

MM2 ASIA LTD.

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

PROPOSED PLACEMENT AND UPSIZE OPTION OF UP TO 2,352,942,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.017 PER PLACEMENT SHARE

- ENTRY INTO PLACEMENT AGREEMENT

1. INTRODUCTION

- 1.1. The Board of Directors (the “**Board**”) of mm2 Asia Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 2 August 2024 entered into a placement agreement (the “**Placement Agreement**”) with UOB Kay Hian Private Limited (the “**Placement Agent**”).
- 1.2. On the terms and subject to the conditions set out in the Placement Agreement, the Company has undertaken to offer, by way of a placement, and the Placement Agent has agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 1,764,706,000 fully paid-up ordinary shares in the capital of the Company (the “**Placement Shares**”) at an issue price of S\$0.017 for each Placement Share (the “**Placement Price**”), amounting to an aggregate consideration of approximately S\$30.0 million (the “**Proposed Placement**”). In the event that the Proposed Placement is oversubscribed, the Placement Agent may, pursuant to the Upsize Option (as defined herein), decide to increase the size of the Proposed Placement and issue up to 588,236,000 additional Placement Shares so as to raise additional proceeds of approximately S\$10.0 million (“**Upsize Option**”), such that the total gross proceeds of the Proposed Placement will be approximately S\$40.0 million.
- 1.3. The Proposed Placement and the Upsize Option are not underwritten and will be undertaken by way of an exempt offering in Singapore in accordance with the “safe harbour” provisions of the Securities and Futures Act 2001 of Singapore, as amended from time to time (the “**SFA**”). Accordingly, no prospectus, offer document or offer information statement will be issued by the Company in connection with the Proposed Placement and Upsize Option.

2. THE PROPOSED PLACEMENT

2.1. Placement Price

The Placement Price of S\$0.017 per share was arrived at pursuant to discussions with the Placement Agent, taking into account, amongst others, the prevailing market price of the ordinary shares of the Company (the “**Shares**”) (i.e. volume weighted average price for trades done on 2 August 2024, being the last full market day on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) prior to the execution of the Placement Agreement). For the avoidance of doubt, the Placement Price represents a premium of approximately 13.33% to the volume weighted average price of S\$0.015 for trades done on the SGX-ST for the full market day on 2 August 2024.

2.2. Placement Shares

- (a) The Placement Shares plus the Upsize Option represent approximately 56.2% of the existing issued and paid-up share capital of the Company comprising 4,185,913,830 Shares as at the date of this announcement (excluding treasury shares and subsidiary holdings) and will represent approximately 36.0% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) comprising of 6,538,855,830 Shares.

- (b) The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of issue except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the issue of the Placement Shares.
- (c) Save as disclosed in section 2.3 (*Potential placement to substantial shareholders*), the Placement Shares will not be placed to any person who is a director or substantial shareholder of the Company as at the date of this announcement, or any other person in the categories set out in Rule 812(1) of the Listing Manual (“**Listing Manual**”) of the SGX-ST, unless such subscription is otherwise agreed to by the Company and the SGX-ST (if required), approved by the Shareholders in general meeting, and complies with the requirements of the Listing Manual.
- (d) The Proposed Placement may result in the transfer of the controlling interest in the Company. Further details are provided in sections 2.3 (*Placement to substantial shareholders*), section 2.4 (*Shareholders’ approval for the Proposed Placement*) below, and section 8 (*Circular to Shareholders*).

2.3. **Potential placement to V3 Group**

- (a) The Company understands from the Placement Agent that V3 Group Limited (“**V3**”), through its subsidiaries (collectively with V3, “**V3 Group**”), intends to participate in the Proposed Placement and subscribe for not less than an aggregate of S\$15,000,000 in Placement Shares.
- (b) As at the date of this announcement:
 - (i) V3 Group is led by Mr Ron Sim Chye Hock (“**Mr Ron Sim**”) and is an associate of Mr Ron Sim; and
 - (ii) Mr Ron Sim is a substantial shareholder of the Company, holding 228,402,950 Shares, representing approximately 5.5% of the existing issued and paid-up share capital of the Company.
- (c) For the avoidance of doubt, Mr Ron Sim will be deemed interested in any Placement Shares subscribed by the V3 Group, and V3 Group’s participation in the Proposed Placement will be subject to, *inter alia*, compliance with the requirements of the Listing Manual (including but not limited to Rules 803 and/or 812 of the Listing Manual) and specific approval from Shareholders at an extraordinary general meeting (the “**EGM**”) to be convened.

2.4. **Shareholders’ approval for the Proposed Placement**

The Company will not be relying on the general share issue mandate granted by the shareholders of the Company (“**Shareholders**”) at the annual general meeting held on 31 July 2024. The Company will be seeking, *inter alia*, specific Shareholders’ approval for the allotment and issue of the Placement Shares at the EGM to be convened. Please refer to section 8 (*Circular to Shareholders*) for more information.

2.5. **Additional listing application**

The Company will be applying to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on the Mainboard of the SGX-ST and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

3. SALIENT TERMS OF THE PLACEMENT AGREEMENT

3.1. Placement completion

Subject to the terms and conditions of the Placement Agreement, completion of the Proposed Placement (the “**Completion**”) shall take place at no later than three (3) business days after the last of the conditions precedent under the Placement Agreement are fulfilled (the “**Completion Date**”), but in any event being a date not later than 31 October 2024 or such other date as the Company and the Placement Agent may mutually agree in writing (the “**Cut-Off Date**”).

Against the delivery of the relevant documents by the Company for purposes of Completion as required under the Placement Agreement, the Placement Agent will make payment to the Company of the aggregate Placement Price for all the Placed Shares, by way of a wire transfer to a bank account designated by the Company on the Completion Date.

3.2. Conditions precedent

Completion of the Proposed Placement pursuant to the Placement Agreement is conditional upon, *inter alia*, the following conditions:

- (a) the in-principle approval for the listing and quotation of the Placement Shares being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled;
- (b) approval of the Shareholders having been obtained for the Proposed Placement at the EGM to be convened;
- (c) the “safe harbour” exemptions under the SFA being applicable to the Proposed Placement under the Placement Agreement;
- (d) the allotment, issuance and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or the Placement Agent;
- (e) the delivery to the Placement Agent on the Completion Date of a certificate, substantially in the form set out in the Placement Agreement, signed on behalf of the Company by its duly authorised officer;
- (f) there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change on the Proposed Placement, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Proposed Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market;
- (g) the representations, warranties and undertakings in the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations hereunder which are required to be performed on or before the Completion Date; and

- (h) the Placement Agent having received the subscription monies from the subscribers of the Placed Shares in full. In the event that the subscription monies are not received by such a time as stipulated by the Placement Agent, the Placement Agent shall have sole and full discretion to terminate the Placement Agreement and the obligations of the Placement Agent under the Placement Agreement shall cease.

The Placement Agent may, and upon such terms as it thinks fit, waive compliance with any of the conditions contained in the Placement Agreement and any condition so waived shall be deemed to have been satisfied provided always that any such waiver as aforesaid shall be without prejudice to its right to elect to treat any further or other breach, failure or event as releasing and discharging it from its obligations under the Placement Agreement.

If any of the conditions contained in the Placement Agreement has not been satisfied on or before the Cut-Off Date, the Placement Agreement shall terminate and shall be of no further effect and no party to the Placement Agreement shall be under any liability to the other in respect of the Placement Agreement save for any antecedent breach thereof and the surviving provisions as specified under the Placement Agreement.

4. RATIONALE OF THE PROPOSED PLACEMENT AND USE OF PROCEEDS

4.1. Rationale

- (a) As previously disclosed in the annual report for the financial year ended 31 March 2024 (“FY2024”), the Group have been, among other things, exploring different avenues to raise funds and in this regard, have engaged in discussions with several strategic investors.
- (b) The Proposed Placement will strengthen the Group’s financial position and improve its cash flow to support the working capital requirements of the Group.

4.2. Use of proceeds

- (a) The estimated net proceeds from the Proposed Placement (including the Upsize Option), after deducting estimated fees and expenses (including listing and application fees, the fees payable to the Placement Agent, professional fees and other miscellaneous expenses of up to approximately S\$1,500,000) and assuming the successful placement of all 2,352,942,000 Placement Shares, is approximately S\$38,500,000 (the “Net Proceeds”). The Company intends to apply such Net Proceeds in the following estimated proportions:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (S\$)
General working capital purposes	75.0	28,875,000
Repayment of debts	25.0	9,625,000
Total	100.0	38,500,000

- (b) In relation to the Net Proceeds to be utilised for general working capital purposes, it is expected to include corporate administrative expenses, operating expenses and other payables of the Group’s various businesses.
- (c) Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

- (d) The Company will make periodic announcement(s) as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Listing Manual and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and 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.

5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

5.1. The *pro forma* financial effects of the Proposed Placement on the Company's share capital and the Group's net tangible assets ("**NTA**") per Share and loss per Share ("**LPS**") as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the completion of the Proposed Placement.

5.2. The *pro forma* financial effects have been prepared based on the latest audited financial results of the Group for the financial year ended 31 March 2024, on the following bases and assumptions:

- (a) the Proposed Placement of all 2,352,942,000 Placement Shares had been completed on 31 March 2024 for the purpose of illustrating the financial effects on the NTA;
- (b) the Proposed Placement of all 2,352,942,000 Placement Shares had been completed on 1 April 2023 for the purpose of illustrating the financial effects on the LPS;
- (c) the share capital of the Company as at the date of this announcement comprising of 4,185,913,830 Shares; and
- (d) the expenses incurred in connection with the Proposed Placement amounting up to S\$1,500,000.

5.3. Share capital

	Number of Shares (excluding treasury shares)
As at 31 March 2024	4,185,913,830
After the completion of the Proposed Placement including the Upsize Option	6,538,855,830

5.4. NTA per Share

	Before the Proposed Placement	After the Proposed Placement
NTA attributable to the owners of the Company (S\$million)	30.62	69.12
Number of issued ordinary shares in the capital of the Company	4,185,913,830	6,538,855,830
NTA per Share (Singapore cents)	0.73	1.06

5.5. **LPS**

	Before the Proposed Placement	After the Proposed Placement
Loss after income tax attributable to the owners of the Company (S\$'million)	5.65	5.65
Weighted average number of issued shares	3,042,910,876	5,395,852,876
LPS (Singapore cents)	0.19	0.10

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and save for their interests arising by way of their respective shareholding interest in the Company and/or directorships in the Group, as the case may be, none of the Directors nor, to the best of the Directors' knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the transactions contemplated in this announcement

7. CONFIRMATIONS BY PLACEMENT AGENT

The Placement Agent has confirmed, amongst other things, that:

- (a) each of the end-placeses will be identified by the Placement Agent or the Placement Agent's sub-placement agents (if any), the affiliates, associated or related corporations of the Placement Agent or the Placement Agent's sub-placement agents (if any), and/or their respective directors, officers, employees or agents;
- (b) in the event the number of Placement Shares placed to the end-placeses results in any end-placesee becoming:
 - (i) a substantial shareholder, the Placement Agent will inform the Company so that the Company can make the necessary announcement(s) in a timely manner; and
 - (ii) a controlling shareholder (as defined in the Listing Manual), the Placement Agent will inform the Company immediately. For the avoidance of doubt, any potential placements as described in this paragraph (including the proposed placement to V3 Group) will be subject to the approval of Shareholders in general meeting;
- (c) it will be obtaining confirmations representations from the end-placeses of the Placement Shares that such end-placesee is not acting in concert (as defined under the Singapore Code on Take-overs and Mergers) with any other party in their acquisition of the Placement Shares;
- (d) the Placement Shares offered and placed to:
 - (i) any person in the categories set out in Rule 812 of the Listing Manual (including but not limited to V3 Group, which has indicated its support for the Proposed Placement); and/or
 - (ii) any "interested person" as defined in Chapter 9 of the Listing Manual, will be subject to, *inter alia*, approval of Shareholder in general meeting (if applicable) and compliance with the requirements of the Listing Manual; and

- (e) there are no share borrowing arrangements entered into to facilitate the Proposed Placement; and
- (f) the commission payable by the Company to the Placement Agent in connection with the Proposed Placement will not be shared with any person to whom the Placement Shares are placed to.

8. CIRCULAR TO SHAREHOLDERS

- 8.1. The Company will be seeking specific Shareholders' approval for the Proposed Placement at the EGM to be convened in due course.
- 8.2. The Company, in accordance with the Listing Manual, will also seek specific Shareholders' approval, where applicable, for the:
 - (a) issuance of Placement Shares to any persons listed in Rule 812 of the Listing Manual (including but not limited to V3 Group, which has indicated its support for the Proposed Placement);
 - (b) issuance of Placement Shares to any "interested persons" as defined in Chapter 9 of the Listing Manual; and/or
 - (c) placement of such number of Placement Shares to end-pledgee(s) which will result in a transfer of controlling interest of the Company.
- 8.3. A circular to Shareholders setting out, amongst other things, the details of, and other relevant information pertaining to the Proposed Placement, together with the notice of the EGM, will be issued by the Company in due course.

9. NOTIFICATION UNDER SECTION 309B OF THE SFA

The Placement Shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the Proposed Placement.

12. CAUTIONARY STATEMENT

Shareholders and investors should note that the Proposed Placement remains subject to, amongst others, the fulfilment of the conditions precedent under the Placement Agreement. There is no certainty or assurance that the conditions precedent for the Proposed Placement can be fulfilled or that the Proposed Placement will be undertaken at all. Shareholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the Shares. Shareholders and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement will be available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 1002 Jalan Bukit Merah, #07-11 Singapore 159456.

BY ORDER OF THE BOARD

Melvin Ang Wee Chye
Executive Chairman
2 August 2024