

CIRCULAR DATED 7 DECEMBER 2023

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

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

If you have sold or transferred all your shares (the "**Shares**") in the capital of mm2 Asia Ltd. (the "**Company**"), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the stockbroker, bank or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee, subject to the distribution restriction set out in this Circular. This Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form have been made available on the Singapore Exchange website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.mm2asia.com/announcement.php>.

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

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

Printed copies of this Circular will NOT be despatched to shareholders of the Company ("**Shareholders**"). For Shareholders' convenience, printed copies of the Notice of Extraordinary General Meeting and the Proxy Form will be despatched to Shareholders. Shareholders may request for physical copies of this Circular by filling out the Request Form below and return it to the Company by post to the Company's registered office at 1002 Jalan Bukit Merah #07-11 Redhill Industrial Estate Singapore 159456; or if by electronic mail to [ir@mm2asia.com](mailto:ir@mm2asia.com) enclosing a clear scanned completed and signed Request Form, to be received by the Company, no later than 15 December 2023.



**mm2 Asia Ltd.**

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

- (A) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE (THE "RIGHTS ISSUE") OF UP TO 1,776,154,610 NEW SHARES (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.02 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD BY ENTITLED SHAREHOLDERS AS AT THE RECORD DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- (B) THE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO OEI HONG LEONG ARISING FROM THE ALLOTMENT AND ISSUANCE OF THE RIGHTS SHARES PURSUANT TO THE IRREVOCABLE UNDERTAKING; AND**
- (C) THE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO GOI SENG HUI ARISING FROM THE ALLOTMENT AND ISSUANCE OF THE RIGHTS SHARES PURSUANT TO THE IRREVOCABLE UNDERTAKING**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 19 December 2023 at 1.30 p.m. (Singapore time)

Date and time of Extraordinary General Meeting : 22 December 2023 at 1.30 p.m. (Singapore time)

Place of Extraordinary General Meeting : 87 Science Park Drive, The Oasis, Level 4 Auditorium,  
Singapore 118260

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## DEFINITIONS

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

- "1H FY2023"** : The financial period ended 30 September 2022
- "1H FY2024"** : The financial period ended 30 September 2023
- "S\$30.7 million Convertible Exchangeable Bonds"** : The unlisted, unsecured, convertible and exchangeable bonds with a principal amount of S\$30,702,000 effective on 1 January 2023
- "S\$54 million Exchangeable Bonds"** : The unlisted, unsecured and exchangeable bonds with a principal amount of S\$54,000,000, issued by the Company on 30 December 2022
- "Additional Conversion Shares"** : Additional Conversion Shares to be issued to the holders of the S\$30.7 million Convertible Exchangeable Bonds arising from adjustments to the Conversion Price as a result of the Rights Issue, in accordance with the provisions of the Bonds Subscription Agreement
- "Additional Warrant Shares"** : Additional Warrant Shares to be issued to the holders of the Warrants arising from adjustments to the Exercise Price as a result of the Rights Issue, in accordance with the terms and conditions applicable to the Warrants as set out and constituted by the Deed Poll
- "Announcement"** : The announcement released by the Company on 29 September 2023, in relation to the Rights Issue
- "ARE"** : Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
- "ARS"** : Application and acceptance form for Rights Shares to be issued to Purchasers
- "associate"** : (a) In relation to any director, chief executive officer, Substantial Shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
  - (b) in relation to a Substantial Shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "ATM"** : Automated teller machine of a Participating Bank
- "Board of Directors" or "Board"** : The board of Directors of the Company as at the date of this Circular
- "Bonds Subscription Agreement"** : Means the bonds subscription agreement entered into between the holders of the S\$30.7 million Convertible Exchangeable Bonds and the Company
- "CDP"** : The Central Depository (Pte) Limited
- "Circular"** : This circular to Shareholders dated 7 December 2023
- "Closing Date"** : The time and date to be determined by the Directors, being the last time and date for acceptance of and/or Excess Application and payment and renunciation of the Rights Shares under the Rights Issue
- "Code"** : The Singapore Code on Take-overs and Mergers, as amended, supplemented or revised from time to time
- "Companies Act"** : The Companies Act 1967 of Singapore, as amended or modified or supplemented from time to time
- "Company"** : mm2 Asia Ltd.
- "Controlling Interest"** : The interest of a controlling shareholder
- "controlling shareholder"** : a person who:-
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company; or
  - (b) in fact exercises control over a company
- "Conversion Price"** : S\$0.06 per Conversion Share, subject to any SGX-ST requirements governing volume weighted average price to prevailing share price discount of the Company if applicable and any adjustment from time to time, in accordance with the provisions in the Bonds Subscription Agreement

<b>"Conversion Shares"</b>	:	The fully registered and freely tradeable new Shares to be issued pursuant to the conversion of the S\$30.7 million Convertible Exchangeable Bonds
<b>"CPF"</b>	:	The Central Provident Fund
<b>"CPF Funds"</b>	:	CPF Investible Savings
<b>"CPF Investment Account"</b>	:	The investment account maintained with a CPF agent bank for the purpose of investment of CPF Funds under the CPFIS-Ordinary Account
<b>"CPFIS"</b>	:	CPF Investment Scheme
<b>"CPFIS Investors"</b>	:	Shareholders who have previously purchased Shares using their CPF Funds under the CPF Investment Account
<b>"Deadline"</b>	:	Has the meaning ascribed to it in paragraph 15.1 of this Circular
<b>"Deed Poll"</b>	:	The deed poll constituting the Warrants that sets out the terms and conditions of the Warrants and which may from time to time be amended, modified or supplemented in accordance with the terms of the Deed Poll
<b>"Directors"</b>	:	The directors of the Company as at the date of this Circular
<b>"EGM"</b>	:	The extraordinary general meeting of the Company to be convened
<b>"Entitled Depositors"</b>	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents
<b>"Entitled Scripholders"</b>	:	Shareholders whose share certificates are not deposited with CDP or who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
<b>"Entitled Shareholders"</b>	:	Entitled Depositors and Entitled Scripholders
<b>"EPS"</b>	:	Earnings per Share

<b>"Excess Applications"</b>	: Applications by Entitled Shareholders of the Rights Shares in excess of their provisional allotments of Rights Shares
<b>"Excess Rights Shares"</b>	: Rights Shares in excess of the provisional allotments of Entitled Shareholders to the extent that they are not subscribed by Entitled Shareholders
<b>"Exercise Price"</b>	: S\$0.065 for each Warrant Share, subject to any adjustment from time to time in accordance with the provisions of the Deed Poll
<b>"Existing Share Capital"</b>	: The issued and paid-up share capital of the Company, comprising 2,790,609,220 Shares
<b>"Foreign Purchasers"</b>	: Purchasers whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b>"Foreign Shareholders"</b>	: Shareholders whose registered addresses with CDP or the Company are outside Singapore as at the Record Date, and who have not, at least three (3) Market Days prior to the Record Date, provided to the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
<b>"FY"</b>	: The financial year ended or ending 31 March, as the case may be
<b>"Group"</b>	: The Company and its subsidiaries, collectively
<b>"GSH"</b>	: Mr. Goi Seng Hui
<b>"GSH Entitled Rights Shares"</b>	: Has the meaning ascribed to it in paragraph 4.1(b) of this Circular
<b>"GSH Excess Rights Shares"</b>	: Has the meaning ascribed to it in paragraph 4.2(b) of this Circular
<b>"immediate family"</b>	: in relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
<b>"Irrevocable Undertakings"</b>	: Has the meaning ascribed to it in paragraph 1.1 of this Circular
<b>"Issue Price"</b>	: The issue price of S\$0.02 for each Rights Share
<b>"Last Dealt Price"</b>	: Means, in relation to a Share on a relevant Market Day, the last dealt price per Share for one or more board lots of Shares on that Market Day on which there is trading of the Shares on SGX-ST

<b>"Latest Practicable Date" or "LPD"</b>	: 30 November 2023, being the latest practicable date prior to the issuance of this Circular
<b>"Listing Manual"</b>	: The listing manual of the SGX-ST, as amended and modified from time to time
<b>"Market Day"</b>	: A day on which the SGX-ST is open for securities trading
<b>"MAS" or "Authority"</b>	: The Monetary Authority of Singapore
<b>"Maximum Subscription Scenario"</b>	: For illustrative purposes only, the scenario under which the maximum number of Rights Shares will be issued as described in paragraph 2.6(b) of this Circular
<b>"Minimum Subscription Scenario"</b>	: For illustrative purposes only, the scenario under which the minimum number of Rights Shares will be issued as described in paragraph 2.6(a) of this Circular
<b>"NAV"</b>	: Net Asset Value
<b>"Net Proceeds"</b>	: Has the meaning ascribed to it in paragraph 3.2(c) of this Circular
<b>"Nil-Paid Rights"</b>	: The "nil-paid" provisional entitlements to subscribe for the Rights Shares under the Rights Issue
<b>"Notice of EGM"</b>	: The notice of EGM set out on pages 77 to 80 of this Circular
<b>"Offer Information Statement"</b>	: The offer information statement referred to in Section 277 of the SFA, together with the PAL, the ARE, the ARS and all other accompanying documents including, where the context so admits, any supplementary or replacement document to be issued by the Company in connection with the Rights Issue
<b>"OHL"</b>	: Mr. Oei Hong Leong
<b>"OHL Entitled Rights Shares"</b>	: Has the meaning ascribed to it in paragraph 4.1(a) of this Circular
<b>"OHL Excess Rights Shares"</b>	: Has the meaning ascribed to it in paragraph 4.2(b) of this Circular
<b>"Participating Banks"</b>	: The banks that will be participating in the Rights Issue by making available their ATMs to Entitled Depositors and Purchasers for acceptances of the Rights Shares and applications for Excess Rights Shares, as the case may be, to be made under the Rights Issue
<b>"PAL"</b>	: The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Rights Shares under the Rights Issue

<b>"Proposed Resolutions"</b>	: The Rights Issue Resolution, the Transfer Resolution in respect of OHL and the Transfer Resolution in respect of GSH
<b>"Proxy Form"</b>	: The proxy form in respect of the EGM as set out on pages 81 to 82 of this Circular
<b>"Purchaser"</b>	: Persons purchasing the Nil-Paid Rights traded on the SGX-ST through the book-entry (scripless) settlement system during the Nil-Paid Rights trading period
<b>"Record Date"</b>	: The time and date (to be announced by the Company) at and on which, subject to the approval of the Rights Issue being obtained at the EGM, the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Rights Issue
<b>"Register of Members"</b>	: Register of members of the Company
<b>"Relevant Intermediary"</b>	: Has the meaning ascribed to it in Section 181 of the Companies Act
<b>"Rights Issue"</b>	: The proposed renounceable non-underwritten rights issue by the Company of up to 1,776,154,610 Rights Shares at the Issue Price for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded
<b>"Rights Issue Resolution"</b>	: The resolution proposed to approve the issue of Rights Shares pursuant to the Rights Issue, as set out in the Notice of EGM
<b>"Rights Shares"</b>	: Up to 1,776,154,610 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
<b>"Securities Account"</b>	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>"SFA"</b>	: The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<b>"SGX-ST"</b>	: The Singapore Exchange Securities Trading Limited
<b>"Share Issue Mandate"</b>	: The authority to issue Shares pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual
<b>"Share Registrar"</b>	: B.A.C.S. Private Limited
<b>"Shareholders"</b>	: Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term

"Shareholder" shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited

<b>"Shares"</b>	: Ordinary shares in the capital of the Company and <b>"Share"</b> shall be construed accordingly
<b>"SIC"</b>	: Securities Industry Council of Singapore
<b>"SRS"</b>	: Supplementary Retirement Scheme
<b>"SRS Approved Banks"</b>	: Approved banks in which SRS Investors hold their accounts under the SRS
<b>"SRS Funds"</b>	: Monies standing to the credit of the respective SRS accounts of SRS Investors under the SRS
<b>"SRS Investors"</b>	: Investors who have previously purchased Shares under the SRS
<b>"subsidiary"</b>	: Has the meaning ascribed to it in Section 5 of the Companies Act
<b>"Substantial Shareholder"</b>	: A person who has an interest of 5.0% or more of the aggregate of the nominal amount of all the Shares of the Company
<b>"S\$"</b>	: Singapore dollars
<b>"Transfer of Controlling Interest"</b>	: The transfer of Controlling Interest to OHL and GSH arising from the allotment and issue of the OHL Excess Rights Shares and GSH Excess Rights Shares respectively pursuant to the Irrevocable Undertaking
<b>"Transfer Resolution in respect of GSH"</b>	: The ordinary resolution relating to the Transfer of Controlling Interest to GSH as set out in the Notice of EGM
<b>"Transfer Resolution in respect of OHL"</b>	: The ordinary resolution relating to the Transfer of Controlling Interest to OHL as set out in the Notice of EGM
<b>"TERP"</b>	: The theoretical ex-rights price based on the Minimum Subscription Scenario
<b>"Undertaken Shares"</b>	: Has the meaning ascribed to it in paragraph 4.2(c) of this Circular
<b>"Unit Share Market"</b>	: The unit share market of the SGX-ST
<b>"Warrants"</b>	: The 250,000,000 detachable warrants issued by the Company on 30 December 2022 with the S\$54 million Exchangeable Bonds

**"Warrant Shares"** : The new Shares to be issued pursuant to the exercise of the Warrants by holders of the Warrants, subject to adjustment in accordance with the provisions of the Deed Poll

**"% or per cent"** : Percentage or per centum

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

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

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

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

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

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

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

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

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

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

Certain statements contained in this Circular, which are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategy, plans and prospects are forward-looking statements and accordingly involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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

**mm2 Asia Ltd.**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 201424372N)

## LETTER TO SHAREHOLDERS

### Directors:

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

### Registered Office:

1002 Jalan Bukit Merah  
#07-11  
Redhill Industrial Estate  
Singapore 159456

7 December 2023

To: The Shareholders of mm2 Asia Ltd.

Dear Sir/Madam

## 1. INTRODUCTION

### 1.1 Proposed Rights Issue and Transfer of Controlling Interest.

On 29 September 2023, the Company announced that it proposes to carry out a renounceable Rights Issue of up to 1,776,154,610 Rights Shares at the Issue Price of S\$0.02 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

As an indication of their support for the Rights Issue and to demonstrate their commitment to and confidence in the Company, each of OHL and GSH, being Substantial Shareholders of the Company, has given an irrevocable undertaking to the Company in respect of the Rights Issue (the "**Irrevocable Undertakings**"). Details of the Irrevocable Undertakings are set out below at paragraph 4.2.

Pursuant to the Irrevocable Undertakings, OHL and GSH have undertaken to subscribe for the OHL Excess Rights Shares and the GSH Excess Rights Shares, which may cause a transfer of Controlling Interest (the "**Transfer of Controlling Interest**"). Pursuant to Rule 803 of the Listing Manual, the Company must not issue Shares to transfer a Controlling Interest without prior approval of shareholders in a general meeting. Accordingly, the Company is seeking Shareholders' approval at the EGM for the Transfer of Controlling Interest that may arise as a result of OHL and GSH fulfilling their respective obligations under the Irrevocable Undertakings.

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

- 1.2 **Approval in-principle.** The Company also announced on 28 November 2023 that the SGX-ST had granted approval in-principle for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 2.3 of this Circular. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, all certificates for the Rights Shares have been issued and the notification letters from CDP have been despatched.

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

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

- (a) the Rights Issue Resolution;
- (b) the Transfer Resolution in respect of OHL; and
- (c) the Transfer Resolution in respect of GSH,

(together, the "**Proposed Resolutions**").

The purpose of this Circular is to provide Shareholders with information pertaining to, and to seek Shareholders' approval at the EGM for the Proposed Resolutions. The Notice of EGM is set out on pages 77 to 80 of this Circular.

- 1.4 **Conditionality.** Shareholders should note that:

- (a) the passing of the Transfer Resolution in respect of OHL and the Transfer Resolution in respect of GSH at the EGM is conditional on the passing of the Rights Issue Resolution at the EGM. This means that if the Rights Issue Resolution is not passed, the Transfer Resolution in respect of OHL and the Transfer Resolution in respect of GSH will not be passed; and
- (b) the passing of the Rights Issue Resolution is not conditional upon the passing of the Transfer Resolution in respect of OHL and the Transfer Resolution in respect of GSH and the Company may still elect to proceed with the Rights Issue, if the Rights Issue Resolution is approved, even if the Transfer Resolution in respect of OHL and/or the Transfer Resolution in respect of GSH is/are not approved, subject to the Company's compliance with Rule 803 of the Listing Manual.

- 1.5 **Legal Advisers.** TSMP Law Corporation is the legal adviser to the Company as to Singapore law in relation to the Rights Issue.

## 2. PROPOSED RIGHTS ISSUE

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

**Number of Rights Shares to be issued** : Up to 1,776,154,610 Rights Shares to be allotted and issued on a renounceable non-underwritten basis (assuming Maximum Subscription Scenario).

**Basis of Provisional Allotment** : One (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

**Issue Price of the Rights Shares** : S\$0.02 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents a discount of approximately:

- (a) 50% to the closing price of S\$0.04 per Share on 29 September 2023 being the trading day ending on the date of the Announcement; and
- (b) 40% to the theoretical ex-rights price ("**TERP**")<sup>1</sup> of S\$0.033 per Share, based on the Minimum Subscription Scenario and the closing price of S\$0.04 per Share on 29 September 2023 being the trading day ending on the date of the Announcement.

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

**Net Proceeds** : After deducting estimated costs and expenses of approximately S\$0.6 million incurred in connection with the Rights Issue, the estimated Net Proceeds from the Rights Issue is expected to be approximately S\$27.3 million under the Minimum Subscription Scenario and approximately S\$34.9 million under the Maximum Subscription Scenario.

**Use of Proceeds** : Please refer to paragraph 3.2 of this Circular for further details of the use of proceeds.

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

$$\text{TERP} = \frac{\text{Market capitalisation of the Company (a)} + \text{gross proceeds from the Rights Issue (b)}}{\text{Number of Shares after completion of the Rights Issue (c)}}$$

Whereby:

- (a) the market capitalisation of the Company (based on the closing price of S\$0.04 on 29 September 2023 being the trading day ending on the date of the Announcement multiplied by existing Shares of 2,790,609,220) is S\$111,624,368.80;
- (b) the gross proceeds from the Rights Issue based on the Minimum Subscription Scenario is S\$27,906,092.20; and
- (c) the number of Shares after completion of the Rights Issue is 4,185,913,830.

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

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

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

**Listing of the Rights Shares** : On 28 November 2023, the SGX-ST had granted in-principle approval for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 2.3 of this Circular. The in-principle approval granted by the SGX-ST for the listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights Shares, the Company and/or its subsidiaries.

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

Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one (1) Share on the Unit Share Market. Shareholders who hold odd lots of Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares.

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

Fractional entitlements to the Rights Shares will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy Excess

Applications for Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. For the avoidance of doubt, none of OHL and GSH (i) are Directors; (ii) are Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue; or (iii) have representation (direct or through a nominee) on the Board. As such, none of OHL or GSH will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

For the avoidance of doubt, the Company will not issue and allot any of the OHL Excess Rights Shares and/or GSH Excess Rights Shares that would result in a transfer of Controlling Interest to OHL and/or GSH unless Shareholders' approval for the Transfer of Controlling Interest has been obtained at the EGM.

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

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

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

Such SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights

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

**Non-underwritten** : The Directors are of the opinion that the Irrevocable Undertakings provide a strong indication of support for the Rights Issue, hence, the Company has decided to undertake the Rights Issue on a non-underwritten basis. As the Rights Issue will not be underwritten, no underwriting fees and/or commissions would be payable by the Company.

**Irrevocable Undertakings** : On 26 September 2023 and 25 September 2023 respectively, as an indication of their support for the Rights Issue and to demonstrate their commitment to and confidence in the Company, each of OHL and GSH, being Substantial Shareholders of the Company, has given an irrevocable undertaking to the Company in respect of the Rights Issue which includes:

(i) to participate in the Rights Issue by subscribing and paying in full for, in respect of OHL, the OHL Entitled Rights Shares, and, in respect of GSH, the GSH Entitled Rights Shares, each pursuant to the terms and conditions of the Rights Issue in accordance with the procedures for subscription as set out in the Offer Information Statement and on the basis of the Undertaken Shares owned as at the Record Date; and

(ii) within such time and date to be informed by the Company (to the extent permitted by the SGX-ST, the CDP or any relevant authority), and in accordance with the terms of the Rights Issue, make excess applications and payment for, in respect of OHL, up to the OHL Excess Rights Shares, and, in respect of GSH, up to the GSH Excess Rights Shares, that remain unsubscribed for by the Entitled Shareholders at the closing date of the Rights Issue after satisfying all applications and excess applications (if any) for the Rights Shares, provided that following the completion of the Rights Issue, the total shareholding of OHL and those parties acting in concert with him, and the total shareholding of GSH and those parties acting in concert with him, each remain less than 30.0% of the total enlarged issued and paid-up share capital of the Company.

**Scaling provisions** : Depending on the level of subscription for the Rights Shares, the Company may, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any Shareholder to avoid placing such Shareholder and/or parties acting in concert with such Shareholder (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their Rights Shares entitlements fully. In particular:

- (a) in the event the Transfer Resolution in respect of OHL and/or the Transfer Resolution in respect of GSH is/are approved at the EGM, the Company may, if necessary scale down the subscription and/or excess application for the Rights Shares by OHL (if the Transfer Resolution in respect of OHL is approved at the EGM) or GSH (if the Transfer Resolution in respect of GSH is approved at the EGM) to avoid placing OHL or GSH (as the case may be) and/or parties acting in concert with OHL or GSH in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their Rights Shares entitlements fully; and
- (b) in the event that the Transfer Resolution in respect of OHL and/or the Transfer Resolution in respect of GSH are not approved at the EGM, the Company will, if necessary, scale down each of OHL's and/or GSH's applications for entitlement of Rights Shares and/or Excess Rights Shares, as the case may be, such that the number of Rights Shares allotted and issued to each of OHL or GSH, will not result in them each holding more than 15.0% of the enlarged share capital of the Company following the completion of the Rights Issue.

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

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

In determining the terms of the Rights Issue, including the Issue Price, the Board took into consideration various factors, including (i) the prevailing market conditions; (ii) the appropriate amount the Company would have to raise to strengthen its business post-COVID-19 in order to reduce the Company's borrowings; and (iii) the outcome of the Company's previous rights issue which was completed in FY2021, including its terms and

the extent to which Shareholders had taken up their entitlement and/or subscribed for excess rights.

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

- (a) the approval in-principle from the SGX-ST for the listing and quotation of the Rights Shares on the Mainboard of the SGX-ST which was granted on 28 November 2023, not having been withdrawn or revoked prior to the completion of the Rights Issue;
- (b) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights Issue, with the Authority;
- (c) the approval of the Shareholders for the Rights Issue Resolution, at the EGM; and
- (d) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue being obtained and not having been revoked or amended before the Closing Date.

As set out in paragraph 1.4 of this Circular, the Shareholders should note that the passing of the Transfer Resolution in respect of OHL and the Transfer Resolution in respect of GSH at the EGM is conditional on the passing of the Rights Issue Resolution at the EGM. This means that if the Rights Issue Resolution is not passed, the Transfer Resolution in respect of OHL and Transfer Resolution in respect of GSH (even if approved by Shareholders at the EGM) will not be passed. The passing of the Rights Issue Resolution is not conditional upon the passing of the Transfer Resolution in respect of OHL and Transfer Resolution in respect of GSH and the Company may still elect to proceed with the Rights Issue if such resolution is approved, even if the Transfer Resolution in respect of OHL and/or Transfer Resolution in respect of GSH is not approved, subject to the Company's compliance with Rule 803 of the Listing Manual. For example, in the event that the Transfer Resolution in respect of OHL and/or the Transfer Resolution in respect of GSH are not approved at the EGM, the Company will, if necessary, scale down each of OHL's and/or GSH's applications for entitlement of Rights Shares and/or Excess Rights Shares, as the case may be, such that the number of Rights Shares allotted and issued to each of OHL or GSH, will not result in them each holding more than 15.0% of the enlarged share capital of the Company following the completion of the Rights Issue.

2.3 **SGX-ST Conditions.** On 28 November 2023, the SGX-ST granted approval in-principle for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's continuing listing requirements;
- (b) a written undertaking from the Company that it will comply with Listing Rules 740(30), 877(8) and 1207(20) in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

- (c) a written undertaking from the Company that it will comply with Listing Rule 877(10) with regard to the allotment of any excess Rights Shares;
- (d) written undertakings from OHL and GSH, to subscribe for their *pro rata* entitlements of the Rights Issue and up to 591,208,280 excess rights each;
- (e) disclosure via SGXNet of the confirmation from Mr Melvin Ang Wee Chye on the extent of his subscription for his *pro rata* entitlement to the Rights Shares prior to the commencement of the subscription period for the Rights Issue; and
- (f) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the undertaking shareholders have sufficient financial resources to fulfil their obligations under their undertakings. For the avoidance of doubt, Mr Melvin Ang Wee Chye would constitute as part of the undertaking shareholders upon his confirmation to the Company on the extent of his subscription for his *pro rata* entitlement to the Rights Shares.

Shareholders should note that the SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Rights Shares, the Company and/or its subsidiaries.

The Company notes that it has fulfilled conditions (b), (c) and (d), and will ensure that the rest of the conditions are fulfilled pursuant to the approval in-principle.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Shares, the Company and/or its subsidiaries.

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

**2.5 Previous equity fund-raising in the past 12 months.** Save as disclosed in Section 2.7 (*Existing warrants and convertible securities*) of this Circular, the Company has not undertaken any equity fund-raising in the past 12 months from the date of this Circular.

**2.6 Size of the Rights Issue.**

(a) "**Minimum Subscription Scenario**"

Assuming, for illustrative purposes only, that:

- (i) there will be no new Shares issued by the Company from the date of the Announcement up to the Record Date;
- (ii) OHL and GSH each subscribes for the OHL Entitled Rights Shares and the GSH Entitled Rights Shares respectively, each in accordance with the terms of the Irrevocable Undertakings;

- (iii) OHL and GSH make excess applications for the OHL Excess Rights Shares and the GSH Excess Rights Shares respectively, each in accordance with the terms of the Irrevocable Undertakings;
- (iv) apart from OHL and GSH, none of the Entitled Shareholders subscribe for their respective *pro rata* entitlements to the Rights Shares under the Rights Issue; and
- (v) none of the Warrants and S\$30.7 million Convertible Exchangeable Bonds are exercised or converted before the Record Date,

the Company will allot and issue 1,395,304,610 Rights Shares under the Rights Issue and the issued and paid-up share capital of the Company will increase from 2,790,609,220 Shares to 4,185,913,830 Shares following the completion of the Rights Issue.

The following table illustrates the Minimum Subscription Scenario:

	Shareholding at the Latest Practicable Date		Provisional entitlement to Nil-Paid Rights	Number of Excess Rights subscribed for	Shareholding at the completion of the Rights Issue	
<b>Directors</b>						
<b>Name</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>%</b>
Melvin Ang Wee Chye	614,659,400	22.02	-	-	614,659,400	14.68
Thomas Lei Chee Kong	971,400	0.03	-	-	971,400	0.02
Jack Chia Seng Hee	171,400	N.M <sup>(1)</sup>	-	-	171,400	N.M. <sup>(1)</sup>
Tan Liang Pheng	171,400	N.M <sup>(1)</sup>	-	-	171,400	N.M. <sup>(1)</sup>
Terry Mak Chi Hoo	85,700	N.M <sup>(1)</sup>	-	-	85,700	N.M. <sup>(1)</sup>
Dennis Chia Choon Hwee	-	-	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>						
<b>Name</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>%</b>
OHL <sup>(2)</sup>	235,776,100	8.45	117,888,050	591,208,280	944,872,430	22.57
GSH <sup>(2)</sup>	190,000,000	6.81	95,000,000	591,208,280	876,208,280	20.93
Ron Sim Chye Hock	163,087,100	5.84	-	-	163,087,100	3.90
Other Shareholders	1,585,686,720	56.85	-	-	1,585,686,720	37.90
Dilution arising from the exercise of the Warrants and conversion of the S\$30.7	-	-	-	-	-	-

<b>million Convertible Exchange- able Bonds</b>						
<b>Total <sup>(3)</sup></b>	2,790,609,220	100.00	212,888,050	1,182,416,560	4,185,913,830	100.00

**Notes:**

- (1) Not meaningful. Less than 0.01%.
- (2) Assuming neither OHL nor GSH holds any warrants or securities convertible into Shares. As at the Latest Practicable Date, neither OHL nor GSH hold any warrants or securities convertible into Shares.
- (3) As disclosed in Section 11.3 of this Circular, Melvin Ang Wee Chye, Thomas Lei Chee Kong and Terry Mak Chi Hoo have indicated to the Company their respective intentions to subscribe for Rights Shares. However, as none of Melvin Ang Wee Chye, Thomas Lei Chee Kong and Terry Mak Chi Hoo have signed contractual undertakings to do so, the Minimum Subscription Scenario has not accounted for Melvin Ang Wee Chye's, Thomas Lei Chee Kong's and Terry Mak Chi Hoo's intention to subscribe for the Rights Shares.

(b) **"Maximum Subscription Scenario"**

Assuming, for illustrative purposes only, that:

- (i) save for the assumption stated in paragraph 2.6(b)(iii), there will be no new Shares issued by the Company from the date of the Announcement up to the Record Date;
- (ii) all Entitled Shareholders subscribe for their *pro rata* entitlements to the Rights Shares under the Rights Issue; and
- (iii) all the Warrants and S\$30.7 million Convertible Exchangeable Bonds are exercised or converted before the Record Date,

the Company will allot and issue 1,776,154,610 Rights Shares under the Rights Issue and the issued and paid-up share capital of the Company will increase from 2,790,609,220 Shares to 5,328,463,830 Shares following the completion of the Rights Issue.

For the avoidance of doubt, as at the Latest Practicable Date, OHL and GSH are not holders of warrants and securities convertible into Shares.

The following table illustrates the Maximum Subscription Scenario:

**Maximum Subscription Scenario:**

	Shareholding at the Latest Practicable Date		Provisional entitlement to Nil-Paid Rights	Number of Excess Rights subscribed for	Shareholding at the completion of the Rights Issue	
<b>Directors</b>						
Name	No. of Shares	%	No. of Shares	No. of Shares	No. of Shares	%
<b>Melvin Ang Wee Chye</b>	614,659,400	17.30	307,329,700	-	921,989,100	17.30

<b>Thomas Lei Chee Kong</b>	971,400	0.03	485,700	-	1,457,100	0.03
<b>Jack Chia Seng Hee</b>	171,400	N.M <sup>(1)</sup>	85,700	-	257,100	N.M. <sup>(1)</sup>
<b>Tan Liang Pheng</b>	171,400	N.M <sup>(1)</sup>	85,700	-	257,100	N.M. <sup>(1)</sup>
<b>Terry Mak Chi Hoo</b>	85,700	N.M <sup>(1)</sup>	42,850	-	128,550	N.M. <sup>(1)</sup>
<b>Dennis Chia Choon Hwee</b>	-	-	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>						
<b>Name</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>%</b>
<b>OHL<sup>(2)</sup></b>	235,776,100	6.64	117,888,050	-	353,664,150	6.64
<b>GSH<sup>(2)</sup></b>	190,000,000	5.35	95,000,000	-	285,000,000	5.35
<b>Ron Sim Chye Hock</b>	163,087,100	4.59	81,543,550	-	244,630,650	4.59
<b>Other Shareholders</b>	1,585,686,720	44.65	792,843,360	-	2,378,530,080	44.65
<b>Dilution arising from the exercise of the Warrants and conversion of the S\$30.7 million Convertible Exchangeable Bonds</b>	761,700,000	21.44	380,850,000	-	1,142,550,000	21.44
<b>Total</b>	<b>3,552,309,220</b>	<b>100.00</b>	<b>1,776,154,610</b>	<b>-</b>	<b>5,328,463,830</b>	<b>100.00</b>

**Notes:**

- (1) Not meaningful. Less than 0.01%.
- (2) Assuming neither OHL nor GSH holds any warrants or securities convertible into Shares. As at the Latest Practicable Date, neither OHL nor GSH hold any warrants or securities convertible into Shares.

## 2.7 Existing warrants and convertible securities.

### (a) The S\$54 million Exchangeable Bonds and the Warrants

The Company had, on 30 December 2022, issued the S\$54 million Exchangeable Bonds, coupled with 250,000,000 detachable Warrants.

While the holders of the S\$54 million Exchangeable Bonds do not have a right to convert their S\$54 million Exchangeable Bonds into Shares, each Warrant entitles the holder of such Warrant to subscribe for one (1) Warrant Share at the Exercise Price. The Warrants are exercisable during the period commencing on and including the date of issue of the Warrants and expiring at 5:00 p.m. on the fifth

(5th) anniversary of the date of issue of the Warrants. As at the date of this Circular, 250,000,000 Warrants remain outstanding.

Under the terms of the Deed Poll, the Rights Issue will result in an adjustment to (i) the number of Warrants held by each holder; and (ii) the Exercise Price. Such adjustments will be effective (if appropriate, retroactively) from the commencement of the date next following the closing date for such offer or invitation.

The Warrants may or may not be exercised post the Record Date. In the event that all Warrants remain unexercised post the Record Date, the aggregate number of outstanding Warrants will be adjusted to 296,875,000 and the Exercise Price will be adjusted to S\$0.055 in accordance with the following formula:

Adjustment of Exercise Price and number of Warrants : Exercise Price

$$\text{New Exercise Price} = \frac{E - F}{E} \times X$$

Adjusted number of Warrants

$$\text{Adjusted number of Warrants} = \frac{E}{E - F} \times W$$

Where:

- E = S\$0.038, being the Last Dealt Price on the Market Day immediately preceding the date on which the offer or invitation is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the offer or invitation;
- X = S\$0.065, being the existing Warrant Exercise Price;
- W = 250,000,000, being the existing number of Warrants held; and
- F = S\$0.006, being the value of rights attributable to one Share, which shall be calculated in accordance with the formula:

$$\frac{E - G}{H + 1}$$

Where:

- E = as in E above;
- G = \$0.02, being the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights; and
- H = 2, being the number of Shares which it is necessary to hold in order to be offered or

invited to acquire or subscribe for one additional Share by way of rights.

In the event of an exercise of all of the 296,875,000 Warrants, the Company will issue and allot 296,875,000 Warrant Shares, which comprises 10.6% of the Company's total issued share capital as at the date of this Circular.

Shareholders had previously approved the issue and allotment of the Warrant Shares and the Additional Warrant Shares at the Company's extraordinary general meeting on 17 December 2022.

As disclosed by the Company on 2 December 2022, the Company received the approval in-principle from the SGX-ST for the listing and quotation of the 250,000,000 Warrant Shares on the Official List of the SGX-ST and on 28 November 2023, received the approval in-principle from the SGX-ST for the listing and quotation of the 46,875,000 Additional Warrant Shares.

As at the Latest Practicable Date, none of OHL or GSH hold any Warrants.

**(b) The S\$30.7 million Convertible Exchangeable Bonds**

The Company had, as part of its settlement of certain convertible securities issued by mm Connect Pte Ltd, issued the S\$30.7 million Convertible Exchangeable Bonds in tranches from 1 January 2023 up to 24 March 2023. The S\$30.7 million Convertible Exchangeable Bonds were expressed to take effect retrospectively from 1 January 2023.

Under the terms of the Bonds Subscription Agreement, a bondholder is entitled to convert the outstanding principal amount of the S\$30.7 million Convertible Exchangeable Bonds into new Conversion Shares (subject to regulatory and other necessary approvals) at the Conversion Price, subject to any SGX-ST requirements governing volume weighted average price to prevailing share price discount of the Company if applicable and any adjustment from time to time. Based on the Conversion Price, a conversion of all of the outstanding principal amount of the S\$30.7 million Convertible Exchangeable Bonds would result in the Company issuing and allotting 511,700,000 Conversion Shares.

In addition, under the terms of the Bonds Subscription Agreement, the Conversion Price is subject to an adjustment in the event the Company issues Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant (each as defined in the Bonds Subscription Agreement). Such adjustment shall become effective on the date of issue of such Shares (or issue or grant of such options, warrants or other rights, as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

The S\$30.7 million Convertible Exchangeable Bonds may or may not be exercised prior to the Record Date. In the event that all of the outstanding principal amount

of the S\$30.7 million Convertible Exchangeable Bonds are not converted into Conversion Shares post the Record Date, the Conversion Price will be adjusted to S\$0.050 in accordance with the following formula:

**Adjustment of Conversion Price and number of Conversion Shares** :  $(A + B) / (A + C) \times X$

Where:

A = 2,790,609,220, being the number of Shares in issue immediately before such announcement;

B = 705,590,194, being the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price (as defined in the Bonds Subscription Agreement) per Share;

C = 1,395,304,610, being the aggregate number of Shares issued, or as the case may be, comprised in the grant; and

X = S\$0.06, being the Conversion Price in force immediately before such issue or grant of Shares

Upon a conversion of all of the outstanding S\$30.7 million Convertible Exchangeable Bonds, the Company will have to issue and allot an aggregate of 614,040,000 Conversion Shares, which comprises 22.0% of the Company's total issued share capital as at the date of this Circular.

The Company intends to rely on its existing Share Issue Mandate to issue the Additional Conversion Shares. Shareholders had at the annual general meeting of the Company on 31 July 2023 approved the Share Issue Mandate, and, since the date of such annual general meeting, the Company has not issued any Shares or instruments convertible into Shares in reliance on the Share Issue Mandate. As such, the Company is entitled to issue and allot up to 558,121,844 Shares on a non-*pro rata* basis pursuant to its existing Share Issue Mandate.

As disclosed by the Company on 21 April 2023, the Company has received the approval-in-principle from the SGX-ST for the listing and quotation of up to 511,700,000 Conversion Shares to be issued upon the conversion of the S\$30.7 million Convertible Exchangeable Bonds at the Conversion Price and on 28 November 2023, received the approval-in-principle from the SGX-ST for the listing and quotation of the 102,340,000 Additional Conversion Shares.

As at the Latest Practicable Date, none of OHL or GSH hold any amount of the S\$30.7 Convertible Exchangeable Bonds.

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

- 3.1 Even as the impact of Covid-19 abated in Singapore and the region, new economic headwinds emerged, slowing down the pace of recovery. Nevertheless, as governments across Asia eased pandemic restrictions, the Group's business began to pick up. While the Group has yet to return

to pre-pandemic numbers, the results have been encouraging. The road to full recovery and beyond is within sight.

The Company's core content creation business grew by 38% to S\$101.3 million in FY2023, setting a new revenue record, and surpassing the previous revenue record for the core business of S\$99.5 million back in pre-pandemic FY2019.

The concerts business bounced back significantly after the capacity restrictions for public performance venues were progressively lifted from April 2022, recording a revenue of S\$29.2 million and gross profit of S\$7.6 million as compared to a gross loss of approximately S\$0.8 million in FY2022.

The cinema business continued to improve with on-going cost rationalisation and the development of new revenue models.

To enhance the Group's ability to formulate, strategise and execute its business plans to capture the continued recovery of all its business segments, the Group is undertaking the Rights Issue to strengthen its financial position by augmenting the Group's balance sheet and capital base, and paring down borrowings and gearing of the Group. The Rights Issue will also provide the Shareholders with an opportunity to participate in the further equity funding of the Company.

### 3.2 Use of Proceeds.

#### (a) Minimum Subscription Scenario

Under the Minimum Subscription Scenario, the total estimated net proceeds from the issue of the Rights Shares (after deducting estimated expenses that may be incurred in connection with the Rights Issue of approximately S\$0.6 million) is expected to be approximately S\$27.3 million<sup>2</sup>.

#### (b) Maximum Subscription Scenario

Under the Maximum Subscription Scenario, the total estimated net proceeds from the issue of the Rights Shares (after deducting estimated expenses that may be incurred in connection with the Rights Issue of approximately S\$0.6 million) is expected to be approximately S\$34.9 million<sup>3</sup>.

#### (c) Net Proceeds from the issue of the Rights Shares

The Company intends to utilise the net proceeds from the issue of the Rights Shares (the "**Net Proceeds**") for the following purposes:

#### **Minimum Subscription Scenario**

<b>Use of Net Proceeds</b>	<b>Amount (S\$'000)</b>	<b>Percentage of Net Proceeds (%)</b>

<sup>2</sup> The total estimated net proceeds under the Minimum Subscription Scenario were derived by deducting S\$0.6 million in expenses from the gross proceeds of S\$27.9 million from the issue of the Rights Shares.

<sup>3</sup> The total estimated net proceeds under the Maximum Subscription Scenario were derived by deducting S\$0.6 million in expenses from the gross proceeds of S\$35.5 million from the issue of the Rights Shares.

General working capital requirements of the Group	10,922 – 13,653	40 - 50
Repayment of banking facilities (including borrowings from financial institutions and other lending companies)	13,653 – 16,384	50 - 60
Total	27,306	100

#### **Maximum Subscription Scenario**

<b>Use of Net Proceeds</b>	<b>Amount (S\$'000)</b>	<b>Percentage of Net Proceeds (%)</b>
General working capital requirements of the Group	13,969 – 17,461	40 - 50
Repayment of banking facilities (including borrowings from financial institutions and other lending companies)	17,462 – 20,954	50 - 60
Total	34,923	100

(d) **Other information**

Pending the deployment of the proceeds from the Rights Issue, the proceeds may be deposited with banks and/or financial institutions, or invested in short-term money market instruments or debt instruments and/or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group. The foregoing represents the Company's best estimate of its allocation of the Net Proceeds based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to re-allocate the Net Proceeds within the categories described above or to use portions of the Net Proceeds for other purposes. In the event that the Company decides to reallocate the Net Proceeds or use portions for other purposes, it will publicly announce its intention to do so through a SGXNET announcement to be posted on the internet at the SGX-ST's website, <https://www.sgx.com/securities/company-announcements>.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when funds are materially disbursed, and whether such use is in accordance with the proposed use and in accordance with the percentage allocated above. The Company will also provide a status report on the use of the Net Proceeds in the Company's half-yearly and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds have been fully utilised. Where the Net Proceeds are used for working capital, the Company will provide a breakdown with specific details on how the Net Proceeds have been

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

#### 4. IRREVOCABLE UNDERTAKINGS

##### 4.1 Current shareholding. As at the Latest Practicable Date:

- (a) OHL holds an aggregate of 235,776,100 Shares, representing 8.45% of the existing issued and paid-up share capital of the Company. Accordingly, OHL will be entitled to subscribe for an aggregate of 117,888,050 Rights Shares ("**OHL Entitled Rights Shares**"); and
- (b) GSH holds an aggregate of 190,000,000 Shares, representing 6.81% of the existing issued and paid-up share capital of the Company. Accordingly, GSH will be entitled to subscribe for an aggregate of 95,000,000 Rights Shares ("**GSH Entitled Rights Shares**").

##### 4.2 Irrevocable Undertakings. Pursuant to the letters of undertaking dated 26 September 2023 and 25 September 2023 from OHL and GSH to the Company respectively, each of OHL and GSH have undertaken to:

- (a) participate in the Rights Issue by subscribing and paying in full for, in respect of OHL, the OHL Entitled Rights Shares, and, in respect of GSH, the GSH Entitled Rights Shares, each pursuant to the terms and conditions of the Rights Issue in accordance with the procedures for subscription as set out in the Offer Information Statement and on the basis of the Undertaken Shares owned as at the Record Date;
- (b) within such time and date to be informed by the Company (to the extent permitted by the SGX-ST, CDP or any relevant authority), and in accordance with the terms of the Rights Issue, make excess applications and payment for, in respect of OHL, up to 591,208,280 Excess Rights Shares (the "**OHL Excess Rights Shares**"), and, in respect of GSH, up to 591,208,280 Excess Rights Shares (the "**GSH Excess Rights Shares**"), that remain unsubscribed for by the Entitled Shareholders at the closing date of the Rights Issue after satisfying all applications and excess applications (if any) for the Rights Shares, provided that following the completion of the Rights Issue, the total shareholding of OHL and those parties acting in concert with him, and the total shareholding of GSH and those parties acting in concert with him, each remain less than 30.0% of the total enlarged issued and paid-up share capital of the Company;
- (c) from the date of the Irrevocable Undertakings up to the Record Date, remain the legal and beneficial owner of, in respect of OHL, 235,776,100 Shares, and, in respect of GSH, 190,000,000 Shares, and any additional Shares each of them may acquire (collectively and respectively, the "**Undertaken Shares**"), and together with all rights now and hereafter attaching thereto;
- (d) not on or before the Record Date, sell, transfer or otherwise dispose of or encumber their respective Undertaken Shares (or any interest therein);
- (e) vote in favour of the proposed Rights Issue, including the allotment and issuance of the Rights Shares, at the EGM; and

- (f) do and/or procure the doing of all such acts and things, provide all such information, confirmations, undertakings and/or certificates and execute and/or procure the execution of all such documents as may be reasonably required to give effect to the undertakings contained in the Irrevocable Undertakings (including but not limited to such information, confirmations, undertakings, certificates and/or documents as may be required by the SGX-ST, the MAS, SIC and/or any other regulatory authorities in Singapore), and acknowledges that in not making any underwriting arrangements in respect of the Rights Shares, the Company will be relying on the representations, warranties and undertakings contained in the Irrevocable Undertakings and that time of performance on each of their parts shall be of the essence in respect of the aforesaid and each of their other obligations under the Irrevocable Undertakings, and each of them shall not withdraw the undertakings referred to under the Irrevocable Undertakings.

4.3 The Irrevocable Undertakings shall lapse and cease to have any effect on the earlier of:

- (a) one (1) day immediately after the last time and date for acceptance and payment for the Rights Shares under the Rights Issue; and
- (b) the Rights Issue being withdrawn, lapsed or closed.

4.4 Under the Code, 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 a company, to obtain or consolidate effective control of that company.

Pursuant to a confirmation letter dated 19 October 2023, OHL has confirmed to the Company that he has not entered into any agreement or understanding (whether formal or informal) with any person or company (including, for the avoidance of doubt, GSH) to acquire Shares to obtain or consolidate effective control of the Company and pursuant to a confirmation letter dated 23 October 2023, GSH has confirmed to the Company that he has not entered into any agreement or understanding (whether formal or informal) with any person or company (including, for the avoidance of doubt, OHL) to acquire Shares to obtain or consolidate effective control of the Company.

To the best of the Company's knowledge, as at the Latest Practicable Date, no Shareholder is acting in concert or may be presumed to be acting in concert with OHL and/or GSH.

4.5 Each of OHL and GSH has provided confirmation letters from a financial institution confirming that each of OHL and GSH have the necessary financial resources to fulfil his Irrevocable Undertakings. In addition, each of OHL and GSH has confirmed on 10 November 2023 and 15 November 2023 respectively, that each of them will be subscribing for the Rights Shares and Excess Rights Shares as beneficial owner and will not be holding any Rights Shares or Excess Rights Shares in trust or acting as a nominee for any party.

## **5. RESULTANT SHAREHOLDINGS OF OHL AND GSH PURSUANT TO THE RIGHTS ISSUE**

5.1 Under the Minimum Subscription Scenario, the aggregate voting rights of each of OHL and GSH after the close of the Rights Issue will increase from approximately 8.45% and 6.81%

as at the Latest Practicable Date to approximately 22.57% and 20.93% respectively of the Company's aggregate voting rights based on the enlarged share capital of the Company following the completion of the Rights Issue.

- 5.2 Under the Maximum Subscription Scenario, the aggregate voting rights of each of OHL and GSH after the close of the Rights Issue will be at approximately 6.64% and 5.35% respectively of the Company's aggregate voting rights based on the enlarged share capital of the Company following the completion of the Rights Issue.

## **6. THE TRANSFER OF CONTROLLING INTEREST**

- 6.1 Pursuant to the Irrevocable Undertakings, OHL and GSH have provided an undertaking to make excess applications and payment for the OHL Excess Rights Shares and the GSH Excess Rights Shares respectively. Under the Minimum Subscription Scenario:

- (a) OHL will hold an aggregate of 944,872,430 Shares following the completion of the Rights Issue, representing approximately 22.57% of the total enlarged, issued and paid-up share capital of the Company; and
- (b) GSH will hold an aggregate of 876,208,280 Shares following the completion of the Rights Issue, representing approximately 20.93% of the total enlarged, issued and paid-up share capital of the Company.

- 6.2 Therefore, each of OHL and GSH may acquire a Controlling Interest in the Company, each becoming a controlling shareholder if each of their respective interests increases to more than 15.0% of the enlarged share capital of the Company immediately upon completion of the Rights Issue, depending on the level of subscription of the Excess Rights Shares.

Since Rule 803 of the Listing Manual provides that an issuer must not issue securities to transfer a Controlling Interest without prior approval of shareholders in general meeting, Shareholders' approval is being sought for the Transfer of Controlling Interest to such Entitled Shareholders arising from the allotment and issue of Excess Rights Shares at the EGM.

In the event that the Transfer Resolution in respect of OHL and/or the Transfer Resolution in respect of GSH are not approved at the EGM, the Company will, if necessary, scale down each of OHL's and/or GSH's applications for entitlement of Rights Shares and/or Excess Rights Shares, as the case may be, such that the number of Rights Shares allotted and issued to each of OHL or GSH, will not result in them each holding more than 15.0% of the enlarged share capital of the Company following the completion of the Rights Issue.

## **7. STATEMENT BY THE BOARD**

- 7.1 The Directors are of the opinion that barring any unforeseen circumstances:
- (i) the Group is not under pressure from its bankers to repay any of its existing bank borrowings and there are currently no arrangements made or being made for the refinancing of the Group's borrowings save for discussions in the ordinary course of business in relation to borrowings which will become due and payable in the next

12 months. A table setting out a breakdown of the borrowings is set out in Section 7.2 of this Circular;

- (ii) after taking into account the Group's present bank facilities, internal resources, operating cash flows and net proceeds of the Rights Issue, the Group has sufficient resources to meet its capital commitments; and
- (iii) after taking into consideration the Group's present bank facilities, internal resources, operating cash flows and net proceeds of the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements.

The Directors are further of the opinion that (i) having considered, *inter alia*, the rationale for the Rights Issue as set out in paragraph 3 of this Circular, are of the opinion that the Rights Issue is in the best interests of the Company; and (ii) having considered, *inter alia*, the rationale for the Transfer of Controlling Interest as set out in paragraph 6 of this Circular and the terms for the Rights Issue, are of the opinion that the Transfer of Controlling Interest is in the best interests of the Company.

7.2 Please see below for a breakdown of the Group's borrowings:

Type of facility	Outstanding amount as at 30 September 2023 (S\$ '000)	Amount due within 12 months from 30 September 2023 (S\$ '000)	Amount due after 12 months from 30 September 2023 (S\$ '000)
<b>Borrowings of mm2 Asia and its subsidiaries (excluding the borrowings of Vividthree Holdings Ltd. and Unusual Limited and their respective subsidiaries)</b>			
Bank borrowings			
- Term loan	83,986	82,782	1,204
- Working capital facility	16,608	16,608	-
Bank overdraft	288	288	-
Convertible securities	129,824	4,296	125,528
Loan notes	2,700	2,700	-
<b>Borrowings of Unusual Limited and its subsidiaries<sup>(1)</sup></b>			
Bank borrowings	1,500	750	750
<b>Borrowings of Vividthree Holdings Ltd. and its subsidiaries<sup>(1)</sup></b>			
Bank borrowings	3,764	2,395	1,369
<b>Total</b>	<b>238,670</b>	<b>109,819</b>	<b>128,851</b>

**Note:**

- (1) Does not take into account the Company's use of proceeds from the Rights Issue.

## 8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

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

## 9. REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

A summary of the past performance and working capital of the Group comprising the profit and loss statements, the cash flow statements, the balance sheets and the working capital position of the Group for FY2021, FY2022, FY2023, 1H FY2023 and 1H FY2024 are set out in Appendix 3 of this Circular.

## 10. RECORD DATE

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

## 11. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

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

<i>Director</i>	<i>Number of Shares</i>			
	<i>Direct Interest</i>	<i>%<sup>(1)</sup></i>	<i>Deemed Interest</i>	<i>%<sup>(1)</sup></i>
Melvin Ang Wee Chye	335,400	0.01	614,324,000	22.01 <sup>(3)</sup>
Thomas Lei Chee Kong	971,400	0.03	-	-
Jack Chia Seng Hee	171,400	N.M. <sup>(2)</sup>	-	-
Tan Liang Pheng	171,400	N.M. <sup>(2)</sup>	-	-
Terry Mak Chi Hoo	85,700	N.M. <sup>(2)</sup>	-	-
Dennis Chia Choon Hwee	-	-	-	-

### Notes:

- (1) Based on 2,790,609,220 Shares in issue as at the Latest Practicable Date.
- (2) Not meaningful. Less than 0.01%.
- (3) Melvin Ang Wee Chye is deemed to be interested in the 614,324,000 ordinary shares which are maintained under the following nominee accounts set out below:
  - (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.,(collectively the "**Nominee Accounts**").

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 Melvin Ang Wee Chye.

Pursuant to Section 7 of the Companies Act, Melvin Ang Wee Chye is deemed to be interested in the shares held by the Nominee Accounts.

The Company has not entered into any arrangement or agreement with either OHL or GSH which would give OHL or GSH a contractual right to appoint Directors to the Board and neither OHL nor GSH has, as at the Latest Practicable Date, indicated to the Company that it intends to nominate Directors to the Board. Any appointment of new Directors to the Board would be in accordance with, and subject to, the applicable provisions of the Companies Act and the terms of the Company's constitution.

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

<b>Name</b>	<b>Number of Shares</b>			
	<b>Direct Interest</b>	<b>%<sup>(1)</sup></b>	<b>Deemed Interest</b>	<b>%<sup>(1)</sup></b>
Melvin Ang Wee Chye <sup>(4)</sup>	335,400	0.01	614,324,000	22.01 <sup>(2)</sup>
OHL	235,776,100	8.45	–	-
GSH	190,000,000	6.81	–	-
Ron Sim Chye Hock <sup>(4)</sup>	130,631,700	4.68	32,455,400	1.16 <sup>(3)</sup>

**Notes:**

- (1) Based on 2,790,609,220 Shares in issue as at the Latest Practicable Date.
- (2) Melvin Ang Wee Chye is deemed to be interested in the 614,324,000 ordinary shares which are maintained under the following nominee accounts set out below:
- (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.,
- (collectively the "**Nominee Accounts**").
- 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 Melvin Ang Wee Chye.
- Pursuant to Section 7 of the Companies Act, Melvin Ang Wee Chye is deemed to be interested in the shares held by the Nominee Accounts.
- (3) Ron Sim Chye Hock is deemed to be interested in the 32,455,400 ordinary shares held by Future Store Pte. Ltd., which is an indirect subsidiary of V3 Group Ltd., a company wholly owned by Ron Sim Chye Hock.
- (4) As at the Latest Practicable Date, neither Melvin Ang Wee Chye nor Ron Sim Chye Hock have given irrevocable undertakings to subscribe for the Rights Shares that they are entitled to subscribe for by virtue of their shareholdings in the Company.

- 11.3 To demonstrate their commitment to and confidence in the prospects of the Group and to show their support for the Rights Issue:

11.3.1 the Founder, Executive Chairman and controlling shareholder, Melvin Ang Wee Chye, has indicated to the Company that (i) he intends to vote in favour of the Rights Issue Resolution; (ii) he intends to subscribe for his *pro rata* entitlement to the Rights Shares, subject to availability of financial resources; and (iii) he does

not intend to apply for any Excess Rights Shares. Melvin Ang Wee Chye will, on or prior to the commencement of the subscription period for the Rights Issue, further confirm to the Company the extent to which he is subscribing for his *pro rata* entitlement to the Rights Shares, and the Company will disclose such confirmation via an announcement on SGXNet; and

11.3.2 the Independent Directors, Terry Mak Chi Hoo and Thomas Lei Chee Kong, each have indicated to the Company that, to the extent that they hold any Shares as at the Record Date for the Rights Issue and any *pro rata* entitlements are allocated to them to subscribe for Rights Shares, they intend to exercise such *pro rata* entitlements in full and subscribe for the relevant amount of Rights Shares, in accordance with the terms and conditions of the Rights Issue.

## **12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save for the Irrevocable Undertakings and information disclosed in this Circular, none of the Directors or Substantial Shareholders or their respective associates has any direct or indirect interest in the Proposed Resolutions other than through their respective shareholdings (direct or indirect) in the Company as disclosed in paragraph 11 of this Circular.

## **13. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages 77 to 80 of this Circular, will be held at 87 Science Park Drive, The Oasis, Level 4 Auditorium, Singapore 118260 on 22 December 2023 at 1.30 p.m. for the purpose of considering and if thought fit, passing, with or without any modification to the Proposed Resolutions set out in the Notice of EGM.

## **14. OFFER INFORMATION STATEMENT**

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

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

The procedures for, and the terms and conditions applicable to, the acceptances, the renunciations and/or sales of the provisional allotments of the Rights Shares and for the Excess Applications for the Rights Shares pursuant to the Rights Issue, including the

different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

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

### **15.1 Submission of Questions in Advance of the EGM**

All Shareholders may submit substantial and relevant questions relating to the business of the EGM up till 14 December 2023 at 5.00 p.m. ("**Deadline**") either:

- (i) via post to Company's registered office at 1002 Jalan Bukit Merah #07-11 Redhill Industrial Estate Singapore 159456; or
- (ii) via electronic mail to [ir@mm2asia.com](mailto:ir@mm2asia.com).

Shareholders who submit questions in advance of the EGM 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 CDP; otherwise, please state if you hold your Shares through CPF or SRS or other Relevant Intermediary), for our verification purposes.

The Company will endeavour to address all substantial and relevant questions:

- (i) (if received by the Deadline) before the EGM, by 17 December 2023, via an announcement on SGXNet and the Company's website; or
- (ii) (if received after the Deadline) during the EGM.

The Company will also, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company's website, and the minutes will include the responses to the questions received from Shareholders which were addressed during the EGM.

### **15.2 Voting**

Shareholders who wish to exercise their voting rights at the EGM may:

- (a) (where the Shareholder is an individual) attend and vote at the EGM; or
- (b) (where the Shareholder is an individual or a corporation) appoint a proxy to vote on their behalf.

Each of the resolutions to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of poll.

Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the EGM via proxy must submit a Proxy Form to appoint the proxy. The Proxy Form must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged at the office of the Company's registered office at 1002 Jalan Bukit Merah #07-11 Redhill Industrial Estate Singapore 159456; or
- (b) if submitted electronically, be submitted via email to [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case **no later than 1.30 p.m. on 19 December 2023, being 72 hours before the time appointed for the EGM.**

A member can appoint the Chairman of the EGM as his/her/its proxy, but this is not mandatory. A proxy need not be a member of the Company.

In the case of submission of the Proxy Form appointing the Chairman of the EGM as proxy, it must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

An investor who holds shares through the CPF or SRS and wishes to vote, should approach their respective CPF Agent Banks or SRS Operators to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM (i.e. 13 December 2023). A Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

### 15.3 **Voting Results**

An independent scrutineer will be appointed by the Company to direct and supervise the counting and validation of all valid votes cast at the EGM. The voting results will be announced during the EGM and the Company will also issue an announcement on SGXNet on the results of the resolutions put to vote at the EGM.

## 16. **DIRECTORS' RECOMMENDATIONS**

- 16.1 **Rights Issue Resolution.** The Directors, having considered, *inter alia*, the rationale for the Rights Issue as set out in paragraph 3 of this Circular, are of the opinion that the Rights Issue is in the best interests of the Company, and accordingly recommend that

Shareholders vote in favour of the Rights Issue Resolution, including the allotment and issue of the Rights Shares pursuant to the Rights Issue, to be proposed at the EGM.

16.2 **Transfer of Controlling Interest.** The Directors, having considered, *inter alia*, the rationale for the Transfer of Controlling Interest as set out in paragraph 6 of this Circular and the terms for the Rights Issue, are of the opinion that the Transfer of Controlling Interest is in the best interests of the Company, and accordingly recommend that the Shareholders vote in favour of the Transfer Resolution in respect of OHL and Transfer Resolution in respect of GSH to be proposed at the EGM.

16.3 **Note to Shareholders.** Shareholders, in deciding whether to vote in favour of the Rights Issue Resolution, are advised to weigh the consequences of the outcome of their vote. Should the Rights Issue Resolution not be approved, the Rights Issue cannot proceed and the position of the Company will remain status quo.

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

In giving the above recommendation, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his/her/its specific investment objectives or portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

## 17. **ABSTENTION FROM VOTING FROM THE TRANSFER RESOLUTION IN RESPECT OF OHL AND THE TRANSFER RESOLUTION IN RESPECT OF GSH**

Pursuant to the Transfer of Controlling Interest to OHL, OHL shall abstain, and shall procure each of his associates to abstain, from voting at the EGM on the Ordinary Resolution 2 approving the Transfer of Controlling Interest to OHL, and shall also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Ordinary Resolution 2 unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolutions.

Pursuant to the Transfer of Controlling Interest to GSH, GSH shall abstain, and shall procure each of his associates to abstain, from voting at the EGM on the Ordinary Resolution 3 approving the Transfer of Controlling Interest to GSH, and shall also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Ordinary Resolution 3 unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolutions.

## 18. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of

all material facts about the Proposed Resolutions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## **19. DOCUMENTS FOR INSPECTION**

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

- (i) the constitution of the Company;
- (ii) the Annual Reports of the Company for FY2021, FY2022 and FY2023;
- (iii) the 1H FY2023 and 1H FY2024 financial statements; and
- (iv) the Irrevocable Undertakings referred to at paragraph 4.2 of this Circular.

Yours faithfully

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

Melvin Ang Wee Chye  
Founder & Executive Chairman

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

**1. ENTITLED SHAREHOLDERS**

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

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

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

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. For the avoidance of doubt, none of OHL and GSH (i) are Directors; (ii) are Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue; or (iii) have representation (direct or through a nominee) on the Board. As such, none of OHL or GSH will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

For the avoidance of doubt, the Company will not issue and allot any of the OHL Excess Rights Shares and/or GSH Excess Rights Shares that would result in a transfer of Controlling Interest to OHL and/or GSH unless Shareholders' approval for the Transfer of Controlling Interest has been obtained at the EGM.

**(a) Entitled Depositors**

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

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

**(b) Entitled Scripholders**

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

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or to effect any change in address must reach mm2 Asia Ltd. c/o the Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896 not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Record Date.

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

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

**2. FOREIGN SHAREHOLDERS**

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

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

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

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

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

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

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

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

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

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

If such Nil-Paid Rights cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Nil-Paid Rights, the Rights Shares represented by such provisional allotments will be aggregated

and allotted to satisfy applications for Excess Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP, the Share Registrar and/or their respective officers in connection therewith.

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

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

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

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

**1. Assumptions**

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

- (a) are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Rights Issue;
- (b) are based on the audited consolidated financial statements of the Group for FY2023 in calculating the *pro forma* financial effects as at 31 March 2023;
- (c) assume that the Rights Shares had been allotted and issued on 31 March 2023 in calculating the *pro forma* financial effects on NAV and net gearing (Gross Borrowings - Cash) / Total equity) as at 31 March 2023 respectively;
- (d) assume that the Rights Shares had been allotted and issued on 1 April 2022 in calculating the *pro forma* financial effects on EPS for FY2023 respectively;
- (e) do not take into account any theoretical ex-rights adjustment factor;
- (f) net proceeds, after deducting applicable expenses, of the Rights Issue will be approximately S\$27.3 million under the Minimum Subscription Scenario and approximately S\$34.9 million under the Maximum Subscription Scenario;
- (g) assume the deduction of applicable expenses amounting S\$0.6 million will be capitalised in share capital of the Company;
- (h) are for illustrative purposes only, the scenario under which the maximum number of Rights Shares will be issued as described in paragraph 2.6(b) and paragraph 3.2 of this Circular;
- (i) are for illustrative purposes only, the scenario under which the minimum number of Rights Shares will be issued as described in paragraph 2.6(a) and paragraph 3.2 of this Circular;
- (j) are for illustrative purposes only, approximately S\$17.5 million under the Maximum Subscription Scenario and approximately S\$13.7 million under the Minimum Subscription Scenario will be utilised for repayment of borrowings;
- (k) are for illustrative purposes only, assuming that the above loan repayment (as described in Paragraph 1(j) of Appendix 2) was made on 1 April 2022 and the Group is able to reduce the interest expense by S\$1.7 million using effective interest rate of 6% to 7.2% per annum under Maximum Subscription Scenario, excluding any fair value computation, if required, of any financial derivatives effects related to the S\$30.7 million Convertible Exchangeable Bonds; and
- (l) are for illustrative purposes only, assuming that the above loan repayment (as described in Paragraph 1(j) of Appendix 2) was made on 1 April 2022 and the

Group is able to reduce the interest expense by S\$0.98 million using effective interest rate of 7.2% per annum under the Minimum Subscription Scenario.

## 2 Share Capital

### (a) Number of Shares

	Maximum Subscription Scenario	Minimum Subscription Scenario
<b>Total number of issued shares (excluding treasury shares) before the Rights Issue ('000)</b>	2,790,609	2,790,609
Assumptions:		
- Warrant Shares arising from the conversion of the Warrants ('000)	250,000	-
- Conversion Shares arising from the conversion of all S\$30.7 million Convertible Exchangeable Bonds ('000)	511,700	-
- Rights Shares ('000)	1,776,155	1,395,305
<b>Total number of issued shares (excluding treasury shares) after Rights Issue ('000)</b>	5,328,464	4,185,914

### (b) Issued and paid-up capital

	Maximum Subscription Scenario	Minimum Subscription Scenario
<b>Total issued and paid-up capital before the Rights Issue (S\$'000)</b>	230,602	230,602
Assumptions:		
- Proceeds arising from the exercise of the Warrants (S\$'000)	16,250 <sup>(1)</sup>	-
- Conversion of all S\$30.7 million Convertible Exchangeable Bonds (S\$'000)	30,702	-
- Net Proceeds from the Rights Issue (S\$'000)	34,923	27,306
<b>Total issued and paid-up capital after Rights Issue (S\$'000)</b>	312,477	257,908

**Note:**

- (1) This is calculated based on 250,000,000 outstanding Warrants and the Exercise Price of S\$0.065 for each Warrant Share.

### 3 NAV attributable to shareholders of the Company

	<b>Maximum Subscription Scenario</b>	<b>Minimum Subscription Scenario</b>
Total assets (S\$'000)	429,141	429,141
Total liabilities (S\$'000)	337,535	337,535
Less: Non-controlling interests (S\$'000)	40,070	40,070
NAV attributable to shareholders of the Company before Rights Issue (S\$'000)	51,536	51,536
Assumptions:		
- Proceeds arising from the exercise of the Warrants (S\$'000)	16,250	-
- Conversion of all S\$30.7 million Convertible Exchangeable Bonds (S\$'000)	30,702	-
- Net Proceeds from the Rights Issue (S\$'000)	34,923	27,306
NAV attributable to shareholders of the Company after Rights Issue (S\$'000)	133,411	78,842
Number of issued shares (excluding treasury shares) before Rights Issue ('000)	2,790,609	2,790,609
Number of issued shares (excluding treasury shares) after Rights Issue ('000) <sup>(1)</sup>	5,328,464	4,185,914
NAV per Share <sup>(2)</sup> before Rights Issue (cents)	1.85	1.85
NAV per Share <sup>(2)</sup> after Rights Issue (cents)	2.50	1.88

**Notes:**

- (1) The calculations for the number of issued shares (excluding treasury shares) are described in Paragraph 2 of Appendix 2
- (2) NAV per Share = (Total assets – Total liabilities – non-controlling interest) / Number of Shares outstanding (excluding treasury shares)

### 4 Net gearing

	<b>Maximum Subscription Scenario</b>	<b>Minimum Subscription Scenario</b>
Total net borrowings before Rights Issue (S\$'000)	221,724	221,724
Total net borrowings after Rights Issue (S\$'000)	139,849	194,418
Total equity before Rights Issue (S\$'000)	91,606	91,606
Assumptions:		
- Proceeds arising from the exercise of the Warrants (S\$'000)	16,250	-

- Conversion of all S\$30.7 million Convertible Exchangeable Bonds (S\$'000)	30,702	-
- Net Proceeds from the Rights Issue (S\$'000)	34,923	27,306
Total equity after Rights Issue (S\$'000)	173,481 <sup>(2)</sup>	118,912 <sup>(3)</sup>
Net gearing before Rights Issue <sup>(1)</sup>	2.42	2.42
Net gearing after Rights Issue <sup>(1)</sup>	0.81	1.63

**Notes:**

- (1) Net gearing = (Gross Borrowings – Cash) / Total equity
- (2) Total equity after Rights Issue is determined based on adding the total equity before the Rights Issue, with the proceeds arising from the exercise of the Warrants, the conversion of all of the S\$30.7 million Convertible Exchangeable Bonds and the net proceeds from the Rights Issue
- (3) Total equity after Rights Issue is determined based on adding the Total equity before the Rights Issue, with the net proceeds from the Rights Issue

**5 Earnings/(Loss) per Share**

	<b>Maximum Subscription Scenario</b>	<b>Minimum Subscription Scenario</b>
Loss attributable to Shareholders of the Company before Rights Issue (S\$'000)	(120,454)	(120,454)
Assumptions:		
- Reduction in the interest expenses (S\$'000)	1,714	980
Loss attributable to Shareholders of the Company after Rights Issue (S\$'000)	(118,740)	(119,474)
Weighted average number of issued shares before Rights Issue ('000)	2,787,404	2,787,404
Assumptions:		
- Warrant Shares arising from the conversion of the Warrants ('000)	250,000	-
- Conversion Shares arising from the conversion of all S\$30.7 million Convertible Exchangeable Bonds ('000)	511,700	-
- Rights Shares ('000)	1,776,155	1,395,305
Weighted average number of issued shares after Rights Issue ('000)	5,325,259	4,182,709
Earnings/(Loss) per Share <sup>(1)(2)</sup> before Rights Issue (cents)	(4.32)	(4.32)
Earnings/(Loss) per Share <sup>(1)(2)</sup> after Rights Issue (cents)	(2.23)	(2.86)

**Notes:**

- (1) Earnings/(Loss) per Share = Net loss attributable to Shareholders / Weighted average number of Shares outstanding (excluding treasury shares)
- (2) Subject to the assumptions set out in paragraph 1(j), 1(k) and 1(l) above in this Appendix

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

The audited consolidated income statements of the Group for FY2021 (i.e. for the financial year ended 31 March 2021), FY2022 (i.e. for the financial year ended 31 March 2022), FY2023 (i.e. for the financial year ended 31 March 2023), 1H FY2023 (i.e. for the financial period ended 30 September 2022) and 1H FY2024 (i.e. for the financial period ended 30 September 2023) are set out below:

	<b>FY2021 (Audited)</b>	<b>FY2022 (Audited)</b>	<b>FY2022<sup>(1)</sup> (Audited)</b>	<b>FY2023 (Audited)</b>	<b>1H FY2023<sup>(1)</sup> (Unaudited)</b>	<b>1H FY2024 (Unaudited)</b>
<b>(in S\$'000)</b>			<i>As restated in FY2023</i>		<i>As restated in FY2024</i>	
<b><u>Continuing operations</u></b>						
<b>Revenue</b>	75,230	112,977	83,517	134,285	52,289	128,734
Cost of sales	(69,271)	(95,134)	(74,757)	(106,611)	(39,478)	(89,457)
Gross profit	5,959	17,843	8,760	27,674	12,811	39,277
<b>Other income</b>						
- Interest income	43	46	46	67	35	54
- Others	13,721	10,878	2,214	666	322	461
<b>Other gains/(losses) – net</b>						
- Expected credit loss on financial assets	(5,063)	(3,070)	(3,070)	(506)	(23)	-
- Fair value changes in financial instruments	-	-	-	(24,172)	-	-
- Others	(8,778)	5,433	(729)	(1,835)	252	(329)
<b>Expenses</b>						
- Administrative expenses	(84,962)	(59,257)	(17,250)	(15,324)	(7,335)	(11,622)
- Finance expenses	(19,047)	(13,508)	(6,605)	(8,780)	(3,627)	(8,466)
Share of profits/ (losses) of associated companies and joint venture	74	423	461	(517)	(644)	(4,691)
(Loss)/Profit before income tax	(98,053)	(41,212)	(16,173)	(22,727)	1,791	14,684
Income tax expense	(1,459)	(876)	(1,049)	(686)	(903)	(3,922)

	<b>FY2021 (Audited)</b>	<b>FY2022 (Audited)</b>	<b>FY2022<sup>(1)</sup> (Audited)</b>	<b>FY2023 (Audited)</b>	<b>1H FY2023<sup>(1)</sup> (Unaudited)</b>	<b>1H FY2024 (Unaudited)</b>
<b>(in S\$'000)</b>			<i>As restated in FY2023</i>		<i>As restated in FY2024</i>	
<b>(Loss)/Profit from continuing operations</b>	<b>(99,512)</b>	<b>(42,088)</b>	<b>(17,222)</b>	<b>(23,413)</b>	<b>888</b>	<b>10,762</b>
<b><u>Discontinued operations</u></b>						
Loss from discontinued operations, net of tax	-	-	(24,866)	(130,820)	(7,059)	-
Gain on deconsolidation of a subsidiary	-	-	-	31,778	-	-
<b>Loss from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>(24,866)</b>	<b>(99,042)</b>	<b>(7,059)</b>	<b>-</b>
<b>Net (loss)/profit for the financial year/period</b>	<b>(99,512)</b>	<b>(42,088)</b>	<b>(42,088)</b>	<b>(122,455)</b>	<b>(6,171)</b>	<b>10,762</b>
<b>Other comprehensive income/(loss), net of tax:</b>						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation- Gains	135	214	214	2,085	1,335	102
Items that will not be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation – (Loss)/Gains	(20)	(12)	(12)	125	71	59
Other comprehensive income, net of tax	115	202	202	2,210	1,406	161
<b>Total comprehensive (loss)/profit for</b>	<b>(99,397)</b>	<b>(41,886)</b>	<b>(41,886)</b>	<b>(120,245)</b>	<b>(4,765)</b>	<b>10,923</b>

	<b>FY2021 (Audited)</b>	<b>FY2022 (Audited)</b>	<b>FY2022<sup>(1)</sup> (Audited)</b>	<b>FY2023 (Audited)</b>	<b>1H FY2023<sup>(1)</sup> (Unaudited)</b>	<b>1H FY2024 (Unaudited)</b>
<b>(in S\$'000)</b>			<i>As restated in FY2023</i>		<i>As restated in FY2024</i>	
<b>the financial year/period</b>						
<b>Net (loss)/profit attributable to:</b>						
Equity holders of the Company	(90,777)	(34,982)	(34,982)	(120,454)	(5,396)	2,963
Non-controlling interests	(8,735)	(7,106)	(7,106)	(2,001)	(775)	7,799
	(99,512)	(42,088)	(42,088)	(122,455)	(6,171)	10,762
<b>Net (loss)/profit attributable to:</b>						
(Loss)/Profit from continuing operations	(90,777)	(34,982)	(10,116)	(21,412)	1,663	2,963
Loss from discontinued operations	-	-	(24,866)	(99,042)	(7,059)	-
	(90,777)	(34,982)	(34,982)	(120,454)	(5,396)	2,963
<b>Total comprehensive (loss)/ income attributable to:</b>						
Equity holders of the Company	(90,642)	(34,768)	(34,768)	(118,369)	(4,061)	3,065
Non-controlling interests	(8,755)	(7,118)	(7,118)	(1,876)	(704)	7,858
	(99,397)	(41,886)	(41,886)	(120,245)	(4,765)	10,923
<b>(Loss)/Earnings per share for net loss attributable to equity holders of the Company</b>						
<b>Basic (cents)</b>						
From continuing operations	(3.34)	(1.31)	(0.38)	(0.77)	0.06	0.11
From discontinued operations	-	-	(0.93)	(3.55)	(0.27)	-
<b>Diluted (cents)</b>						
From continuing operations	(3.34)	(1.31)	(0.29)	(0.59)	0.05	0.13
From discontinued operations	-	-	(0.89)	(3.41)	(0.27)	-

**Note:**

- (1) *Restated FY2022 and 1H FY2023 = The financial results of mm Connect Pte. Ltd. and its subsidiaries have been presented as "Discontinued Operations" as of 31 March 2023 and its prior financial year's financial results have been restated to reflect this change in presentation in the Consolidated Statement of Comprehensive Income. In accordance with SFRS(I) 10 – Consolidated Financial Statements, management had assessed and determined that the Group and the Company had lost control of mm Connect Pte. Ltd. and is required to deconsolidate mm Connect Group due to the bondholder having 60% of mm Connect Pte. Ltd.'s board representation.*

The audited consolidated statements of financial position of the Group as at 31 March 2021, 31 March 2022, 31 March 2023 and 30 September 2023 are set out below:

	31 Mar 2021 (Audited) S\$'000	31 Mar 2022 (Audited) S\$'000	31 Mar 2023 (Audited) S\$'000	30 Sep 2023 (Unaudited) S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	12,117	14,571	9,440	17,902
Trade and other receivables	112,587	102,894	98,573	120,328
Inventories	1,830	1,013	800	800
Other current assets	75,914	83,459	115,357	127,951
Film products and films under production	1,079	6,004	3,290	3,288
Income tax receivables	342	407	247	138
	203,869	208,348	227,707	270,407
<b>Non-current assets</b>				
Trade and other receivables	20,168	19,962	1,858	2,718
Financial assets, at fair value through profit or loss ("FVPL")	3,223	1,701	1,649	1,659
Investments in associated companies	2,641	3,196	92,608	89,567
Investment in a joint venture	37	-	-	-
Property, plant and equipment	87,989	59,817	15,225	17,545
Intangible assets and goodwill	253,038	237,086	46,147	45,261
Film rights	33,364	28,678	23,584	21,818
Film intangibles and film inventories	19,484	20,277	20,267	23,459
Deferred income tax assets	-	23	-	-
	419,944	370,740	201,338	202,027
Non-current assets held for sale	-	-	96	96
	419,944	370,740	201,434	202,123
<b>TOTAL ASSETS</b>	<b>623,813</b>	<b>579,088</b>	<b>429,141</b>	<b>472,530</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	79,171	91,723	70,599	106,235
Contract liabilities	9,143	8,149	16,503	16,036
Borrowings	192,669	154,394	117,635	109,819
Lease liabilities	33,157	28,090	317	343
Derivative financial instruments	6,154	6	-	-
Provisions	-	-	-	21
Current income tax liabilities	3,073	2,279	1,068	4,773
	323,367	284,641	206,122	237,227
<b>Non-current liabilities</b>				
Trade and other payables	-	-	13,425	-
Borrowings	72,963	55,366	113,529	128,851
Lease liabilities	42,393	23,179	381	272
Derivative financial instruments	-	-	-	-
Provisions	4,553	5,886	140	141
Deferred income tax liabilities	6,328	7,524	3,938	3,882
	126,237	91,955	131,413	133,146

	31 Mar 2021 (Audited) S\$'000	31 Mar 2022 (Audited) S\$'000	31 Mar 2023 (Audited) S\$'000	30 Sep 2023 (Unaudited) S\$'000
<b>TOTAL LIABILITIES</b>	<b>449,604</b>	<b>376,596</b>	<b>337,535</b>	<b>370,373</b>
<b>NET ASSETS</b>	<b>174,209</b>	<b>202,492</b>	<b>91,606</b>	<b>102,157</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	152,870	211,102	230,602	230,602
Reserves	(14,300)	(4,270)	(11,935)	(11,833)
Accumulated losses	(11,695)	(46,677)	(167,131)	(164,168)
	126,875	160,155	51,536	54,601
Non-controlling interests	47,334	42,337	40,070	47,556
<b>TOTAL EQUITY</b>	<b>174,209</b>	<b>202,492</b>	<b>91,606</b>	<b>102,157</b>

The audited consolidated statements of cash flows of the Group for FY2021 (i.e. for the financial year ended 31 March 2021), FY2022 (i.e. for the financial year ended 31 March 2022), FY2023 (i.e. for the financial year ended 31 March 2023), 1H FY2023 (i.e. for the financial period ended 30 September 2022) and 1H FY2024 (i.e. for the financial period ended 30 September 2023) are set out below:

(in S\$' 000)	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)	1H FY2023 (Unaudited)	1H FY2024 (Unaudited)
<b>Cash flows from operating activities</b>					
Net profit/(loss)	(99,512)	(42,088)	(122,455)	(6,171)	10,762
Adjustments for:					
- Income tax expense	1,459	876	603	820	3,922
- Interest income	(43)	(46)	(67)	(35)	(54)
- Finance expenses	19,047	13,508	15,261	6,755	8,466
- Amortisation of film rights	10,195	10,103	7,764	2,007	1,782
- Amortisation of film intangibles and film inventories	5,152	2,654	2,036	546	575
- Amortisation of intangible assets	2,060	4,233	1,691	864	1,353
- Depreciation of property, plant and equipment	30,526	27,577	22,539	12,533	1,437
- Impairment loss on:					
- intangible assets and goodwill	29,042	13,045	117,677	-	-
- film rights	6,225	-	-	-	-
- film intangibles and inventories	2,797	2,417	-	-	-
- films under production	1,746	-	-	-	-
- Written-off on:					
- Film products and films under production	-	29	-	-	-
- Film rights	-	20	-	-	-
- Film intangibles and inventories	363	52	-	-	-

<b>(in S\$' 000)</b>	<b>FY2021 (Audited)</b>	<b>FY2022 (Audited)</b>	<b>FY2023 (Audited)</b>	<b>1H FY2023 (Unaudited)</b>	<b>1H FY2024 (Unaudited)</b>
- Intangible assets	-	-	1	-	-
- Inventories written off	106	75	2	1	-
- Inventories written down	-	800	-	-	-
- Loss/(Gain) on fair value changes in derivative financial instrument	5,868	(6,148)	(6)	(6)	-
- Loss on fair value changes in financial assets, FVPL	1,493	361	-	-	2
- (Gain)/Loss on disposal of property, plant and equipment	1,038	(42)	(57)	(117)	(32)
- Gain on disposal of an associated company	(100)	-	-	-	-
- Gain on disposal of financial assets, at FVPL	-	(19)	-	-	-
- Gain arising from derecognition of leases	(47)	(252)	(57)	(1)	-
- Gain arising from re-measurement of convertible securities	(2,308)	(1,073)	-	-	-
- Property, plant and equipment written off	590	801	95	-	17
- Expected credit loss on financial assets	5,063	3,070	531	(10)	(4)
- Share of (profits)/losses of associated companies and joint venture	(74)	(423)	517	644	4,691
- Rental concession income	(6,557)	(4,299)	(967)	(780)	-
- Fair value changes in financial instruments	-	-	21,618	-	-
- Gain on deconsolidation of a subsidiary	-	-	(31,778)	-	-
- Gain on disposal of a subsidiary company	-	-	(66)	-	-
- Gain on remeasurement of non-current assets held for sale upon disposal	-	-	(17)	-	-
- Loss on unrealised foreign exchange	954	723	4,326	2,279	347
Operating cash flows before working capital changes	15,083	25,954	39,191	19,329	33,264
Changes in working capital, net of deconsolidation and disposal of subsidiaries:					
- Trade and other receivables	13,133	5,183	1,227	(12,940)	(22,174)
- Inventories	76	(58)	(54)	(96)	-
- Other current assets	2,658	(14,049)	(32,807)	(6,064)	(13,366)
- Film products and films under production	-	(660)	-	-	-
- Film intangibles and film inventories	(10,592)	(4,212)	(1,265)	(23)	(3,778)
- Trade and other payables	(12,850)	15,796	(6,015)	(5,655)	31,344
- Contract liabilities	(2,519)	(993)	10,474	3,019	(841)
Cash generated from operations	4,989	26,961	10,751	(2,430)	24,449
Income tax refund	88	252	-	-	-

(in S\$' 000)	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)	1H FY2023 (Unaudited)	1H FY2024 (Unaudited)
Income tax paid	(2,922)	(993)	(1,870)	(2,020)	(156)
<b>Net cash (used in)/generated from operating activities</b>	<b>2,155</b>	<b>26,220</b>	<b>8,881</b>	<b>(4,450)</b>	<b>24,293</b>
<b>Cash flows from investing activities</b>					
Acquisition of a subsidiary, net of cash acquired	-	-	-	-	77
Additions of film rights	(5,356)	(5,339)	-	(21)	(20)
Additions to financial assets, at FVPL	-	(700)	-	-	-
Additions to intangible assets	(4,369)	(1,058)	(27)	(9)	(56)
Additions to property, plant and equipment	(860)	(1,321)	(984)	(425)	(3,593)
Cash disposed from deconsolidation of subsidiary	-	-	(751)	-	-
Proceeds from disposal of subsidiaries, net of cash disposed	-	-	235	-	-
Government grants received for:					
- Development of Film products and films under production	-	351	-	-	-
- Development of Film rights	1,267	317	-	-	-
- Development of softwares	-	75	155	155	-
Incorporation of associated companies	(50)	-	-	-	-
Interest received	17	46	35	2	22
Proceeds from disposal of financial assets, at FVPL	-	1,874	-	-	-
Proceeds from disposal of property, plant and equipment	293	256	83	134	32
<b>Net cash used in investing activities</b>	<b>(9,058)</b>	<b>(5,499)</b>	<b>(1,254)</b>	<b>(164)</b>	<b>(3,538)</b>
<b>Cash flows from financing activities</b>					
Interest paid	(15,868)	(10,353)	(12,669)	(4,006)	(3,762)
Proceeds from issuance of ordinary shares of the Company pursuant to the private placement	-	-	9,750	9,750	-
Proceeds from issuance of rights shares	-	54,652	-	-	-
Expenses pertaining to issuance of rights shares	-	(2,420)	-	-	-
Proceeds from issuance of ordinary shares of the Company pursuant to exchange right	-	6,000	-	-	-
Proceeds from subscription of ordinary shares of the Company pursuant to the private placement pending for allotment	-	9,750	-	-	-

<b>(in S\$' 000)</b>	<b>FY2021 (Audited)</b>	<b>FY2022 (Audited)</b>	<b>FY2023 (Audited)</b>	<b>1H FY2023 (Unaudited)</b>	<b>1H FY2024 (Unaudited)</b>
Proceeds from issuance of new shares of a subsidiary to non-controlling interests	-	2,187	-	-	-
Proceeds from issuance of convertible securities	1,990	1,000	15,350	15,350	12,000
Proceeds from issuance of Exchangeable Bond	-	-	54,000	-	-
Proceeds from borrowings	25,125	26,596	30,702	16,720	14,304
Repayments of borrowings	(17,936)	(86,434)	(85,845)	(27,261)	(34,296)
Repayments of lease liabilities	(3,517)	(18,869)	(23,566)	(15,263)	(260)
<b>Net cash used in financing activities</b>	<b>(10,206)</b>	<b>(17,891)</b>	<b>(12,278)</b>	<b>(4,710)</b>	<b>(12,014)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(17,109)</b>	<b>2,830</b>	<b>(4,651)</b>	<b>(9,324)</b>	<b>8,741</b>
<b>Cash and cash equivalents</b>					
<b>At beginning of financial year/period</b>	<b>28,088</b>	<b>10,824</b>	<b>13,608</b>	<b>13,608</b>	<b>8,916</b>
<b>Effects of currency translation on cash and cash equivalents</b>	<b>(155)</b>	<b>(46)</b>	<b>(41)</b>	<b>(1)</b>	<b>(43)</b>
<b>At end of financial year/period</b>	<b>10,824</b>	<b>13,608</b>	<b>8,916</b>	<b>4,283</b>	<b>17,614</b>
<b>Represented by</b>					
<b>Cash and bank balances</b>	<b>11,886</b>	<b>14,405</b>	<b>9,440</b>	<b>5,051</b>	<b>9,400</b>
<b>Fixed deposits pledged</b>	<b>231</b>	<b>166</b>	<b>-</b>	<b>2</b>	<b>8,502</b>
<b>Less: bank overdrafts</b>	<b>(1,293)</b>	<b>(963)</b>	<b>(524)</b>	<b>(770)</b>	<b>(288)</b>
	<b>10,824</b>	<b>13,608</b>	<b>8,916</b>	<b>4,283</b>	<b>17,614</b>

## REVIEW OF PAST PERFORMANCE

### FY2021 compared to FY2022 (before restatement)

#### Revenue

The Group's revenue increased by approximately S\$37.8 million or 50.2%, from S\$75.2 million in FY2021 to S\$113.0 million in FY2022. It was mainly due to the Group's businesses gradually recovering from the COVID-19 pandemic and more relaxation of governments' restrictions as well as rapid progress with COVID-19 vaccinations in many countries. Revenues (before inter-segment eliminations) of each segment are analysed as follows:

Revenue from the Core business rose by approximately S\$18.3 million or 33.1%, from S\$55.2 million in FY2021 to S\$73.5 million in FY2022. The increase was mainly attributable to:

- (i) higher revenue from production by S\$18.6 million or 41.7% as the segment delivered more completed projects in FY2022 as compared to the last financial year; and
- (ii) higher distribution income by S\$2.1 million or 28.5% in FY2022 following the gradual opening of the cinemas in the territories where we distribute our movies.

Revenue from the Post and digital content production ("**Post-production**") segment increased slightly by approximately S\$0.9 million or 42.8%, from S\$2.0 million in FY2021 to S\$2.9 million in FY2022. This was mainly due to improvement in the segment's revenue in Post-production business as more projects completed with higher value in FY2022. In contrast, there is no revenue recorded in segment's digital content production business as its live entertainment projects such as MICE (Meetings, Incentives, Conferences and Exhibitions) were deferred by customers since 2021 due to restrictions implemented by the governments.

Revenue from the Cinema segment increased by approximately S\$13.6 million or 85%, from S\$15.9 million in FY2021 to S\$29.5 million in FY2022, mainly due to cinemas reopening in Singapore and releases of Hollywood blockbuster movies titles despite operating with reduced seating capacity and other enhance measures implemented by the Singapore and Malaysia Governments. The operations in Malaysia have been also affected by intermittent cinema closures due to total lockdowns since the last financial year.

Revenue from the Concert and event ("Event") segment increased by approximately S\$2.3 million or 167.0%, from S\$1.3 million in FY2021 to S\$3.6 million in FY2022. The significant increase was primarily due to higher promotion and production revenue in FY2022 as a result of the gradual resumption of small-scale live performances in Singapore.

Other segment consists of media advertising activities, news agency activities, development of software for interactive digital media, brand consulting services, streaming digital films and short video contents and food and beverage business. Revenue of this segment is mainly contributed by advertising and news agency activities and slightly increased by S\$0.7 million or 17.8%, from S\$3.8 million in FY2021 to S\$4.5 million in FY2022.

#### Cost of sales

Cost of sales increased by approximately S\$25.8 million or 37.2%, from S\$69.3 million in FY2021 to S\$95.1 million in FY2022. The increase in cost of sales was in line with the increase in revenue from respective business segments particularly, Core business and Cinema segment, except for other direct

fixed costs, such as depreciation, amortisation and direct staff cost, which have been incurred throughout the financial year.

### Gross profit

Gross profit increased by approximately S\$11.8 million, from S\$6.0 million in FY2021 to S\$17.8 million in FY2022, and it was mainly contributed by Core business and Cinema segment. Overall, the gross profit margin of the Group has improved from 8% to 16% in FY2022.

### Other income

Other income decreased by approximately S\$2.8 million, from S\$13.7 million in FY2021 to S\$10.9 million in FY2022, mainly due to lower rental concessions income in the Cinema segment by approximately S\$2.3 million as compared to last corresponding year. In FY2022, besides government grant income from Job Support Scheme (JSS), the Group received Rental Support Scheme (RSS) to defray the rental cost burden in cinema operation during the COVID-19 pandemic.

### Other gains/(losses) – net

The Group recorded net other gains approximately of S\$2.4 million in FY2022 as compared to net other losses of S\$13.8 million in FY2021. The other gains or losses in FY2022 mainly consist of:

- (i) fair value gain in derivative financial instrument of S\$6.1 million and gain in re-measurement of convertible securities of S\$1.1 million;
- (ii) Property, plant and equipment and inventories written off of S\$0.8 million and S\$0.8 million respectively; and
- (iii) Recognition of allowance for expected credited losses of S\$3.1 million arising from Core business and Event segments.

### Administrative expenses

Administrative expenses consist of the following:

	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Staff cost <sup>(1)</sup>	8,948	10,235
Repair & maintenance of cinema halls and other admin offices	796	1,054
Utilities of cinema halls and other admin offices	2,492	1,962
Cleaning fees for cinema halls	1,350	1,236
Depreciation & amortisation (including depreciation on rights-of-use) <sup>(1)</sup>	22,832	24,354
Impairment	15,462	39,809
Others	7,377	6,312
	<b>59,257</b>	<b>84,962</b>

<sup>(1)</sup> Amounts excluding those have been classified under cost of sales

The Group's administrative expenses decreased by approximately S\$25.7 million or 30.2% from S\$85.0 million in FY2021 to S\$59.3 million in FY2022. The decrease was attributed to:

- (a) a decrease in staff cost (management and corporate team and admin/HR and finance) by approximately S\$1.3 million, from S\$10.2 million in FY2021 to S\$8.9 million in FY2022 was mainly contributed by lower staff cost in Cinema segment; and
- (b) a decrease in depreciation of right-of-use assets by approximately S\$2.7 million, from S\$22.4 million in FY2021 to S\$19.7 million in FY2022 was mainly due to derecognition of right-of-use assets of S\$2.1 million in Cinema segment as a result of reduction of cinema locations; and partially offset by,
- (c) an increase in amortisation by approximately S\$1.4 million; from S\$1.1 million in FY2021 to S\$2.5 million in FY2022 was mainly due to accelerated amortisation expense in intangible assets as to reference to the future projected cashflow and COVID-19's omicron variant impact of the underlying intangible assets;
- (d) an increase in cleaning and utilities by approximately total of S\$0.6 million as compare to FY2021 was mainly contributed by Cinema segment as the cinemas reopened in Singapore from July 2021; and
- (e) impairment losses of S\$15.5 million (2021: \$39.8 million) arising from goodwill in the Cinema segment, film intangible and inventories, and other intangible assets amounting to S\$12.0 million, S\$2.4 million and S\$1.0 million respectively.

### **Finance expenses**

In FY2022, finance expenses comprised:

- (a) interest expenses on borrowings of S\$10.8 million (FY2021: S\$15.4 million), a decrease of S\$4.6 million or 30%, was mainly due to a decrease in MTN's interest by S\$3.9 million as a result of fully redemption of MTN on 27 April 2021; and
- (b) interest expenses on lease liabilities of S\$2.5 million (FY2021: S\$3.6 million), decreased by S\$1.1 million or 30.6%, was mainly due to reduction of cinema locations in Malaysia and re-measurement of lease liabilities in FY2022.

Overall, the Group's finance expenses decreased by S\$5.5 million or 29.1%, from S\$19.0 million in FY2021 to S\$13.5 million in FY2022.

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

The share of profits of associated companies and joint venture increased by approximately S\$0.3 million and was mainly contributed from Concert and Event segments' associated company, Isotope Productions Pte. Ltd. as the associated company held a virtual concert in the current financial year.

### **Loss before income tax**

As a result of the aforementioned, the Group's losses before income tax in FY2022 has improved by approximately S\$56.9 million or 58%, from loss before tax of S\$98.1 million in FY2021 to loss before tax of S\$41.2 million in FY2022. The improvement in the performance was mainly derived from Core business, Cinema and Event segments as these segments' revenue and their operations were recovering gradually.

## **FY2022 (after restatement) compared to FY2023**

### **Revenue**

The Group's revenue grew by approximately S\$50.8 million or 60.8%, from S\$83.5 million to S\$134.3 million. This was mainly attributed to the gradual recovery of the Group's businesses from the effects of the COVID-19 pandemic and the lifting of governments' restrictions since April 2022. Revenues of each segment are analysed as follows:

The Core Business saw an increase in its total revenue (before segments elimination) by approximately S\$27.9 million or 38.0%, from S\$73.4 million to S\$101.3 million. The increase was mainly due to film/drama productions by S\$27.1 million, or 42.9%, as the segment completed more projects than the previous financial year.

The Digital and Live Experience Production ("Digital & Live Production") segment's total revenue (before segments elimination) increased slightly by approximately S\$0.1 million or 3.6%, from S\$2.8 million to S\$2.9 million. This was mainly due to an improvement in the segment's revenue in Live Experience Production from S\$0.4 million to S\$0.6 million, as more projects were completed with higher value in FY2023.

The Concert and Event ("Event") segment's total revenue (before segments elimination) also saw a significant improvement by approximately S\$25.6 million, up from S\$3.6 million to S\$29.2 million. This increase was a result of the reopening of live performances in Singapore and Malaysia, coupled with the lifting of COVID-19 restrictions, including the capacity limit for large-scale events since April 2022, additionally, this has led its promotion and production business to increase significantly.

Other segments comprise media advertising activities, news agency activities, software development for interactive digital media, brand consulting services, streaming digital films and short video content. This segment's revenue (before segments elimination) is primarily contributed by advertising and news agency activities, and the revenue slightly decreased by S\$0.3 million or 6.8%, from S\$4.4 million to S\$4.1 million.

### **Cost of sales**

The cost of sales increased by approximately S\$31.8 million or 42.5%, from S\$74.8 million to S\$106.6 million. The increase in the cost of sales was in line with the increase in revenue from respective business segments, particularly the Core and Event segments, except for other direct fixed costs, such as depreciation, amortisation and direct staff cost, which have been incurred throughout the year.

### **Gross Profit**

Gross profit increased by approximately S\$18.9 million, from S\$8.8 million in FY2022 to S\$27.7 million in FY2023 due to better performances from the Core and Event segments which contributed to the increase. As a result, the gross profit margin of the Group has improved from 10.5% to 20.6%.

### **Other income**

Other income decreased by approximately S\$1.6 million or 69.6%, from S\$2.3 million to S\$0.7 million, mainly due to lower government grant income from the Job Support Scheme (JSS) and government subsidy of approximately S\$1.3 million compared to the previous financial year.

### Other gains/(losses), net

The Group recorded net other losses of approximately S\$26.5 million compared to net other losses of S\$3.8 million in the previous year. The increase in net losses in FY2023 was mainly due to fair value losses on financial instruments from convertible securities, which accounted for S\$24.2 million.

### Administrative expenses

Administrative expenses consist of the following:

	<b>FY2023</b>	<b>FY2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Staff costs and Directors' fee (excluding those under the cost of sales)	7,509	6,731
Impairment loss on film intangibles and film inventories	-	2,417
Depreciation and amortization	2,327	3,726
Other expenses with no material fluctuation	5,488	4,376
	<b>15,324</b>	<b>17,250</b>

The Group's administrative expenses decreased by approximately S\$2.0 million or 11.6%, from S\$17.3 million to S\$15.3 million in FY2023. The decrease was attributed to:

- (i) the Core Business not recognising any impairment of film intangibles and film inventories compared to last financial year;
- (ii) lower in amortisation and depreciation by total approximately S\$1.4 million or 37.5%; and partially offset by,
- (iii) an increase in staff cost by approximately a total of S\$0.8 million or 11.9%, mainly contributed by the Event segment due to an increase in its business activities.

### Finance expenses

Finance expenses increased by S\$2.2 million or 33.3%, from S\$6.6 million to S\$8.8 million in FY2023 mainly due to the issuance of new convertible securities in the 4Q FY2023 as well as interest rates hiking during FY2023.

### Share of (Losses)/Profits of Associated Companies and Joint Venture

The share of losses/profits of associated companies and joint venture was mainly contributed by the Core Business's associated company.

### Net loss for the financial year from continuing operations

As a result of those mentioned above, excluding the S\$24.2 million of fair value loss from the financial instruments (convertible securities), the Group's performance would have achieved a net profit of S\$0.8 million in FY2023 compared net loss of S\$17.2 million in FY2022. The significant improvement is mainly attributed to the Core Business and the Concert and Event segment whose financial performance has also returned to a profit position for the first time since the COVID-19 outbreak.

## **Discontinued Operations (Cinema operations)**

In FY2023, the financial results of mm Connect Pte. Ltd. and its subsidiaries have been presented as "Discontinued Operations" as of 31 March 2023 and its prior financial year's financial results have been restated to reflect this change in presentation in the Consolidated Statement of Comprehensive Income. In accordance with SFRS(I) 10 – Consolidated Financial Statements, management had assessed and determined that the Group and the Company had lost control of mm Connect Pte. Ltd. and is required to deconsolidate mm Connect Group due to the bondholder having 60% of mm Connect Pte. Ltd.'s board representation.

### **Revenue**

The Cinema Operations revenue increased by approximately S\$18.2 million or 61.7% from S\$29.5 million to S\$47.7 million in FY2023. The full-scale operation of the cinema's segment led to higher admission and box office collections since April 2022 which was the main factors that contributed positively to the overall performance of Cinema Operations.

### **Cost of sales**

The cost of sales increased by approximately S\$4.1 million, or 20.1%, from S\$20.4 million to S\$24.5 million in FY2023. The increase in the cost of sales was in line with the increase in revenue and its business activities.

### **Gross profit**

Gross profit increased by S\$14.1 million, or 154.9%, from S\$9.1 million to S\$23.2 million, and the increase was mainly due to higher admission. As a result, the cinema business's gross profit margin has increased from 30.8% to 48.6% in FY2023.

### **Other Income**

Other income of cinema business has decreased by approximately S\$7.5 million, from S\$8.7 million to S\$1.2 million in FY2023, mainly due to a decrease in concession income, government grant income from Job Support Scheme (JSS) and Rental Support Scheme (RSS) for approximately S\$7.3 million compared to the previous financial year.

### **Other (losses)/gain – net**

The Cinema Operations recorded net other losses of approximately S\$0.6 million in FY2023 as compared to net other gains of S\$6.2 million in FY2022. Including in FY2023, the cinema operation recorded an unrealised loss on foreign exchange of S\$2.3 million from its intercompany balances. There was no change in the fair value of its financial instruments compared to last financial year where the cinema operations had recognised a gain on fair value of its financial instrument of S\$6.0 million and a gain on remeasurement of its convertible securities of S\$1.1 million.

### **Administrative expenses**

The cinema business had incurred administrative expenses of S\$30.6 million in FY2023, which are fairly consistent with the previous financial year of S\$30.0 million. During the current financial year, the Cinema Business recognised an impairment loss on its goodwill amounting to S\$117.7 million (2022: S\$12.0 million) as the recoverable amount exceeded the carrying amount of the goodwill.

## Finance expenses

In FY2023, finance expenses of the Cinema Operation comprised:

- (i) interest expenses on borrowings of S\$4.7 million (FY2022: S\$4.7 million); and
- (ii) interest expenses on lease liabilities of S\$1.8 million (FY2022: S\$2.2 million). The decrease of S\$0.4 million or 18.2%, was mainly due to the closure of a cinema outlet in Singapore.

## Net loss for the financial year

As a result of those mentioned above, excluding the S\$117.7 million (2022: S\$12.0 million) of impairment loss on its goodwill, the Cinema Operation's performance would have a net loss of S\$13.1 million compared to a net loss of S\$12.9 million in FY2022.

The Group recognised a gain on deconsolidation of the Cinema Operations of S\$31.8 million after the Company lost control over the Cinema Operations' board representative in FY2023.

## 1H FY2023 (after restatement) compared to 1H FY2023

### Revenue

The Group's revenue grew by approximately S\$76.4 million or 146.1%, from S\$52.3 million in 1H FY2023 to S\$128.7 million in 1H FY2024. It was mainly attributed to the gradual recovery of the Group's businesses from the adverse impacts of the COVID-19 pandemic, coupled with the easing of government restrictions that commenced in April 2022. Further insights into the revenue performance of each segment are as follows:

Revenue from the Content business rose by approximately S\$15.5 million or 36.0%, from S\$43.0 million in 1H FY2023 to S\$58.5 million 1H FY2024. The increase was mainly attributable from film/drama productions by S\$17.4 million or 46.1% as the segment completed more projects as compared to last financial period.

Revenue from the Digital Entertainment business increased by approximately S\$1.0 million or 55.6%, from S\$1.8 million in 1H FY2023 to S\$2.8 million in 1H FY2024. This was mainly due to the consolidation of a newly acquired subsidiary, namely Elliot Communications Pte. Ltd. (the "Public Relations" business) from 27 May 2023, which contributed S\$1.09 million to the Digital Entertainment revenue in the current financial period;

Revenue from the Concert and Event business increased significantly by approximately S\$60.1 million or 954.0%, from S\$6.3 million in 1H FY2023 to S\$66.4 million in 1H FY2024. The increase was due to the higher number of projects completed for the Promotion and Production business with revenue contribution of approximately S\$59.1 million or 1,096.1%, S\$1.0 million or 136.9% respectively. Additionally, the increase in revenue was mainly a result of robust demand for tickets and an overwhelming attendance at various shows.

Other segment consists of media advertising activities, news agency activities, brand consulting services, streaming digital films and short video content. Revenue of this segment decreased by S\$0.6 million or 31.6 %, from S\$1.9 million in 1H FY2023 to S\$1.3 million in 1H FY2024. This was mainly due to the Group no longer consolidating AsiaOne Online Pte. Ltd. ("AsiaOne") (a formerly subsidiary with the business activity of news agency) from 1 January 2023 onwards following the sale of the 41% equity interest in AsiaOne on 31 December 2022.

### Cost of sales

Cost of sales increased by approximately S\$50.0 million or 126.6%, from S\$39.5 million in 1H FY2023 to S\$89.5 million in 1H FY2024. The increase in the cost of sales was in line with the increase in revenue from respective business, particularly, the Content and Concert and Event business.

### Gross profit

Gross profit increased by approximately S\$26.5 million, from S\$12.8 million in 1H FY2023 to S\$39.3 million in 1H FY2024, and the increase was mainly contributed by better performances from Content and Concert and Event business. Overall, the gross profit margin of the Group has improved from 24.5% to 30.5%.

### Other income

Other income increased by approximately S\$0.2 million, from S\$0.3 million in 1H FY2023 to S\$0.5 million in 1H FY2024, mainly due to higher government grant received of approximately S\$0.1 million as compared to the last corresponding period.

### Other gains/losses - net

The Group recorded net other losses approximately of S\$0.3 million in 1H FY2024 as compared to net other gains of S\$0.2 million in the previous corresponding period. The net losses in 1H FY2024 were mainly contributed by unrealised foreign exchange losses of S\$0.2 million (1H FY2023: unrealised foreign exchange gain of S\$0.6 million) and S\$0.1 million (1H FY2023: S\$0.5 million) respectively.

### Administrative expenses

Administrative expenses consist of the following: -

	1H FY2024	1H FY2023
	S\$'000	S\$'000
Staff costs (excluding cost classified in cost of sales)	7,035	3,513
Professional fees	1,139	1,181
Depreciation and amortisation (including depreciation on rights-of-use)	1,828	1,254
Others	1,620	1,387
	<b>11,622</b>	<b>7,335</b>

The Group's administrative expenses increased by approximately S\$4.3 million or 58.9% from S\$7.3 million in 1H FY2023 to S\$11.6 million in 1H FY2024. The increase was attributed to:

- (a) an increase in staff cost by a total of approximately S\$3.5 million mainly contributed by the Concert and Event business due to an increase in its business activities; and
- (b) an increase in amortization by approximately S\$0.6 million, from S\$0.8 million in 1H FY2023 to S\$1.4 million in 1H FY2024, was mainly contributed by Concert and Event business.

## Finance expenses

In the current reporting period, finance expenses are primarily comprising interest expenses on borrowings of S\$8.2 million (previous corresponding period: S\$3.5 million), an increase of S\$4.7 million or 134.3%, was mainly due to an increase in interest rates and higher borrowings arising from the issuance of exchangeable bonds and convertible securities.

Overall, the Group's finance expenses increased by S\$4.9 million or 136.1%, from S\$3.6 million in 1H FY2023 to S\$8.5 million in 1H FY2024.

## Share of losses of associated companies

The share of losses of associated companies increased by S\$4.1 million or 683.3%, from S\$0.6 million in 1H FY2023 to S\$4.7 million in 1H FY2024. It was mainly attributable to the mm Connect Pte. Ltd., an associated company and a former subsidiary of the Company, which operates the cinema business. The share of losses of associated companies are summarized below:

	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
mm Connect Pte. Ltd. /Cinema Business <sup>(1)</sup>	(4,623)	-
Other immaterial associated companies	(68)	(644)
	<b>(4,691)</b>	<b>(644)</b>

<sup>(1)</sup> The "Cinema business" refers to mm Connect Pte. Ltd., an associated company of the Company which in turn the Company holds 100% of the equity stakes in mm Connect Pte. Ltd., after the Company lost its majority control in the board of mm Connect Pte. Ltd. in the last financial year. Please refer to Note 20 in the 1H FY2024 Financial Statements and Related Announcement: Half Yearly Results disclosed by the Company on 14 November 2023 for further details.

Set out below are the extracts of financial information of the Group's and the Company's material associated companies, mm Connect Pte. Ltd.:

	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Revenue	23,643	26,724
Expenses include,		
- Depreciation of plant and equipment	(335)	(2,008)
- Loss on fair value of convertible securities	(2,554)	-
- Loss on foreign exchange, net	(370)	(1,841)
Net loss for the financial period	<b>(4,623)</b>	<b>(7,059)</b>

Pro Forma net Loss and EBITDA (pre-SFRS16) for the financial period as follows:

	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Pro forma net loss for the financial period (after excluded loss fair value on convertible securities and loss on unrealised foreign exchange)	(1,699)	(5,218)

Pro forma EBITDA loss (after excluded pre-SFRS16 effects, loss on fair value on convertible securities and loss on unrealised foreign exchange)	(814)	(1,453)
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Cinema business revenue decreased by approximately S\$3.1 million or 11.6%, from S\$26.7 million in 1H FY2023 to S\$23.6 million in 1H FY2024, was mainly due to the closure of three (3) cinema outlets in Singapore. With the closure of three (3) cinema outlets, the net loss for the financial period has reduced from S\$7.1 million to S\$4.6 million. The pro forma net loss has narrowed by approximately S\$3.5 million or 67.3%, from pro forma net loss of S\$5.2 million in 1H FY2023 to pro forma net loss of S\$1.7 million in 1H FY2024, after the savings in high operating costs from the closure of these 3 outlets. Consequently, the Cinema business' pro forma EBITDA has also improved from EBITDA loss of S\$1.5 million in 1H FY2023 to EBITDA loss of S\$0.8 million in 1H FY2024, an improvement of S\$0.7 million or 46.7%.

### Loss before income tax

As a result of the aforementioned, the Group's profit before income tax has increased by approximately S\$12.9 million or 716.7%, from S\$1.8 million in 1H FY2023 to S\$14.7 million in 1H FY2024. The improvement of the performance was mainly attributed to all the Group's business segments, particularly the Concert and Event business's financial performance.

## REVIEW OF FINANCIAL POSITION

### 31 March 2021 compared to 31 March 2022

#### Current Assets

Current assets increased by S\$4.4 million or 2.2%, from S\$203.9 million in FY2021 to S\$208.3 million in FY2022 contributed by:

- (i) a net decrease of trade and other receivables by approximately S\$9.7 million or 8.6% from S\$112.6 million in FY2021 to S\$102.9 million in FY2022. The net movement comprising the following:
  - (a) total net decrease in trade receivables and unbilled receivables by approximately S\$8.8 million, from S\$76.3 million in FY2021 to S\$67.5 million; and
  - (b) net decrease in other receivables for approximately S\$0.9 million, mainly due to post-production segment's reclassification of deposit paid of S\$1.48 million to films intangible and inventory as the acquisitions were completed in FY2022;
- (ii) an increase in cash and cash equivalents by approximately S\$2.5 million or 20.7%, from S\$12.1 million in FY2021 to S\$14.6 million in FY2022, was mainly due to cash inflows generated from operation of S\$26.2 million in FY2022, cash used in investing of S\$5.5 million in FY2022 and cash used in financing activities of S\$17.9 million in FY2022 (refer to Review of Cash Position for details);
- (iii) an increase in other current assets (i.e., costs incurred by the Group in fulfilling a contract with its customers (third party commissioned projects) for ongoing projects and to be recognised as cost of sales upon completion) by approximately S\$7.6 million or 10.0%, from S\$75.9 million in

FY2021 to S\$83.5 million in FY2022, was mainly due to projects cost incurred for ongoing drama productions to represent the Group's right to consideration for dramas and films production not billed in FY2022; and

- (iv) an increase in film products and films under production by approximately S\$4.9 million or 445.5%, from S\$1.1 million in FY2021 to S\$6.0 million in FY2022, was mainly due to completed film products that had yet to be released commercially.

### **Non-current assets**

Non-current assets decreased by S\$49.2 million or 11.7%, from S\$419.9 million in FY2021 to S\$370.7 million in FY2022, and was contributed by:

- (i) a decrease in financial assets at fair value through profit or loss by S\$1.5 million was mainly due to completion of the sales of the financial assets/unquoted investments by post-productions segment;
- (ii) a decrease in property, plant and equipment ("PPE") by approximately S\$28.2 million or 32.0% was mainly due to depreciation expenses of approximately S\$26.7 million and PPE written off of S\$0.8 million and derecognition of right-of-use of S\$2.8 million in Cinema segment;
- (iii) a decrease in film rights by S\$4.7 million or 14.1% was mainly due to amortisation incurred during financial year; and
- (iv) an increase in film intangibles and film inventories by S\$0.8 million or 4.1% was mainly attributable to additions in film inventories in Core segment and post-production segment for S\$3.9 million and S\$1.8 million respectively, is seeking for further expansion of its business opportunities and revenue streams. These partly offsets by amortisation of film intangibles and film inventories of approximately S\$2.7 million and recognition of impairment losses of S\$2.4 million.

### **Current liabilities**

Current liabilities decreased by S\$38.7 million or 12.0% from S\$323.4 million in FY2021 to S\$284.7 million in FY2022, was contributed by:

- (i) a net increase in trade and other payable by S\$12.5 million or 15.8% arising from (a) increase in trade payables by S\$5.6 million as in line with increase in cost of sales and (b) increase in other payables by S\$6.9 million due to deposit received amounted to S\$3.5 million pertaining to the potential subscriptions of Group/Company's convertible bonds;
- (ii) a net decrease in contract liabilities (advance billing but services yet to be delivered and to be recognised as revenue upon completion) by S\$1.0 million or 11.0% was mainly due to progress billing for ongoing projects were recognised as revenue when fulfilled its performance obligations and in line with increase revenue;
- (iii) a decrease in short-term borrowings by approximately S\$38.3 million or 19.9%, from S\$192.7 million in FY2021 to S\$154.4 million in FY2022, was mainly due to full redemption of MTN on 27 April 2021; and
- (iv) a decrease in lease liabilities by S\$5.1 million or 15.3% was mainly attributable to Cinema segment's rental concession received from landlords and repayment of lease liabilities.

## **Non-current liabilities**

Non-current liabilities decreased by approximately S\$34.3 million or 27.2%, from S\$126.2 million in FY2021 to S\$91.9 million in FY2022, mainly due to the reclassification from non-current to current liabilities and lower lease liabilities due to the closure of cinema sites in Malaysia.

### **31 March 2022 compared to 31 March 2023**

#### **Current assets**

Current assets increased by S\$19.4 million or 9.3%, from S\$208.3 million to S\$227.7 million contributed by:

- (i) a net decrease in trade and other receivables by approximately S\$4.3 million or 4.2% from S\$102.9 million to S\$98.6 million mainly attributable to the Core Business;
- (ii) a decrease in cash and cash equivalents by approximately S\$5.2 million or 35.6%, from S\$14.6 million to S\$9.4 million, mainly due to cash provided by operating activities of S\$8.9 million in FY2023, cash utilised in investing activities of S\$1.3 million in FY2023 and in financing activities of S\$12.3 million in FY2023; and
- (iii) an increase in other current assets (i.e. costs incurred by the Group in fulfilling a contract with its customers (third party commissioned projects) for ongoing projects) by approximately S\$31.9 million or 38.2%, from S\$83.5 million to S\$115.4 million due to increase of the number of ongoing projects. These project costs will be recognised as the cost of sales to match its revenue upon completion.

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

Non-current assets decreased by S\$169.3 million or 45.7%, from S\$370.7 million to S\$201.4 million contributed by:

- (i) a decrease in other receivables and deposits by S\$18.1 million or 90.5% was mainly due to reclassification to intangible assets as the Group's Concert and Event segment obtaining the intellectual property right from the non-related party amounting to S\$14.3 million;
- (ii) an increase in investments in associated companies by S\$90.0 million, after the Management determined that the Company had loss of control of mm Connect Pte. Ltd and subsequently, the Company's investment in mm Connect Pte. Ltd. is classified as an associated company as at 31 March 2023;
- (iii) a decrease in property, plant and equipment (including right-of-use assets) by approximately S\$44.6 million or 74.6% was mainly due to depreciation charge in FY2023 and deconsolidation of the Cinema Operations; and
- (iv) a decrease in intangible assets and goodwill by S\$191.0 million was mainly due to the deconsolidation of the Cinema Operations.

## **Current liabilities**

Current liabilities decreased by S\$78.5 million or 27.6%, from S\$284.6 million to S\$206.1 million, contributed by:

- (i) a net decrease in trade and other payable by S\$21.1 million or 23.0%, mainly due to the deconsolidation of the Cinema Operations;
- (ii) a net increase in contract liabilities (i.e. advance billing but services yet to be delivered to clients and to be recognised as revenue upon services completed) by S\$8.4 million or 103.7% was mainly attributable to the Core Business (approximately S\$10.6 million) due to higher in advance billings for ongoing projects;
- (iii) a decrease in short-term borrowings by approximately S\$36.8 million or 23.8%, from S\$154.4 million to S\$117.6 million. The reduction is mainly due to the deconsolidation of Cinema Operations' borrowings and other borrowings of the Group's segments has become due within next 12 months; and
- (iv) a net decrease in lease liabilities by S\$27.8 million or 98.9% was mainly due to the deconsolidation of Cinema Operations.

## **Non-current liabilities**

Non-current liabilities increased by approximately S\$39.4 million or 42.8%, from S\$92.0 million to S\$131.4 million, mainly attributable to:

- (i) the recognition of financial guarantee issued by the Company to the Cinema Operations amounting to S\$14.5 million, of which S\$1.1 million was recognised in current other payables and S\$13.4 million in non-current other payables in line with the maturity of the borrowings of the Cinema Operations; and
- (ii) the issuance of the S\$54.0 million Exchangeable Bonds by the Company on 30 December 2022 with a maturity of three-anniversary of the issue date.

## **31 March 2023 compared to 30 September 2023**

### **Current assets**

Current assets increased by S\$42.7 million or 18.8%, from S\$227.7 million to S\$270.4 million contributed by:

- (i) a net increase in trade and other receivables by approximately S\$21.7 million or 22.0% from S\$98.6 million to S\$120.3 million mainly attributable to the Content business;
- (ii) an increase in cash and cash equivalents by approximately S\$8.5 million or 90.4%, from S\$9.4 million to S\$17.9 million, mainly due to cash provided by operating activities of S\$24.3 million, cash used in investing activities and financing activities of S\$3.5 million and S\$12.0 million respectively (refer to Review of Cash Position for details); and
- (iii) an increase in other current assets (i.e. costs incurred by the Group in fulfilling a contract with its customers (third party commissioned projects) for ongoing projects by approximately S\$12.6

million or 10.9%, from S\$115.4 million to S\$128.0 million due to an increase of number of ongoing projects. These project costs will be recognised as the cost of sales upon completion.

### **Non-current assets**

Non-current assets increased by S\$0.7 million or 0.3%, from S\$201.4 million to S\$202.1 million contributed by:

- (i) an increase in property, plant and equipment (including right-of-use assets) by approximately S\$2.3 million or 15.1% was mainly due to the Concert and Event business;
- (ii) an increase in film intangibles and film inventories by approximately S\$3.2 million or 15.8% was mainly due to the Content business;

partially offset by:

- (i) a decrease in investments in associated companies by S\$3.0 million or 3.2% mainly due to the share of losses of associated companies, particularly mm Connect Pte. Ltd.; and
- (ii) a decrease in film rights by approximately S\$1.8 million or 7.6% was mainly due to amortisation expenses of S\$1.8 million.

### **Current liabilities**

Current liabilities increased by S\$31.1 million or 15.1%, from S\$206.1 million to S\$237.2 million contributed by:

- (i) a net increase in trade and other payable by S\$35.6 million or 50.4%, mainly attributed by Content business; and
- (ii) a decrease in short-term borrowings by approximately S\$7.8 million or 6.6%, from S\$117.6 million to S\$109.8 million mainly due to repayment of bank borrowings.

### **Non-current liabilities**

Non-current liabilities increased by approximately S\$1.7 million or 1.3%, from S\$131.4 million to S\$133.1 million mainly due to (i) higher borrowings from the issuance of Convertible securities amounted to S\$12.0 million by a subsidiary, mmLive Pte. Ltd.; and partially offset (ii) reduction of last financial year's long-term trade payable/financial guarantee for mm Connect Pte. Ltd. due to the settlement of mm Connect securities bonds.

## REVIEW OF CASH POSITION

### FY2022 as compared to FY2021

As at 31 March 2022 (FY2022), the Group's cash and cash equivalents amounted to approximately S\$13.6 million, including overdraft of S\$1 million; as compared to S\$10.8 million, including overdraft of S\$1.3 million; as at 31 March 2021 (FY2021). The increase in cash and cash equivalents mainly arose from:

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

In FY2022, the non-cash adjustments to operating activities, other than interest, tax, depreciation and amortisation, mainly contributed by:

- (i) property, plant and equipment written off S\$0.8 million; and
- (ii) rental concessions/ rebates from landlord S\$4.3 million.

Accordingly, the Group generated approximately S\$25.9 million net cash inflows from operating activities before net working capital changes in FY2022 as compared to S\$15.1 million net cash inflows from operating activities before net working capital changes in FY2021.

After applying net working capital changes, it generated net cash inflows of approximately S\$26.2 million in FY2022 (FY2021: net cash inflows S\$2.2 million). The net working capital changes are derived from:

- (i) a net decrease in receivables mainly due to (a) net decrease in trade and other receivables S\$5 million due to reductions of long outstanding receivables; partially offset by (b) net decrease in other receivables for approximately S\$0.3 million;
- (ii) a net increase in other current assets of S\$14.0 million due to increase in project in progress;
- (iii) a net increase in film intangible and film inventories of S\$4.2 million due to additions amounted S\$2.9 million from Post-productions segment;
- (iv) a net increase in trade and other payables of S\$15.8 million as in line with increase in cost of sales;
- (v) a net decrease in contract liabilities of S\$1.0 million due to increase in progress billing for ongoing projects; and
- (vi) corporate tax payments of S\$0.7 million during the year.

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

In FY2022, net cash outflows from investing activities amounted to approximately S\$5.5 million as compared to S\$9.1 million outflows in FY2021, was mainly contributed by additional film right of S\$5.3 million, offset by the proceeds from the sales of an unquoted investments for approximately S\$1.9 million by Post-production segment.

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

In FY2022, net cash outflows from financing activities amounted to approximately S\$17.9 million (FY2021: net cash outflows S\$10.2 million), mainly contributed by:

- (i) proceeds from bank borrowings approximately S\$26.6 million mainly derived from Core business and Event segments;
- (ii) net proceeds from issuance of rights shares and new ordinary shares for approximately S\$52.2 million and S\$6.0 million by the Company respectively;
- (iii) proceeds from the issuance of convertible securities for S\$1.0 million by Cinema segment;
- (iv) repayment of borrowings for S\$86.4 million was mainly derived from Core segments and redemption of MTN;
- (v) repayment of lease liabilities of S\$18.9 million was mainly contributed by Cinema segment; and
- (vi) interest payments of S\$10.4 million (comprising interest on bank borrowing of S\$8.2 million and lease liabilities of S\$2.2 million).

### **FY2023 as compared to FY2022**

As at 31 March 2023, the Group's cash and cash equivalents, net of bank overdraft, amounted to approximately S\$8.9 million, as compared to S\$13.6 million in the previous financial year. The decrease in cash and cash equivalents mainly attributable to the following:

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

In FY2023, the non-cash adjustments to operating activities (comprised of continuing and discontinued operations), other than interest, tax, depreciation and amortisation, mainly contributed by:

- (i) impairment losses of S\$117.7 million;
- (ii) loss on unrealised foreign exchange of S\$4.3 million;
- (iii) loss on fair value changes in financial instruments of S\$21.6 million; and
- (iv) gain on deconsolidation of a subsidiary of S\$31.8 million.

Accordingly, the Group generated approximately S\$39.2 million net cash inflow from operating activities before net working capital changes of continued and discontinued operations in FY2023 compared to S\$26.0 million net cash inflow from operating activities before net working capital changes in FY2022.

After applying net working capital changes, it generated net cash inflows of approximately S\$8.9 million in FY2023 (FY2022: S\$26.2 million). The net working capital changes are derived from the following:

- (i) a net decrease in trade and other receivables of S\$1.2 million;
- (ii) a net increase in other current assets of S\$32.8 million due to higher project costs incurred and a higher number of projects;

- (iii) a net decrease in trade and other payables of S\$6.0 million;
- (iv) a net increase in contract liabilities of S\$10.5 million due to an increase in progress billing for ongoing projects; and
- (v) corporate tax payments of S\$1.9 million during the year.

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

In FY2023, the net cash outflows from investing activities amounted to approximately S\$1.3 million as compared to S\$5.5 million outflows in FY2022 were mainly contributed by (i) the addition of property, plant and equipment of S\$1.0 million and (ii) deconsolidation of a subsidiary's cash balance of approximately S\$0.8 million.

#### **Net cash used in financing activities**

In FY2023, net cash utilised in financing activities amounted to approximately S\$12.3 million (FY2022: S\$17.9 million), mainly contributed by:

- (i) proceeds from bank borrowings of approximately S\$30.7 million mainly derived from the Core Business;
- (ii) proceeds from the issuance of Exchangeable Bonds for S\$54.0 million by the Company;
- (iii) proceeds from the issuance of ordinary shares pursuant to the private placement occurred in the previous financial year, for approximately S\$9.8 million by the Company;
- (iv) proceeds from the issuance of new convertible securities for S\$15.4 million by the Cinema Operations;
- (v) repayment of borrowings for S\$85.8 million was mainly derived from the Core and Cinema Operations;
- (vi) repayment of lease liabilities of S\$23.6 million was mainly contributed by the Cinema Operations; and
- (vii) interest payments of S\$12.7 million (comprising interest on bank borrowing of S\$10.8 million and interest on lease liabilities of S\$1.9 million).

As a result, the Group recorded a net cash decrease of approximately S\$4.6 million in FY2023, compared to a net cash increase of approximately S\$2.8 million in FY2022.

#### **1H FY2024 as compared to 1H FY2023**

As at 30 September 2023, the Group's cash and cash equivalents, net of bank overdraft, amounted to approximately S\$17.6 million, as compared to S\$4.3 million in the corresponding period. The increase in cash and cash equivalents mainly arose from:

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

In current reporting period, the non-cash adjustments to operating activities, other than interest, tax, depreciation and amortisation, mainly contributed by:

- (i) share of losses of associated companies of S\$4.7 million; and
- (ii) loss on unrealised foreign exchange of S\$0.3 million.

Accordingly, the Group generated approximately S\$33.3 million net cash inflow from operating activities before net working capital changes as compared to S\$19.3 million net cash inflow from operating activities before net working capital changes in the previous corresponding period.

After applying net working capital changes, it generated net cash inflows of approximately S\$24.3 million (previous corresponding period: net cash outflows S\$4.5 million). The net working capital changes are derived from:

- (i) a net increase in trade and other receivables of S\$22.2 million mainly attributed by Content business;
- (ii) a net increase in other current assets of S\$13.4 million due to higher project costs incurred and a higher number of projects;
- (iii) a net increase in film intangible and film inventories of S\$3.8 million;
- (iv) a net increase in trade and other payables of S\$31.3 million was mainly due higher business activities;
- (v) a net decrease in contract liabilities of S\$0.8 million due to higher completion of projects; and
- (vi) corporate tax payments of S\$0.2 million during the period is mainly from Content business.

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

In current reporting period, net cash outflows from investing activities amounted to approximately S\$3.5 million as compared to S\$0.2 million outflows in the previous corresponding period, was mainly due to addition of property, plant and equipment of S\$3.6 million contributed by Concert and Event business.

### **Net cash used in financing activities**

In current reporting period, net cash outflows from financing activities amounted to approximately S\$12.0 million (previous corresponding period: net cash outflows S\$4.7 million), mainly contributed by:

- (i) proceeds from bank borrowings approximately S\$14.3 million mainly derived from the Content business;
- (ii) proceeds from the issuance of new convertible securities for S\$12.0 million by the mmLive Pte. Ltd.;
- (iii) repayment of borrowings for S\$34.3 million was mainly derived from the Content and Concert and Event business;
- (iv) repayment of lease liabilities of S\$0.3 million was mainly contributed by the Content and Digital Entertainment business; and
- (v) interest payments of S\$3.8 million (comprising interest on borrowings of S\$3.7 million and interest on lease liabilities of S\$0.1 million).

As a result, the Group recorded a net cash increase of approximately S\$8.7 million in the current reporting period, as compared to a net cash decrease of approximately S\$9.3 million in previous corresponding period.



**mm2 Asia Ltd.**

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

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“EGM”) of the Company will be held at 87 Science Park Drive, The Oasis, Level 4 Auditorium, Singapore 118260 on 22 December 2023 at 1.30 p.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions with or without any modifications.

*All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular to Shareholders of the Company dated 7 December 2023.*

**ORDINARY RESOLUTION 1:**

**THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE**

RESOLVED THAT:

- (a) a proposed renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 1,776,154,610 new Shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.02 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, be and is hereby approved;
- (b) authority be and is hereby given to Directors to undertake the proposed Rights Issue, provisionally allot and issue the Rights Shares at the Issue Price on the basis of one (1) Rights Share for every two (2) existing Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, and allot and issue the Rights Shares at the Issue Price on the terms and conditions set out below and/or on such other terms and conditions (including the basis of provisional allotments of the Rights Shares) as the Directors may in their absolute discretion and from time to time think fit:
  - (i) the provisional allotment of the Rights Shares shall be made on a renounceable basis to Entitled Shareholders;
  - (ii) allot and issue the Rights Shares at the Issue Price;
  - (iii) no provisional allotment of the Rights Shares shall be made to Foreign Shareholders unless otherwise determined by the Directors that the Rights Shares may be offered based on applicable securities legislation;
  - (iv) the provisional allotment of the Rights Shares which would otherwise accrue to Foreign Shareholders or Shareholders who are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue may be disposed of, or dealt with, by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the provisional allotment relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) among such Foreign Shareholders or Shareholders who are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue in proportion to their respective shareholdings as at the Record Date provided that if the amount to be distributed to any single Foreign Shareholder or Shareholder who is restricted or prohibited by the laws of the jurisdiction in which it is located or resident from participating in the Rights Issue or persons acting to the account or benefit of any such persons is less than S\$10.00, such amount shall instead be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company;

- (v) fractional entitlements to the Rights Shares shall be aggregated and used with the provisional allotment of the Rights Shares which are not taken up or allotted for any reason to satisfy Excess Applications for the Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company (including the allotment and issue of Rights Shares to satisfy any subscription of unsubscribed Rights Shares under the Rights Issue pursuant to the Irrevocable Undertaking). In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. As such, none of OHL or GSH will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares; and
  - (vi) the Rights Shares when allotted and issued will rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Rights Shares; and
- (c) the Directors be and are hereby authorised to complete and do all such acts and things (including but not limited to finalising, approving and executing all such documents as may be required in connection with the Rights Issue, the issue of the provisional allotments of the Rights Shares and the issue of the Rights Shares, and making amendments or modifications to the terms and conditions of the Rights Issue (including the Issue Price)), and to exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or to give full effect to this resolution, the Rights Issue and the allotment and issue of the Rights Shares.

#### **ORDINARY RESOLUTION 2:**

##### **THE TRANSFER OF CONTROLLING INTEREST TO OHL**

RESOLVED THAT:

Contingent upon the passing of the above resolution in relation to the proposed renounceable non-underwritten rights issue set out herein in this Notice of EGM:

- (a) approval be and is hereby given to the allotment and issuance by the Company of the OHL Entitled Rights Shares and/or OHL Excess Rights Shares to OHL who acquires a Controlling Interest in the Company on and subject to the terms of the Irrevocable Undertaking, to the extent that such allotment and issuance by the Company of Rights Shares constitute a transfer of Controlling Interest in the Company pursuant to Rule 803 of the Listing Manual; and
- (b) the Directors be and are hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with, and to give effect to the matters referred to in paragraph (a) of this Resolution as he shall think fit and in the interests of the Company.

#### **ORDINARY RESOLUTION 3:**

##### **THE TRANSFER OF CONTROLLING INTEREST TO GSH**

RESOLVED THAT:

Contingent upon the passing of the above resolution in relation to the proposed renounceable non-underwritten rights issue set out herein in this Notice of EGM:

- (a) approval be and is hereby given to the allotment and issuance by the Company of the GSH Entitled Rights Shares and/or the GSH Excess Rights Shares to GSH who acquires a Controlling Interest in the Company on and subject to the terms of the Irrevocable Undertaking, to the extent that such allotment and issuance by the Company of Rights Shares constitute a transfer of Controlling Interest in the Company pursuant to Rule 803 of the Listing Manual; and

- (b) the Directors be and are hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with, and to give effect to the matters referred to in paragraph (a) of this Resolution as he shall think fit and in the interests of the Company.

BY ORDER OF THE BOARD

**Lissa Siau Kuei Lian**

Company Secretary

Singapore, 7 December 2023

**Notes:**

*Unless otherwise defined, all capitalised terms used herein shall have the same meanings as the Circular dated 7 December 2023.*

- (1) The EGM will be held, in a wholly physical format, at 87 Science Park Drive, The Oasis, Level 4 Auditorium, Singapore 118260 on 22 December 2023 at 1.30 p.m. **There will be no option for Shareholders to participate virtually.**
- (2) The documents and information relating to the EGM (including the Circular, Notice of EGM and Proxy Form) have been made available on SGXNet and the Company's website and may be accessed at the following URLs:
- (a) <https://www.sgx.com/securities/company-announcements>; and
- (b) <https://www.mm2asia.com/announcement.php>.

Nevertheless, printed copies of the Notice of EGM and the Proxy Form will be despatched to Shareholders. Shareholders may request physical copies of this Circular by filling out the Request Form and returning it to the Company by post to the Company's registered office at 1002 Jalan Bukit Merah #07-11 Redhill Industrial Estate Singapore 159456; or if by electronic mail to [ir@mm2asia.com](mailto:ir@mm2asia.com) enclosing a clear scanned completed and signed Request Form, to be received by the Company no later than 15 December 2023.

(3) **Submission of Questions in Advance of the EGM**

- (a) All Shareholders may submit substantial and relevant questions relating to the business of the EGM up till 14 December 2023 at 5.00 p.m. either:
- (i) via post to Company's registered office at 1002 Jalan Bukit Merah #07-11 Redhill Industrial Estate Singapore 159456; or
- (ii) via electronic mail to [ir@mm2asia.com](mailto:ir@mm2asia.com).

Shareholders who submit questions in advance of the EGM 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 the Central Provident Fund ("CPF"), Supplementary Retirement Scheme ("SRS") or other Relevant Intermediary, for our verification purposes.

- (b) The Company will endeavour to address all substantial and relevant questions:
- (i) (if received by the deadline set out in section 3(a) above) before the EGM, by 17 December 2023 via an announcement on SGXNet and the Company's website; or
- (ii) (if received after the deadline set out in section 3(a) above) during the EGM.
- (c) The Company will also, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company's website, and the minutes will include the responses to the questions received from Shareholders which were addressed during the EGM.

(4) **Voting**

Shareholders who wish to exercise their voting rights at the EGM may:

- (a) (where the Shareholder is an individual) attend and vote at the EGM; or
- (b) (where the Shareholder is an individual or a corporation) appoint a proxy to vote on their behalf.

Each of the resolutions to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of poll.

Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the EGM via proxy must submit a form of proxy to appoint the proxy ("**Proxy Form**"). The Proxy Form must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged at the office of the Company's registered office at 1002 Jalan Bukit Merah #07-11 Redhill Industrial Estate Singapore 159456; or

(b) if submitted electronically, be submitted via email to [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case **no later than 1.30 p.m. on 19 December 2023, being 72 hours before the time appointed for the EGM.**

A member can appoint the Chairman of the EGM as his/her/its proxy, but this is not mandatory. A proxy need not be a member of the Company.

In the case of submission of the Proxy Form appointing the Chairman of the EGM as proxy, it must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

An investor who holds shares through CPF or SRS and wishes to vote, should approach their respective CPF Agent Banks (i.e. the agent banks approved by CPF) or SRS Operators (i.e. the agent banks included in the SRS) to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM (i.e. 13 December 2023).

The name of a Depositor (as defined under Section 81SF of the Securities and Futures Act 2001 of Singapore) must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

#### (5) **Voting Results**

An independent scrutineer will be appointed by the Company to direct and supervise the counting and validation of all valid votes cast at the EGM. The voting results will be announced during the EGM and the Company will also issue an announcement on SGXNet on the results of the resolutions put to vote at the EGM.

“**Relevant Intermediary**” has the same meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

#### **PERSONAL DATA PRIVACY**

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

#### **IMPORTANT NOTICE**

This notice is for information only and does not constitute or form part of any offer or invitation to sell or issue or subscribe for or any solicitation of any offer to acquire, any Rights Shares or to take up any entitlements to Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. No person should acquire any Rights Shares except on the basis of the information contained in an offer information statement to be lodged by the Company with the Monetary Authority of Singapore. The information contained in this notice should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of Rights Shares and the acquisition or purchase of the Rights Shares are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

The distribution of this notice into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this notice and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this notice.

## mm2 Asia Ltd.

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

### IMPORTANT

1. The EGM will be held, in a wholly physical format, at 87 Science Park Drive, The Oasis, Level 4 Auditorium, Singapore 118260 on 22 December 2023 at 1.30 p.m. There will be no option for Shareholders to participate virtually.
2. Unless otherwise defined, all capitalised terms used herein shall have the same meanings as the Circular dated 7 December 2023.
3. Pursuant to Section 181 of the Companies Act 1967 of Singapore, Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the EGM.
4. For Central Provident Fund ("CPF") / Supplementary Retirement Scheme ("SRS") investors who have used their CPF / SRS monies to buy Shares in mm2 Asia Ltd., this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective agent banks if they have any queries regarding their appointment as proxies.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 7 December 2023.

## PROXY FORM – EXTRAORDINARY GENERAL MEETING

I/We \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC/Passport/Company Registration No.)

of \_\_\_\_\_ (Address)

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

Name	Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	(%)

\*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	(%)

or failing \*him/her, the Chairman of the EGM of the Company, as \*my/our \*proxy/proxies to attend, speak and to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at 87 Science Park Drive, The Oasis, Level 4 Auditorium, Singapore 118260 on 22 December 2023 at 1.30 p.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion.

No.	Ordinary Resolutions	No. of Votes 'For'***	No. of Votes 'Against'***	No. of Votes 'Abstain'***
1.	To approve the Proposed Renounceable Non-Underwritten Rights Issue			
2.	To approve the Transfer of Controlling Interest to OHL			
3.	To approve the Transfer of Controlling Interest to GSH			

\*Delete where inapplicable

\*\*If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for the resolution, you are directing your proxy not to vote on the resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Shareholder(s) /  
Common Seal of Corporate Shareholder

\_\_\_\_\_  
Date

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:**

1. Please insert the total number of ordinary shares in the issued share capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the register of members kept by the Share Registrar (“**Register of Members**”), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. Shareholders who wish to exercise their voting rights at the EGM may:
  - (a) (where the Shareholder is an individual) attend and vote at the EGM; or
  - (b) (where the Shareholder is an individual or a corporation) appoint a proxy to vote on their behalf.

Each of the resolutions to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of poll.

Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the EGM via proxy must submit a Proxy Form to appoint the proxy. The Proxy Form must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged at the office of the Company’s registered office at 1002 Jalan Bukit Merah #07-11 Redhill Industrial Estate Singapore 159456; or
- (b) if submitted electronically, be submitted via email to [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case **no later than 1.30 p.m. on 19 December 2023, being 72 hours before the time appointed for the EGM.**

3. A member can appoint the Chairman of the EGM as his/her/its proxy, but this is not mandatory. A proxy need not be a member of the Company.
4. In the case of submission of this Proxy Form appointing the Chairman of the EGM as proxy, it must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
5. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. An investor who holds shares through CPF or SRS and wishes to vote, should approach their respective CPF Agent Banks (i.e. the agent banks approved by CPF) or SRS Operators (i.e. the agent banks included in the SRS) to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM (i.e. 13 December 2023).
7. The name of a Depositor (as defined under Section 81SF of the Securities and Futures Act 2001 of Singapore) must appear on the Depository Register maintained by The Central Depository (Pte) Limited (“**CDP**”) as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

“**Relevant Intermediary**” has the same meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 7 December 2023.

## CIRCULAR PRINT COPY REQUEST FORM

7 December 2023

Dear Shareholders,

We are pleased to enclose printed copies of the Notice of Extraordinary General Meeting (“**EGM**”) and Proxy Form for the EGM to be held on 22 December 2023. Printed copies of the Circular will NOT be sent to Shareholders unless requested by the Shareholders via the submission of this Request Form.

In line with the Company’s corporate social responsibility initiatives and environmental sustainability efforts and as permitted under the Company’s Constitution, we are implementing the use of electronic communications and sincerely hope that you will join our sustainability efforts and embrace electronic communications. In this regard, the Circular has been published and is made available for download or online viewing at SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <http://www.mm2asia.com/announcement.php>. You will need an internet browser and PDF reader to view these documents.

However, if you still wish to receive a printed copy of the Circular, please complete the Request Form below and return it to the Company by post to the Company’s registered office at 1002 Jalan Bukit Merah #07-11 Redhill Industrial Estate Singapore 159456; or if by electronic mail to [ir@mm2asia.com](mailto:ir@mm2asia.com) enclosing a clear scanned completed and signed Request Form, to be received by the Company, no later than 15 December 2023.

By completing, signing and returning the Request Form to us, you agree and acknowledge that we and/or our service provider may collect, use and disclose your personal data, as contained in your submitted Request Form or which is otherwise collected from you (or your authorised representative(s)), for the purpose of processing and effecting your request.

Yours faithfully

**Melvin Ang Wee Chye**  
Founder & Executive Chairman

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## CIRCULAR PRINT COPY REQUEST FORM

To: **mm2 Asia Ltd.**  
1002 Jalan Bukit Merah  
#07-11 Redhill Industrial Estate  
Singapore 159456

Please send me a printed copy of the Circular for the Extraordinary General Meeting to be held on 22 December 2023.

Name of Shareholder :

NRIC/Passport Number/  
Company Registration Number :

Mailing address :

The manner in which you hold shares in the Company :  CDP Securities Account  
 CPF/SRS Account  
 Physical Scrip

Signature:

Date:

*Note: This request is valid for the Circular for the Extraordinary General Meeting to be held on 22 December 2023*