2. Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

**BY ORDER OF THE BOARD**

Melvin Ang Wee Chye  
Executive Chairman  
30 December 2024