



## mm2 Asia Ltd.

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

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### PROPOSED ISSUE OF UP TO S\$93,040,000 IN AGGREGATE PRINCIPAL AMOUNT OF CONVERTIBLE DEBT SECURITIES BY MM CONNECT PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF MM2 ASIA LTD.

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#### 1. INTRODUCTION

The board of directors (the "**Directors**") of mm2 Asia Ltd. (the "**Company**", and, together with its subsidiaries, the "**Group**") refers to the announcements made by the Company on 13 June, 28 June, and 3 July 2017 in relation to the proposed acquisition of a stake in the Golden Village Cinema Business in Singapore (the "**Proposed Acquisition**"), to be undertaken through a wholly-owned subsidiary of the Company, MM Connect Pte. Ltd. (the "**Issuer**").

In connection with the Proposed Acquisition, the Directors wish to announce that the Issuer has on 18 July 2017 entered into subscription agreements (the "**Subscription Agreements**") with certain subscribers ("**Subscribers**") in connection with the issuance by the Issuer of an aggregate of S\$93,040,000 convertible notes ("**Convertible Notes**") and convertible bonds ("**Convertible Bonds**" and, together with the Convertible Notes, the "**Convertible Securities**").

#### 2. KEY TERMS OF THE CONVERTIBLE SECURITIES

##### 2.1 Interest, Maturity and Conversion (if applicable)

Under the Subscription Agreements, the Convertible Securities will bear interest at the rate of 2% per annum, which shall, along with the principal, be payable in cash on maturity, being the third anniversary of the date of issuance of the Convertible Securities provided that, in the case of the Convertible Bonds, if the IPO has taken place on or before such third anniversary, on the second anniversary of the date on which the IPO is launched (the "**Maturity Date**").

The Convertible Notes may, in addition, be converted into fully paid up shares in the Issuer in the event that the Issuer seeks an initial public offering ("**IPO**") prior to the Maturity Date, at a conversion price set at a 15% discount to the IPO price, at the election of the Subscribers.

The Convertible Bonds may, in addition, be converted into fully paid up shares in the Issuer if the Issuer achieves an IPO prior to the Maturity Date in the following circumstances:-

- (i) at the option of the Subscribers at any time prior to the second anniversary of such IPO, at a conversion price set at a 20% premium to the IPO price (the "**CB Conversion Price**"); or
- (ii) at the option of the Issuer for so long as the Convertible Bonds are outstanding, in the event that closing price of the Issuer's shares on the relevant stock exchange exceeds 150% of the CB Conversion Price for 30 consecutive trading days, at the CB Conversion Price.

Each Subscription Agreement provides for the Subscribers to subscribe for Convertible Notes and Convertible Bonds in the ratio of 1:2.

## **2.2 No Voting Rights**

For the avoidance of doubt, the Convertible Securities constitute debt instruments and will not carry any voting rights in the Issuer or the right to participate in any dividend or other distribution by the Issuer.

## **2.3 Guarantee by the Company**

In consideration of the Subscribers subscribing for the Convertible Securities, the Company has provided a continuing guarantee for the due and punctual payment by the Issuer of its obligations under the Subscription Agreements.

## **2.4 Use of Proceeds**

The Board intends to use the proceeds of the Convertible Securities for the Proposed Acquisition, the Group's cinema business and/or for its working capital requirements.

As the Convertible Securities bear interest at a rate of 2%, which is below the interest payable on the Group's current bank borrowings, and is convertible into new fully paid shares under certain circumstances, the Board believes that the Subscription Agreements are in the best interest of the Group to fund its current business and working capital needs.

## **3. INTERESTED PERSON TRANSACTIONS WITH THE GROUP**

As at the date of this announcement, Mr Melvin Ang, the Executive Chairman of the Group and a controlling shareholder, holding 40.81% of the issued and paid-up share capital of the Company, has entered into a Subscription Agreement to subscribe for S\$3,000,000 in Convertible Notes and S\$6,000,000 in Convertible Bonds. The total maximum amount of interest payable by the Issuer to him over the tenor of the Convertible Securities would be S\$808,108.82.

Mr Ang Wee Gee, Mr Melvin Ang's brother and therefore his Associate (as defined in the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**")), who holds 1.51%

of the issued and paid-up share capital of the Company as at the date of this announcement, has also entered into a Subscription Agreement to subscribe for S\$3,000,000 in Convertible Notes and S\$6,000,000 in Convertible Bonds. The total maximum amount of interest payable by the Issuer to him over the tenor of the Convertible Securities would be S\$808,108.82.

Under Chapter 9 of the Catalist Rules, Mr Melvin Ang and Mr Ang Wee Gee would be regarded as "interested persons". Accordingly, the Subscription Agreements entered by them constitute "interested person transactions" under Chapter 9 of the Catalist Rules.

In accordance with Rule 909(3), in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. Accordingly, the total maximum amount of interest payable to both Mr Melvin Ang and Mr Ang Wee Gee under the Subscription Agreement being S\$1,616,217.64, amounts to 3.31% of the Group's latest audited net tangible assets and does not exceed the 5% threshold. As such, no shareholders' approval is required for these Subscription Agreements under the Catalist Rules.

Save as set out above, none of the other Subscribers are directors, executives or controlling shareholders of the Company.

#### **4. COMPLETION**

Completion under the Subscription Agreements is expected to take place on or about 18 July 2017.

#### **By Order of the Board**

Melvin Ang Wee Chye  
Executive Chairman  
18 July 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr. Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581. Telephone (65) 64159886.*