



MM2 ASIA LTD.

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

VOLUNTARY ANNOUNCEMENT - UPDATE REGARDING THE IMPACT OF THE NOVEL CORONAVIRUS OUTBREAK ON THE GROUP'S BUSINESSES

The board of directors (the "**Board**") of **MM2 Asia Ltd.** (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to update shareholders of the Company on the impact that the recent Novel Coronavirus ("**COVID-19**") pandemic has had on its business.

COVID-19 has spread to more than 190 countries and territories around the world, including Singapore.

The Board wishes to assure shareholders that the Group is taking the situation very seriously, and is complying with all applicable regulations and directives in its operations, and is also taking necessary short-term measures internally to safeguard the health and safety of its clients, employees and the general public. At the same time, the Group is focused on long-term sustainable business practices.

The Board is pleased to provide this update on the Group's current operations and performance.

Business Updates

1. Positive Cashflow Position

The Group continues to enjoy a positive operating cashflow position. As at this time, the collection of trade receivables has not been significantly adversely affected by the COVID-19 outbreak, and the Group is confident that it can meet its fiscal responsibilities and operating capital requirements. On 21 March 2019, the Group also successfully refinanced its loan facility by entering a 5-year secured loan of S\$115 million with United Overseas Bank.

2. Near term impact; Strong pipeline ahead

(i) Core Business – Content Production

The rapid spread of the virus has caused huge disruptions to the economies and personal lives, as world governments implemented social distancing and countries lockdown in a bid to contain the spread. Our core content production operations have similarly been affected, as countries implement movement restrictions and consumers stay at home to help contain the spread of the virus. The Group is tapping on the available government support packages to reduce the impact of the COVID-19 outbreak.

The Group owns a strong core business order book, especially in the recent months which is attributable to the pent-up demand following the disruptions in Greater China, where the COVID-19 situation shows signs of coming under control. Also, given the Group's global presence, its productions can be easily exported across the region. The Board further believes that the demand for quality content will be strong, once the worst of the impact of COVID-19 has passed.

(ii) Cinema Business

Our cinema business has been affected by COVID-19, primarily as a result of the postponement of scheduled Hollywood mega-movie releases. To mitigate the reduction in audience attendance, the Company has implemented numerous measures including, among others, fixed cost reductions, productivity improvements, and other initiatives to enhance operational efficiency. We are also actively accelerating our Asian programming to address the Hollywood postponements; and we anticipate a strong backlog of Hollywood movies to be released when the COVID-19 outbreak has been resolved and effectively contained.

While the situation relating to the spread and duration of COVID-19 remains uncertain, the Group will continue to closely monitor the situation, including updates and/or directives issued by the municipal authorities, and shall keep shareholders informed of any material developments.

By Order of the Board

Melvin Ang Wee Chye
Executive Chairman
24 March 2020