



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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31 MARCH 2022**

MM2 ASIA LTD.

Condensed Interim Financial Statements

For The Six Months And Full Financial Year Ended 31 March 2022

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A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group Six Months Ended			Group Full Financial Year Ended		
		2H FY2022 (Unaudited) S\$'000	2H FY2021 (Unaudited) S\$'000	Change %	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000	Change %
Revenue	4	66,702	55,323	20.6%	112,977	75,230	50.2%
Cost of sales		(58,229)	(49,494)	17.6%	(95,134)	(69,271)	-37.3%
Gross profit		8,473	5,829	45.4%	17,843	5,959	199.4%
Other income							
- Interest		22	13	69.2%	46	43	7.0%
- Others		4,928	5,688	-13.4%	10,878	13,721	-20.7%
Other gains/(losses) - net							
- Expected credit losses, net		(3,070)	-	N.M	(3,070)	(5,063)	-39.4%
- Others		5,611	(12,467)	-145.0%	5,433	(8,778)	161.9%
Administrative expenses		(37,448)	(62,509)	-40.1%	(59,257)	(84,962)	30.3%
Finance expenses		(6,646)	(9,437)	-29.6%	(13,508)	(19,047)	29.1%
Share of (losses)/profits of associated company and joint venture		(116)	(160)	-27.5%	423	74	471.6%
Loss before income tax	6.1	(28,246)	(73,043)	-61.3%	(41,212)	(98,053)	58.0%
Income tax expenses	7	(6)	(676)	-99.1%	(876)	(1,459)	40.0%
Net loss for the financial period/year		(28,252)	(73,719)	-61.7%	(42,088)	(99,512)	57.7%
Other comprehensive loss, net of tax:							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation							
- gains		231	200	15.5%	202	115	-75.7%
Total comprehensive loss for the financial period/year		(28,021)	(73,519)	-61.9%	(41,886)	(99,397)	57.9%
Loss attributable to:							
Equity holders of the Company		(24,335)	(68,362)	-64.4%	(35,752)	(90,777)	60.6%
Non-controlling interests		(3,917)	(5,357)	-26.9%	(6,336)	(8,735)	27.5%
		(28,252)	(73,719)	-61.7%	(42,088)	(99,512)	57.7%
Total comprehensive loss attributable to:							
Equity holders of the Company		(24,085)	(68,158)	-64.7%	(35,538)	(90,642)	60.8%
Non-controlling interests		(3,936)	(5,361)	-26.6%	(6,348)	(8,755)	27.5%
		(28,021)	(73,519)	-61.9%	(41,886)	(99,397)	57.9%
Loss per share attributable to owners of the Company							
Basic and diluted (in cents)	8	(1.56)	(3.90)	-60.0%	(1.56)	(3.90)	-60.0%

N.M. - not meaningful

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Group		Company	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		14,571	12,117	9,796	96
Trade and other receivables	9	102,894	112,587	262,573	268,877
Inventories		1,013	1,830	-	-
Other current assets	16	83,459	75,914	-	-
Film products and films under production		6,004	1,079	-	-
Income tax recoverable		407	342	-	-
		<u>208,348</u>	<u>203,869</u>	<u>272,369</u>	<u>268,973</u>
Non-current assets					
Trade and other receivables	9	19,962	20,168	-	-
Financial assets, at fair value through profit or loss ("FVPL")	10	1,701	3,223	-	-
Investments in subsidiaries		-	-	70,226	70,226
Investments in associated companies		3,196	2,641	2,045	2,457
Investment in a joint venture		-	37	-	-
Property, plant and equipment	11	59,817	87,989	76	22
Intangible assets and goodwill	12	237,086	253,038	-	-
Film rights	13	28,678	33,364	-	-
Film intangibles and film inventories	14	20,277	19,484	-	-
Deferred income tax assets		23	-	-	-
		<u>370,740</u>	<u>419,944</u>	<u>72,347</u>	<u>72,705</u>
TOTAL ASSETS		<u>579,088</u>	<u>623,813</u>	<u>344,716</u>	<u>341,678</u>
LIABILITIES					
Current liabilities					
Trade and other payables	15	91,724	79,171	58,563	67,075
Contract liabilities	17	8,149	9,143	-	-
Borrowings	18	159,956	192,669	56,820	94,932
Lease liabilities		28,109	33,157	77	23
Derivative financial instruments		6	6,154	-	-
Current income tax liabilities		2,279	3,073	-	-
		<u>290,223</u>	<u>323,367</u>	<u>115,460</u>	<u>162,030</u>
Non-current liabilities					
Borrowings	18	49,804	72,963	38,910	51,714
Lease liabilities		23,160	42,393	-	-
Provisions		5,886	4,553	-	-
Deferred income tax liabilities		7,523	6,328	-	-
		<u>86,373</u>	<u>126,237</u>	<u>38,910</u>	<u>51,714</u>
TOTAL LIABILITIES		<u>376,596</u>	<u>449,604</u>	<u>154,370</u>	<u>213,744</u>
NET ASSETS		<u>202,492</u>	<u>174,209</u>	<u>190,346</u>	<u>127,934</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	19	211,102	152,870	211,102	152,870
Reserves		(4,270)	(14,300)	9,750	-
Accumulated losses		(47,447)	(11,695)	(30,506)	(24,936)
		<u>159,385</u>	<u>126,875</u>	<u>190,346</u>	<u>127,934</u>
Non-controlling interests		43,107	47,334	-	-
TOTAL EQUITY		<u>202,492</u>	<u>174,209</u>	<u>190,346</u>	<u>127,934</u>

**C CONDENSED INTERIM STATEMENTS OF CHANGES OF EQUITY
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

Group (Unaudited)

	Attributable to equity holders of the Company				Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Reserves S\$'000	(Accumulated losses)/ Retained profits S\$'000	Total S\$'000		
As at 1 April 2021	152,870	(14,300)	(11,695)	126,875	47,334	174,209
Net loss for the financial year	-	-	(35,752)	(35,752)	(6,336)	(42,088)
Other comprehensive (loss)/ income for the financial year	-	214	-	214	(12)	202
Total comprehensive income/(loss) for the financial year	-	214	(35,752)	(35,538)	(6,348)	(41,886)
Issuance of ordinary shares of the Company pursuant to:						
- Rights issue (Note 19)	54,652	-	-	54,652	-	54,652
- Exchange right (Note 19)	6,000	-	-	6,000	-	6,000
Capitalised expenses pertaining to issuance of rights issue (Note 19)	(2,420)	-	-	(2,420)	-	(2,420)
Subscription of ordinary shares of the Company pursuant to the Private Placement pending for allotment (Note 21)	-	9,750	-	9,750	-	9,750
Issuance of new shares of a subsidiary to non-controlling interests		66	-	66	2,121	2,187
As at 31 March 2022	211,102	(4,270)	(47,447)	159,385	43,107	202,492
As at 1 April 2020	152,870	(14,435)	79,082	217,517	56,089	273,606
Net loss for the financial year	-	-	(90,777)	(90,777)	(8,735)	(99,512)
Other comprehensive (loss)/income for the financial year	-	135	-	135	(20)	115
Total comprehensive (loss)/income for the financial year	-	135	(90,777)	(90,642)	(8,755)	(99,397)
As at 31 March 2021	152,870	(14,300)	(11,695)	126,875	47,334	174,209

Company (Unaudited)

	Share capital S\$'000	Reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
As at 1 April 2021	152,870	-	(24,936)	127,934
Net loss for the financial year	-	-	(5,570)	(5,570)
Issuance of ordinary shares of the Company pursuant to:				
- Rights issue (Note 19)	54,652	-	-	54,652
- Exchange right (Note 19)	6,000	-	-	6,000
Capitalised expenses pertaining to issuance of rights issue (Note 19)	(2,420)	-	-	(2,420)
Subscription of ordinary shares of the Company (Note 21) pursuant to the Private Placement pending allotment	-	9,750	-	9,750
As at 31 March 2022	211,102	9,750	(30,506)	190,346
As at 1 April 2020	152,870	-	(15,952)	136,918
Net loss for the financial year	-	-	(8,984)	(8,984)
As at 31 March 2021	152,870	-	(24,936)	127,934

**D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Group	
	Full Financial Year Ended	
	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
Cash flows from operating activities		
Net loss	(42,088)	(99,512)
Adjustments for:		
- Income tax expenses	876	1,459
- Interest income	(45)	(43)
- Finance expenses	13,508	19,047
- Amortisation of intangible assets	4,233	2,060
- Amortisation of film rights	10,103	10,195
- Amortisation of film intangibles and film inventories	2,654	5,152
- Depreciation of property, plant and equipment	7,893	8,063
- Depreciation of right-of-use assets	19,684	22,463
- Impairment loss on:		
- Goodwill	12,000	29,042
- Film intangibles and inventories	2,483	2,797
- Film rights	-	6,225
- Films under production	-	1,746
- Intangible assets	1,045	-
- Inventories written off	875	106
- Property, plant and equipment written off	801	590
- Share of profits of associated companies and joint venture	(423)	(74)
- Rental concession income	(4,299)	(6,557)
- Expected credit loss on financial assets, net	3,070	5,063
- Gain on disposal of a joint venture	(2)	-
- Gain on disposal of an associated company	-	(100)
- Gain arising from derecognition of leases	(252)	(47)
- Gain arising from re-measurement of convertible securities	(1,073)	(2,308)
- (Gain)/loss on disposal of property, plant and equipment	(42)	1,038
- (Gain)/loss on fair value changes in derivative financial instruments, net	(6,147)	5,868
- Loss on fair value changes in financial assets, at FVPL, net	361	1,493
- Gain on disposal of financial assets, at FVPL	(19)	-
- Loss on unrealised foreign exchange	674	954
Operating cash flows before working capital changes	25,870	14,720
Changes in working capital:		
- Trade and other receivables	5,235	13,133
- Inventories	(58)	76
- Other current assets	(18,651)	2,658
- Film products and films under production	4,372	-
- Film intangible and film inventories	(4,212)	(10,229)
- Trade and other payables	16,136	(12,850)
- Contract liabilities	(993)	(2,519)
Cash generated from operations	27,699	4,989
Income tax refund	252	88
Income tax paid	(993)	(2,922)
Net cash generated from operating activities	26,958	2,155

**D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONTINUED)**

	Group	
	Full Financial Year Ended	
	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	256	293
Proceeds from disposal of financial assets, at FVPL	1,181	-
Incorporation of associated companies	-	(50)
Additions to property, plant and equipment	(1,684)	(860)
Additions to intangible assets	(1,058)	(4,369)
Additions of film rights	(5,370)	(5,356)
Government grants received for:		
- development of film rights	317	1,267
- development of softwares	75	-
Interest received	46	17
Net cash used in investing activities	(6,237)	(9,058)
Cash flows from financing activities		
Interest paid	(10,353)	(15,868)
Proceeds from issuance of right shares	54,652	-
Expenses pertaining to issuance of right shares	(2,420)	-
Proceeds from issuance of ordinary shares of the Company pursuant to Exchange right (Note 19)	6,000	-
Proceeds from issuance of convertible debt securities	1,000	1,990
Proceeds from a placee for subscription of new shares in Company (Note 21)	9,750	-
Proceeds from issuance of new shares in subsidiary to non-controlling interests	2,187	-
Proceeds from borrowings	50,862	25,125
Repayments of borrowings	(110,700)	(17,936)
Repayments of lease liabilities	(18,869)	(3,517)
Net cash used in financing activities	(17,891)	(10,206)
Net changes in cash and cash equivalents	2,830	(17,109)
Cash and cash equivalents		
At beginning of financial year	10,824	28,088
Effects of currency translation on cash and cash equivalents	(46)	(155)
At end of financial year	13,608	10,824
Cash and cash equivalent comprise:		
Cash and bank balances	14,405	11,886
Fixed deposits	166	231
	14,571	12,117
Bank overdraft	(963)	(1,293)
	13,608	10,824

E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

mm2 Asia Ltd. (the "Company") is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore.

The address of its registered and principal place of business is located at 1002 Jalan Bukit Merah #07-11 Singapore 159456.

These condensed interim consolidated financial statements as at and for the year ended 31 March 2022 ("**FY2022**") relate to the Company and its subsidiaries (collectively, the "**Group**").

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 4 to the Condensed Interim Consolidated Financial Statements.

2 Basis of Preparation

The condensed interim financial statements for the year ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021. The condensed interim consolidated financial statements should be read in conjunction with the accompanying explanatory notes attached to the condensed interim consolidated financial statements and the audited consolidated financial statements of the Group for the year ended 31 March 2021.

The accounting policies adopted are consistent with the most recent audited consolidated financial statements for the financial year ended 31 March 2021 which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The Group incurred a net loss of \$42.1 million for the full financial year ended 31 March 2022. As of that date, the Group's current liabilities exceeded its current assets by S\$81.9 million (31 Mar 2021: \$119.50 million). The Group's businesses are in the road to recovering from the COVID-19 pandemic in FY2022

(a) Recovering from COVID-19

As described in our review of Financial Performances under Section F(2) and our commentary for Section F(4) of this interim condensed financial statements, the Group is recovering from COVID-19 as the Group's segmental businesses' revenue grew approximately \$37.8 million or 50.2%, from \$75.2 million in FY2021 to S\$113.0 in FY2022.

Despite the Group recorded loss of \$42.1 million in current financial year, the Group's EBITDA has improved from positive of \$8.7 million to positive of \$32.4 million in FY2022. The Group's Pro forma EBITDA⁽¹⁾ (as disclose in section F(2) in this condensed interim financial statement) also has improved from negative of \$15.9 million to positive of \$11.4 million in FY2022. The improvement in EBITDA were contributed by all segments.

In addition, the reopening of the cinemas business and live entertainment industry, as well as relaxation and uplifting of governments' restrictions in April 2022, in the region allows the cinema business to generate revenue and cashflow. Couple with the demand from consumers on streaming contents in recent months, the Board of directors is optimistic over the Group's performances in the next 12 months.

¹ Pro forma EBITDA is presented after exclusion of SFRS(I) 16 Leases impact

E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 Basis of Preparation (continued)

(b) The Group has completed the following during the current and the subsequent financial year:

- (i) The Group generated a net cash inflow amounting to \$27.0 million (FY2021: S\$2.2 million) from operating activities for FY2022 and the Group expect such trend to continue in the coming months as Singapore, Malaysia and North Asia gear toward greater easing/relaxation and uplifting of COVID-19 restrictions.
- (ii) On 11 June 2020, 10 February 2021, 13 August 2021, 1 December 2021 and, recently, 11 May 2022, the Company has obtained deferment of loan repayment from its principal banker through loan repayment moratorium and revision of certain terms, including waiver of compliance with financial covenants at test dates, in the facility agreement, to allow the Group to preserve working capital during the COVID-19 pandemic.
- (iii) On 27 April 2021, the Group fully redeemed the Medium-Term Note Programme (“MTN”), together with its accrued interests, amounting to \$51,750,000 following the success in raising fund from the issuance of Right Shares in the current financial period.
- (iv) 22 December 2021, the Company's subsidiary, mm Connect Pte Ltd (“the Issuer”), and the subscribers of convertible debt securities of \$47,850,000 have entered into second extension deeds to further amend certain terms of the subscription agreements (the “Second Extension Deeds”). Please refer to the Company’s announcement on 22 December 2021 for further details on the key terms which have been amended.
- (v) On 4 March 2022 and 4 April 2022, the Company has successfully raised a total gross proceeds of \$25.5 million of which total 465.0 million new ordinary shares have been allotted and issued.

(c) The following corporate exercises have been commenced and are in progress as at 31 March 2022 and the date of this announcement:

- (i) The Group has been engaging continuously with various lenders since the last financial year ended 31 March 2021, for refinancing of its existing loans and/or extend existing loans tenure. The refinancing exercise would allow the Group to preserve sufficient working capital to sustain its recovery of COVID-19. The negotiations are still in progress as of 31 March 2022 and the date of this announcement. Based on the Group’s track record in (b) above, the Group is cautiously optimistic that the various lenders and financial institutions will continue to support the Group.
- (ii) The Group has commenced negotiation to dispose certain non-core business and also in the process of accessing various options to divest certain key businesses. This divestment plan will allow the Group to pare down its liabilities.
- (iii) Management will continue to implement comprehensive cost-containment measures, including but not limited to re-negotiation of the lease terms with lessors.

Based on the above, the directors of the Company are of the opinion that the use of the going concern assumption in the preparation of the Condensed Interim Financial statements for the full financial year ended 31 March 2022 is appropriate.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 Basis of Preparation (continued)

2.1 New and amended standards adopted by the Group

The Group has adopted the new and revised SFRS(I)s and SFRS(I) INTs which are relevant to the Group's operations and become effective for annual periods beginning on or after 1 April 2021. The adoption of these new and revised SFRS(I)s and SFRS(I) INTs does not result in changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current and/or prior financial year.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions were reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

(a) Valuation of film rights, film intangibles and film inventories

The costs of film rights, less estimated residual values and accumulated impairment, are amortised in proportion to the estimated projected revenues over the economic beneficial period, whereas for film intangibles and film inventories, it will be amortised over the economic beneficial period subject to the maximum of the license period when the films are released. The amortisation period and method for these films will be reviewed annually and it will be subject to impairment assessment whenever there is any indication that it may be impaired. Additional amortisation and/or impairment are made if estimated projected revenues are materially different from the previous estimation.

These estimated projected revenues can change significantly due to a variety of factors. Based on information available on the actual results of films, management reviews and revises, when necessary, the estimated projected revenues at regular intervals.

Impairment is recognised as at financial year ended 31 March 2022. The carrying amounts of the film rights, film intangibles and film inventories are disclosed in Note 13 and Note 14 to the Condensed Interim Financial Statements.

(b) Impairment of trade and other receivables

Expected credit losses ("ECL") on trade and other receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group had used simplified approach (lifetime expected credit loss) for its trade receivables and general approach (12 months expected credit losses) for its other receivables.

E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 Basis of Preparation (continued)

2.2 Use of judgements and estimates (continued)

(b) Impairment of trade and other receivables (continued)

In determining the ECL, the Group uses the relevant historical information to determine the probability of default of the instruments and incorporated forward looking information, including assessing the potential impact on the outbreak of COVID-19.

Notwithstanding the above, the Group evaluates the ECL on trade and other receivables in financial difficulties separately.

Allowance for ECL is recognised in profit or loss for the financial year 31 March 2022. The carrying amounts of the trade and other receivables are disclosed in Note 9 to the Condensed Interim Financial Statements.

(c) Impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. This requires an estimation of the recoverable amount of the CGU to which the goodwill are allocated, through the valuation method of fair value less cost to disposal or value-in-use.

As disclosed in Note 12 to the Condensed Interim Financial Statements, impairment is recognised as at 31 March 2022.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year except for the Cinema business segment where its business will be driven by the timing of the release of movies in holidays and festival season.

4 Segment and revenue information

The Group is organised into the following main business segments:

(a) *Core business*

Core business segment refers to the Group's production and distribution of motion picture, video and television programme and sponsorship.

(b) *Post production and digital content production ("Post-productions")*

Post production and digital content production segment refers to the services in visual effects and immersive media works for feature films and commercials and production of location-based entertainment with immersive experience.

(c) *Cinema operations*

Cinema operations segment refers to sales of cinema ticket and concession, hall rental and screen advertising.

(d) *Concert and event*

Concert and event segment refers to sales on events production, concerts promotion and renting of stage sound system and equipment.

Other segments include food & beverage, social media advertising activities and development of software for interactive digital media, brand consulting services, streaming digital films and short-form content. These are not included within the reportable operating segment. The results of these operations are included in the "other segments" column.

The Group's chief operating decision-maker ("CODM") comprises the Executive Chairman, Chief Executive Officer, the Chief Financial Officer, and the heads of each business within the operating segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4 Segment and revenue information

The segment information provided to the CODM for the reportable segments are as follows:

	Group						Total S\$'000
	For the six months ended						
	Core business S\$'000	Post- production S\$'000	Cinema operations S\$'000	Concert and event S\$'000	Others S\$'000	Segments elimination S\$'000	
1 Oct 2021 to 31 March 2022 (2H FY2022)							
Total segment sales	40,622	1,669	19,319	3,167	2,588	(664)	66,701
Inter-segment sales	(387)	(35)	(143)	-	(98)	664	1
Sales to external parties	40,235	1,634	19,176	3,167	2,490	-	66,702
Adjusted earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))							
	8,215	(976)	15,506	(1,718)	(455)	(92)	20,480
Impairment losses	(2,417)	-	(13,112)	-	-	-	(15,529)
Depreciation	(327)	(187)	(13,022)	(653)	(45)	-	(14,234)
Amortisation	(8,987)	(2,812)	171	(416)	(273)	-	(12,317)
Finance expenses	(2,719)	(104)	(3,373)	(449)	(1)	-	(6,646)
Loss before tax	(6,235)	(4,079)	(13,830)	(3,236)	(774)	(92)	(28,246)
Income tax (expenses)/credit	(346)	51	152	137	-	-	(6)
Net loss	(6,581)	(4,028)	(13,678)	(3,099)	(774)	(92)	(28,252)
1 Oct 2020 to 31 March 2021 (2H FY2021)							
Total segment sales	41,704	1,728	12,249	257	2,232	(2,847)	55,323
Inter-segment sales	(2,596)	(2)	(188)	-	(62)	2,848	-
Sales to external parties	39,108	1,726	12,061	257	2,170	1	55,323
Adjusted earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))							
	12,693	(1,794)	(2,447)	(5,384)	(329)	(233)	2,506
Impairment losses	(9,132)	-	(30,677)	-	-	-	(39,809)
Depreciation	(427)	(327)	(13,347)	(775)	(106)	-	(14,982)
Amortisation	(9,694)	(855)	(3)	(416)	(353)	-	(11,321)
Finance expenses	(4,338)	(111)	(4,456)	(529)	(9)	6	(9,437)
Loss before tax	(10,898)	(3,087)	(50,930)	(7,104)	(797)	(227)	(73,043)
Income tax (expenses)/credit	(1,358)	46	(83)	713	6	-	(676)
Net loss	(12,256)	(3,041)	(51,013)	(6,391)	(791)	(227)	(73,719)

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Segment and revenue information (continued)

The segment information provided to the CODM for the reportable segments are as follows:

	Group						Total S\$'000
	For the full financial year ended						
	Core business S\$'000	Post- productions S\$'000	Cinema operations S\$'000	Concert and event S\$'000	Others S\$'000	Segments elimination S\$'000	
1 April 2021 to 31 March 2022							
(12M FY2022)							
Total segment sales	73,462	2,861	29,460	3,593	4,472	(871)	112,977
Inter-segment sales	(435)	(52)	(216)	-	(168)	871	-
Sales to external parties	73,027	2,809	29,244	3,593	4,304	-	112,977
Adjusted earnings/(loss)							
before interest, tax,							
depreciation, amortisation							
and impairment losses							
("EBITDA"/("LBITDA"))							
	17,576	(1,756)	19,992	(2,207)	(1,018)	(195)	32,392
Impairment losses	(2,417)	-	(13,111)	-	-	-	(15,528)
Depreciation	(658)	(479)	(25,010)	(1,337)	(93)	-	(27,577)
Amortisation	(12,131)	(3,472)	(7)	(832)	(549)	-	(16,991)
Finance expenses	(5,400)	(223)	(6,903)	(981)	(4)	3	(13,508)
Loss before tax	(3,030)	(5,930)	(25,039)	(5,357)	(1,664)	(192)	(41,212)
Income tax (expenses)/credit	(1,337)	97	173	191	-	-	(876)
Net loss	(4,367)	(5,833)	(24,866)	(5,166)	(1,664)	(192)	(42,088)
1 April 2020 to 31 March 2021							
(12M FY2021)							
Total segment sales	55,193	2,004	15,923	1,346	3,798	(3,034)	75,230
Inter-segment sales	(2,712)	(8)	(235)	(3)	(77)	3,035	-
Sales to external parties	52,481	1,996	15,688	1,343	3,721	1	75,230
Adjusted earnings/(loss)							
before interest, tax,							
depreciation, amortisation							
and impairment losses							
("EBITDA"/("LBITDA"))							
	20,541	(2,688)	(663)	(7,507)	(714)	(232)	8,737
Impairment losses	(9,132)	-	(30,678)	-	-	-	(39,810)
Depreciation	(829)	(640)	(27,245)	(1,615)	(197)	-	(30,526)
Amortisation	(14,985)	(1,116)	(7)	(832)	(467)	-	(17,407)
Finance expenses	(8,905)	(186)	(8,877)	(1,078)	(7)	6	(19,047)
Loss before tax	(13,310)	(4,630)	(67,470)	(11,032)	(1,385)	(226)	(98,053)
Income tax (expenses)/credit	(2,534)	45	263	761	6	-	(1,459)
Net loss	(15,844)	(4,585)	(67,207)	(10,271)	(1,379)	(226)	(99,512)

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Segment and revenue information (continued)

Revenue by geographical location of customers

	Group		Group	
	Six Months Ended		Full Financial Year Ended	
	2H FY2022	2H FY2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	27,925	22,680	45,615	31,179
Malaysia	6,326	4,175	10,326	7,209
China	1,701	3,589	9,412	9,825
Taiwan	20,821	20,864	31,071	22,197
Hong Kong	9,215	3,099	14,932	3,474
Others	714	916	1,621	1,346
	66,702	55,323	112,977	75,230

Timing of revenue recognition

	2H FY2022	2H FY2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
At point in time	66,600	47,234	109,970	66,084
At over time	102	8,089	3,007	9,146
	66,702	55,323	112,977	75,230

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2022 and 31 March 2021:

	Group		Company	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets, at amortised cost	135,780	142,916	272,171	268,786
Financial assets, at FVPL	1,701	3,223	-	-
Total	137,481	146,139	272,171	268,786
Financial liabilities, at amortised cost	352,752	420,353	154,370	213,744
Derivatives financial instruments	6	6,154	-	-
Total	352,758	426,507	154,370	213,744

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Loss before taxation

6.1 Significant items

	Group Six Months Ended		Group Full Financial Year Ended	
	2H FY2022 S\$'000	2H FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Loss before income tax is arrived at after (crediting)/charging:				
Amortisation of intangible assets	2,866	1,266	4,233	2,060
Amortisation of film rights	7,294	5,511	10,103	10,195
Amortisation of film intangibles and film inventories	2,156	4,544	2,654	5,152
Depreciation of property, plant and equipment	4,332	3,796	7,893	8,063
Depreciation of right-of-use assets	9,902	11,186	19,684	22,463
Employees compensation	9,009	9,373	17,477	18,495
Expected credit loss on financial assets, net	1,381	5,078	3,070	5,063
Impairment loss on:				
- Goodwill	12,000	29,042	12,000	29,042
- Film intangible and inventories	2,483	2,797	2,417	2,797
- Film rights	-	6,225	-	6,225
- Films under production	-	1,746	-	1,746
- Intangible assets	1,045	-	1,045	-
Interest expenses on:				
- Borrowings	5,500	7,783	11,276	15,441
- Lease liabilities	1,146	1,524	2,232	3,476
Inventories written off	821	106	875	106
Government grants income, including JSS and RSS*	(2,605)	(3,428)	(5,884)	(6,545)
Rental concession income	(1,592)	(1,806)	(4,299)	(6,557)
Property, plant and equipment written off	127	36	801	590
Gain arising from derecognition of leases	(61)	(47)	(252)	(47)
Gain arising from re-measurement of convertible securities	(1,073)	(2,308)	(1,073)	(2,308)
(Gain)/loss on fair value changes in derivative financial instrument, net	(6,107)	5,922	(6,147)	5,868
Loss on fair value changes in financial assets, FVPL	380	1,493	361	1,493
Gain on disposal of financial assets, at FVPL	-	-	(19)	-
(Gain)/loss on disposal of property, plant and equipment	(42)	1,053	(39)	1,038
Loss on foreign exchange, net	344	1,189	63	2,138

* JSS - Job Support Scheme (2H FY2022 & 2H FY2021)

RSS - Rental Support Scheme (2H FY2022)

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Loss before taxation (continued)

6.2 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Significant related party transactions as follows:

	Group		Group	
	Six Months Ended		Full Financial Year Ended	
	2H FY2022	2H FY2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Sales of goods and/or services to</u>				
- Associated company	3	93	2,310	237
- Related parties	1,017	1,215	1,844	1,912
<u>Purchase of services from</u>				
- Associated company	26	23	2,289	42
- Related parties	12	310	137	965

Outstanding balances as at 31 March 2022 and 31 March 2021, arising from sales/purchase of services, are unsecured and receivable/payable within 12 months from reporting date.

7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	Six Months Ended		Full Financial Year Ended	
	2H FY2022	2H FY2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax:				
- Current	(248)	23	(227)	24
- Prior year	1	(52)	(3)	3
	(247)	(29)	(230)	27
Deferred tax				
- Current	122	(652)	847	(700)
- Prior year	131	1,357	259	2,132
	253	705	1,106	1,432
Income tax expense	6	676	876	1,459

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

8 Loss per share

The calculation of the basic loss per share ("LPS") is based on the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

There were no dilutive earnings per share for the financial years ended 31 March 2022 and 31 March 2021 as there were no dilutive potential ordinary shares outstanding. The Group's outstanding convertible bonds/notes were issued by the Company's wholly-owned subsidiary, mm Connect Pte. Ltd. which is convertible to mm Connect Pte. Ltd.'s shares. Accordingly, the Group's outstanding convertible bonds/notes did not have impact to the Company's ordinary shares.

	Group Six Months Ended		Group Full Financial Year Ended	
	2H FY2022	2H FY2021	FY2022	FY2021
Loss attributable to equity holders of the Company (S\$'000)	(24,335)	(68,362)	(35,752)	(90,777)
Weighted average number of ordinary share issued ('000)	2,296,525	2,325,608	2,296,525	2,325,610
Basic and fully diluted basis LPS (cents)	(1.06)	(2.94)	(1.56)	(3.90)

9 Trade and other receivables

	Group	
	31 Mar 2022 S\$'000	31 Mar 2021 S\$'000
Current		
Trade receivables:		
- Non-related parties	73,295	81,091
- Related parties	4	354
- Associated companies	1,199	1,070
	74,498	82,515
Less: Expected credit loss allowance - Non-related parties	(6,990)	(6,215)
Trade receivables - net (Note 9(a))	67,508	76,300
Other receivables (Note 9(b))		
- Non-related parties	6,961	5,978
- Related parties	11	-
- Associated companies	216	495
- Joint venture	9	282
	7,197	6,755
Less: Expected credit loss allowance - Non-related parties	(524)	(68)
	6,673	6,687
Deposits (Note 9(c))	22,998	24,700
Less: Expected credit loss allowance - Non-related parties	(157)	(157)
	22,841	24,543
Prepayments	1,647	1,956
Accrued income	4,225	3,101
	102,894	112,587
Non-current		
Other receivables - Non-related parties (Note 9(b))	18,377	18,583
Less: Expected credit loss allowance - Non-related parties	(1,915)	(1,915)
	16,462	16,668
Deposits (Note 9(c))	3,500	3,500
	19,962	20,168

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Trade and other receivables (continued)

(a) **Trade receivables aging**

	Group	
	31 Mar 2022	31 Mar 2021
Current	S\$'000	S\$'000
Below 3 months	25,302	14,286
3 - 6 months	8,908	7,367
Above 6 months	40,288	60,862
	<u>74,498</u>	<u>82,515</u>
Expected credit loss allowance ("ECL")	(6,990)	(6,215)
	<u>67,508</u>	<u>76,300</u>

Included in the "**Above 6 Months**" category comprised trade receivables from:

- (i) Core business amounted to S\$27,516,000 (31 March 21: S\$44,894,000); and
- (ii) Event segment/ Unusual Limited group amounted S\$10,689,000 that are past due more than 12 months as at 31 March 2022 (31 March 2021: S\$9,283,000).

Plans to recover the trade and other receivables

The Group reviews its accounts receivables on an ongoing basis. The Group has a dedicated department to follow up with long outstanding receivables. The Group total trade and other receivables as at 31 March 2022 have decreased by \$9.7 million from \$112.6 million in FY2021 to \$102.9 million in FY2022, representing a 8.62% decrease. For trade receivables, it decreases by \$8.8 million from \$76.3 million FY2021 to \$67.5 million in FY2022.

The entertainment industry is in the process of recovering from the COVID-19 pandemic which have resulted the postponement of film productions' handover date, intermittent cinemas closures which had affected the film distribution industry and cinema industry, and restrictions on large scale live entertainment events. The recovery from the COVID-19 pandemic has curtailed due to recent spike COVID-19 cases in North Asia. As the industry is still suffering from the impact of COVID-19, our trade receivables ability to pay on time is still being affected.

The long outstanding debts were mainly comprised industry players which have invested in many of our projects movie for the past 5 years. To date, they have not defaulted on any payment. The Group has continuously been in business with them.

For customers, the Group performs credit reviews on new customers before acceptance and an annual review for existing customers. Credit reviews take into account customers' financial strength, the Group's past experiences with the customers and other relevant factors. For other financial assets, the Group minimise credit risk by dealing only with reputable and/or good credit quality counterparties. The Group will continue to monitor and increase its efforts to collect the receivables.

The Board of directors are the of the opinion that the methodology used for impairment is in line with Group's accounting policies and SFRS, and as a result of the assessment of the recoverability, the impairment as at reporting period is adequate. The respective board of our listed subsidiaries have also performed their own respective assessments.

The accounting policies and methodology for impairment of trade and other receivables are disclosed in Note 2.2(b) of the Condensed Interim Financial Statements and have been applied consistently with the past financial reporting periods.

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Trade and other receivables (continued)

- (b) The current other receivables is mainly consist of Core business and Event segment for approximately S\$2.7 million and S\$2.4 million. As disclosed in our announcement on 22 December 2021, these are (i) project related cost and will be recognised as project cost upon project re-commences, projects was delayed due to COVID-19 and receive invoices from them; and (ii) refundable amount pending completion of a project.

Non-current other receivables from non-related parties are mainly due from a Event segment's project in the USA. The amounts are interest-free, unsecured and not expected to be repaid within 12 months from the end of the financial year as the project was delayed due to the COVID-19 impact in 2 years ago. There are no material changes in fair value of non-current other receivables and deposits as at 31 March 2022.

The transaction with these other receivables are normal courses of our business and they are not our major customers.

- (c) Deposits are mainly comprised deposits paid for:

- (i) securing production-related services and film rights and/or film intangibles. Upon acquisitions are completed, the deposit is to be reclassified as production expenses in "Other Current Assets" or "Film Rights/ Film intangible and inventory or intangible assets, whichever is applicable; and

- (ii) refundable security deposits paid for rental of cinema halls.

10 Financial assets at fair value through profit or loss

The movement of the financial assets, FVPL is as follows:

	Group	
	31 Mar 2022	31 Mar 2021
	S\$'000	S\$'000
Beginning of financial year	3,223	4,765
Additions	700	50
Disposal	(1,855)	-
Changes arising from variation of terms	-	(75)
Loss on fair value changes - net	(361)	(1,493)
Currency translation differences	(6)	(24)
End of financial year	<u>1,701</u>	<u>3,223</u>
Represented by:		
Unquoted securities	200	2,455
Unquoted convertible loans	1,501	768
	<u>1,701</u>	<u>3,223</u>

The fair value of unquoted securities and convertible loans are classified in Level 3 of the fair value hierarchy. (Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)).

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

11 Property, plant and equipment

The movement of property, plant and equipment is as follows:

	Group	
	31 Mar 2022	31 Mar 2021
	S\$'000	S\$'000
Beginning of financial year	87,989	112,894
Depreciation:		
- property, plant and equipment	(7,893)	(6,729)
- right-of-use assets	(19,684)	(23,797)
Additions	1,684	9,152
Disposal	(298)	(1,594)
Impairment	(66)	-
Written off	(801)	(590)
Derecognition of right-of-use assets	(1,611)	(766)
Effect of foreign currency exchange differences	497	(581)
End of financial year	<u>59,817</u>	<u>87,989</u>
Represented by		
Property, plant and equipment	22,650	30,394
Right-of-use assets	<u>37,167</u>	<u>57,595</u>
	<u>59,817</u>	<u>87,989</u>

The total depreciation charge for the year is included in cost of sales and administrative expenses amounting to S\$7,289,000 (2021: S\$7,269,000) and S\$20,288,000 (2021: S\$23,257,000) respectively.

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12 Intangible assets and goodwill

Group	Goodwill S\$'000	Brand with indefinite useful life S\$'000	Brands with finite useful life S\$'000	Other intangibles assets S\$'000	Total S\$'000
31 Mar 2022					
Cost					
Beginning of financial year	258,999	17,969	8,423	12,423	297,814
Currency translation differences	(66)	-	-	232	166
Additions	-	-	-	1,406	1,406
Government grants received for development of software	-	-	-	(75)	(75)
End of financial year	<u>258,933</u>	<u>17,969</u>	<u>8,423</u>	<u>13,986</u>	<u>299,311</u>
Accumulated amortisation					
Beginning of financial year	-	-	2,621	2,545	5,166
Currency translation differences	-	-	-	72	72
Amortisation charge for the year	-	-	562	3,671	4,233
End of financial year	<u>-</u>	<u>-</u>	<u>3,183</u>	<u>6,288</u>	<u>9,471</u>
Accumulated impairment					
Beginning and end of financial year	39,610	-	-	-	39,610
Currency translation differences	99	-	-	-	99
Impairment during the year	12,000	-	-	1,045	13,045
End of financial year	<u>51,709</u>	<u>-</u>	<u>-</u>	<u>1,045</u>	<u>52,754</u>
Carrying amount					
End of financial year	<u>207,224</u>	<u>17,969</u>	<u>5,240</u>	<u>6,653</u>	<u>237,086</u>
31 Mar 2021					
Cost					
Beginning of financial year	259,680	17,969	8,423	7,838	293,910
Currency translation differences	(681)	-	-	2	(679)
Additions	-	-	-	4,871	4,871
Written off	-	-	-	(288)	(288)
End of financial year	<u>258,999</u>	<u>17,969</u>	<u>8,423</u>	<u>12,423</u>	<u>297,814</u>
Accumulated amortisation					
Beginning of financial year	-	-	2,059	1,333	3,392
Currency translation differences	-	-	-	2	2
Amortisation charge for the year	-	-	562	1,498	2,060
Written off	-	-	-	(288)	(288)
End of financial year	<u>-</u>	<u>-</u>	<u>2,621</u>	<u>2,545</u>	<u>5,166</u>
Accumulated impairment					
Beginning of financial year	10,706	-	-	-	10,706
Currency translation differences	(138)	-	-	-	(138)
Impairment during the year	29,042	-	-	-	29,042
End of financial year	<u>39,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,610</u>
Carrying amount					
End of financial year	<u>219,389</u>	<u>17,969</u>	<u>5,802</u>	<u>9,878</u>	<u>253,038</u>

Other intangible assets includes content development cost, acquired rights, softwares and others.

The amortisation charge for the year is included in cost of sales and administrative expenses amounting to S\$2,366,000 (2021: S\$990,000) and S\$1,867,000 (2021: S\$1,070,000) respectively.

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12 Intangible assets and goodwill

Goodwill impairment testing

The management has adopted expected cash flow approach to determine the value-in-use. Management has applied differing factors to accommodate the possible expectation on consumer reaction towards the new normal caused by COVID-19. The factors include, but not limited to, extend of social distancing measures, occupancy rate and market recovery rate.

Management had reassessed recoverable amounts of the Cinema operations and is of the view that the impairment during the current financial year is necessary. Impairment loss on goodwill of cinema operations amounting to S\$12,000,000 and it was allocated to the cinema operations in Malaysia and Singapore amounting to S\$4,000,000 and S\$8,000,000 respectively. As the CGUs have been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment loss.

Value-in-use is based on an estimate of all future cash flows the entity expects to derive from the Cinema business in its current form. The fair value of the cinema business in any transaction reflects many factors, including existing market conditions, liquidity and risk factors in the cinema business and competing potential buyers. The value-in-use and fair value may differ significantly.

13 Film rights

The film rights movement are presented below:

	Group	
	31 Mar 2022	31 Mar 2021
	S\$'000	S\$'000
Beginning of financial year	33,364	41,635
Additions	5,370	5,356
Disposal	(20)	-
Reclassification	385	-
Transfer from film products	-	4,081
Government grants received for development of content	(317)	(1,267)
Amortisation charge for the year	(10,103)	(10,195)
Impairment	-	(6,225)
Effect of foreign currency exchange differences	(1)	(21)
End of financial year	<u>28,678</u>	<u>33,364</u>

The amortisation charge for the year is included in cost of sales and administrative expenses amounting to S\$9,766,000 (2021: S\$10,195,000) and S\$337,000 (2021: Nil) respectively.

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14 Film intangibles and film inventories

The film intangibles and film inventories movement are presented below:

	Group	
	31 Mar 2022	31 Mar 2021
	S\$'000	S\$'000
Beginning of financial year	19,484	16,442
Additions	5,921	11,393
Amortisation charge for the year	(2,654)	(5,152)
Impairment	(2,351)	(2,797)
Reclassification	(52)	-
Written off	-	(363)
Effect of foreign currency exchange differences	(71)	(39)
End of financial year	<u>20,277</u>	<u>19,484</u>

The amortisation charge for the period is all included in cost of sales.

15 Trade and other payables

	Group	
	31 Mar 2022	31 Mar 2021
	S\$'000	S\$'000
Current		
Trade payables:		
- Non-related parties	42,010	35,272
- Associated companies	434	777
- Joint venture	5	5
	<u>42,449</u>	<u>36,054</u>
Other payables:		
- Non-related parties	11,350	8,582
- Related parties	885	423
- Associated companies	1,236	50
- Director	58	52
	<u>13,529</u>	<u>9,107</u>
Accruals	11,924	12,806
Deposit received	21,022	18,404
Withholding tax	2,800	2,800
	<u>91,724</u>	<u>79,171</u>

16 Other current assets

Costs incurred to fulfil revenue contracts relate to direct costs incurred for revenue contracts in progress as at 31 March 2022 and 31 March 2021. The Group expects the capitalised costs to be completely recovered, hence no impairment loss has been recognised.

17 Contract liabilities

Contract liabilities related to payments received in advance from customers. The related amounts are recognised as revenue when the Group fulfils its performance obligation under the contract with the customers which generally does not exceed one year.

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Borrowings

	Group	
	31 Mar 2022	31 Mar 2021
	S\$'000	S\$'000
Secured borrowing		
Amount repayable in one year or less, or on demand	153,812	186,119
Amount repayable after one year	46,991	72,025
	<u>200,803</u>	<u>258,144</u>
Unsecured borrowing		
Amount repayable in one year or less, or on demand	6,144	6,550
Amount repayable after one year	2,813	938
	<u>8,957</u>	<u>7,488</u>
Current	159,956	192,669
Non-current	<u>49,804</u>	<u>72,963</u>

Details of any collateral

The Group's secured portion of borrowings are secured by:

- (i) corporate guarantees from the Company and certain subsidiaries;
- (ii) equity interest of certain subsidiaries;
- (iii) assignment of all of a subsidiary's rights, title, benefits and interests in connection with the agreement executed relating to a project; and
- (iv) a leasehold property of the Group.

19 Share capital

	Number of	Issued and
	shares	paid-up share
	'000	capital
		S\$'000
Ordinary shares of the Company		
31 Mar 2022		
Beginning of financial year	1,162,805	152,870
Issuance of right shares	1,162,805	54,652
Issuance of ordinary shares	75,000	6,000
Capitalised expenses in relation to issuance of right shares	-	(2,420)
End of financial year	<u>2,400,610</u>	<u>211,102</u>
31 Mar 2021		
Beginning and end of financial year	<u>1,162,805</u>	<u>152,870</u>

The Company did not have any treasury shares as at 31 March 2022 and 31 March 2021.

On 14 April 2021, the Company successfully allotted 1,162,804,610 Right Shares to subscribers at an issue price of \$0.047 for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing ordinary shares in the capital of the Company. The gross proceeds raised by the Company from the Rights issue is approximately \$54,650,000.

On 3 March 2022, the Company successfully allotted 75,000,000 new Ordinary Shares at an issue price of \$0.08 for each ordinary share for S\$6.0 million pursuant to the exchange rights under the sales and purchase agreement entered between the Company and Kingsmead Properties Pte. Ltd. on 30 August 2021.

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20 Net asset value

	Group		Company	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Net asset value attributable to equity holders of the Company (S\$'000)	159,385	126,875	190,346	127,934
Number of ordinary shares issued (' 000)	2,400,610	1,162,805	2,400,610	1,162,805
Net asset value per ordinary share	0.07	0.11	0.08	0.11

21 Subsequent events

There are no material subsequent events except for the following:

On 23 March 2022, the Company has entered into placement agreements with placees for the allotment and issue of 390.0 million placement shares in the capital of the Company at an issue price of S\$0.05 per placement share (the "Placement"). The aggregate consideration payable by placees is S\$19.5 million. As at reporting period, the Company has received payment of S\$9.75 million and recorded as "Reserves" in the consolidated and Company's statement of financial position. The remaining balance of S\$9.75 million has been received in the subsequent financial year, consequently, the Placement has completed on 4 April 2022.

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The condensed consolidated statement of financial position of mm2 Asia Ltd. and its subsidiaries as at 31 March 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year then ended and certain explanatory notes have not been audited or reviewed.

1A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, the financial statements have been adequately disclosed.

This is not required to any audit issue that is a material uncertainty relating to going concern

Not applicable.

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Financial Performance (Consolidated Statement of Comprehensive Income)

FY2022 vs FY2021

Revenue

The Group's revenue increased by approximately \$37.8 million or 50.2%, from \$75.2 million in FY2021 to \$113 million in FY2022. It was mainly due to 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 of each segment are analysed as follows:

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

- (i) higher revenue from production by \$18.6 million or 41.7% as the segment completed more projects in FY2022 as compared to last financial year; and
- (ii) higher distribution income by \$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 \$0.9 million or 42.8%, from \$2 million in FY2021 to \$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 \$13.6 million or 85%, from \$15.9 million in FY2021 to \$29.5 million in FY2022, was mainly due to cinemas reopening in Singapore and releases of Hollywood blockbuster movies titles despite the operating with reduced seating capacity and other enhance measures implemented by Singapore and Malaysia Governments. The operations in Malaysia have been affected by intermittent cinema closures due to total lockdowns since the last financial year.

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss (continued):

Review of Financial Performance (Consolidated Statement of Comprehensive Income) (continued)

Revenue (continued)

Revenue from the Concert and event ("Event") segment increased by approximately \$2.3 million or 167%, from \$1.3 million in FY2021 to \$3.6 million in FY2022. The significant increase was primarily due to higher promotion and production revenue in FY2022 as a result of 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 & beverage business. Revenue of this segment is mainly contributed by advertising and news agency activities and slightly increased by \$0.7 million or 17.8%, from \$3.8 million in FY2021 to \$4.5 million in FY2022.

Cost of sales

Cost of sales increased by approximately \$25.8 million or 37.2%, from \$69.3 million in FY2021 to \$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 and amortisation and direct staff cost, which have been incurred throughout the year.

Gross profit

Gross profit increased by approximately \$11.8 million, from \$6 million in FY2021 to \$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 \$2.8 million, from \$13.7 million in FY2021 to \$10.9 million in FY2022, was mainly due to lower in rental concessions income in the Cinema segment for approximately \$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 rental cost burden in cinema operation during the COVID-19 pandemic.

Other gains/losses - net

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

- (i) fair value gain in derivative financial instrument of \$6.1 million and gain in re-measurement of convertible security of \$1.1 million;
- (ii) PPE and inventories written off of \$0.9 million and \$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

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss (continued):

Review of Financial Performance (Consolidated Statement of Comprehensive Income) (continued)

Administrative expenses

Administrative expenses consist of the following

	FY2022	FY2021
	S\$'000	S\$'000
Staff costs from non direct operating	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)	22,832	24,354
Impairment	15,529	39,809
Others	7,310	6,312
	<u>59,257</u>	<u>84,962</u>

The Group's administrative expenses decreased by approximately \$25.7 million or 30.3% from \$85 million in FY2021 to \$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 \$1.3 million, from \$10.2 million in FY2021 to \$8.9 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 \$2.7 million, from \$22.4 million in FY2021 to \$19.7 million in FY2022 was mainly due to derecognition of right-of-use assets of \$2.1 million in Cinema segment as a result of reduction of 5 cinema locations in Malaysia during Oct 2020 to March 2021.

and partially offset by,

- (c) an increase in amortisation by approximately \$1.4 million; from \$1.1 million in FY2021 to \$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 \$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: S\$39.8 million) arising:-
 - goodwill in cinema segment - S\$12.0 million;
 - film intangible and inventories - S\$2.4 million;
 - intangible assets - others - S\$1.0 million;

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss (continued):

Review of Financial Performance (Consolidated Statement of Comprehensive Income) (continued)

Finance expenses

In FY2022, finance expenses comprised:

- (a) interest expenses on borrowings of \$5.2 million (FY2021: \$8.8 million), a decrease of \$3.6 million or 40%, was mainly due to decrease in MTN's interest by \$3.9 million as a result of fully redemption of MTN on 27 April 2021.
- (b) interest expenses on lease liabilities of \$2.2 million (FY2021: \$3.5 million), decreased by \$1.3 million or 35.8%, was mainly due reduction of cinema locations in Malaysia and re-measurement of lease liabilities in FY2022.

Overall, the Group's finance expenses decreased slightly by \$5.5 million or 29.1%, from \$19 million in FY2021 to \$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 \$0.3 million was mainly contributed from Concert and Event segments' associated company, Isotope Productions Pte. Ltd. ("Isotope") as the associated company held a virtual concert in the current reporting year.

Loss before income tax

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

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss (continued):

Pro forma consolidated statement of profit or loss analysis

A pro forma of consolidated income statement for the full financial year ended 31 March have been prepared to illustrate the Group's financial performance by excluding the SFRS(I) 16 impact in the current and comparative year.

	As reported		Adjustment for exclusion		Pro forma	
	FY2022	FY2021	SFRS(I) 16 impact		FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	112,977	75,230	-	-	112,977	75,230
Cost of sales	(95,134)	(69,271)	-	-	(95,134)	(69,271)
Gross profit	17,843	5,959	-	-	17,843	5,959
Other income						
- Interest	46	43	-	-	46	43
- Others	10,878	13,721	-	-	10,878	13,721
Other gains/(losses) - net	2,363	(13,841)	-	-	2,363	(13,841)
Administrative expenses	(59,257)	(84,962)	(1,269)	(2,195)	(60,526)	(87,157)
Finance expenses	(13,508)	(19,047)	2,232	3,476	(11,276)	(15,571)
Share of profits of associated companies and joint venture	423	74	-	-	423	74
Loss before income tax	(41,212)	(98,053)	963	1,281	(40,249)	(96,772)
Income tax expenses	(876)	(1,459)	-	-	(876)	(1,459)
Net loss for the financial year	(42,088)	(99,512)	963	1,281	(41,125)	(98,231)
Earnings/(Loss) before interest, tax, depreciation, amortisation and impairment ("EBITDA"/("LBITDA"))	32,392	8,737	(20,953)	(24,658)	11,439	(15,921)

Pro forma administrative expenses

The pro forma administrative expenses decreased by \$26.6 million in FY2022 is mainly due to lower rental expenses in Cinema segment due to closure of cinema locations in Malaysia. Other reasons for the reduction in expense are mentioned in the commentary for Administrative Expenses (a), (c), (d) and (e) above.

Pro forma finance expenses

Pro forma interest expense decreased by \$4.3 million or 27.6%, from \$15.6 million in FY2021 to \$11.3 million in FY2022, mainly due to the reasons as mentioned in the commentary for Finance expense (a) above.

The summary of Reported and Pro forma EBITDA/(LBITDA) as follows:-

Segments	As reported		Pro forma	
	FY2022	FY2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Core	17,576	20,541	17,154	20,015
Post-productions	(1,756)	(2,688)	(1,943)	(2,908)
Cinema	19,992	(663)	(291)	(24,387)
Events	(2,207)	(7,507)	(2,230)	(7,519)
Others	(1,018)	(714)	(1,056)	(890)
Elimination	(195)	(232)	(194)	(232)
	32,392	8,737	11,439	(15,921)

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss (continued):

Review of Financial Position (Consolidated Statement of Financial Position)

Current assets

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

- (i) a net decrease of trade and other receivables by approximately \$9.7 million or 8.6% from \$112.6 million in FY2021 to \$102.9 million in FY2022. The net movement comprising the following:
 - total net decrease in trade receivables and unbilled receivables by approximately \$8.8 million, from \$76.3 million in FY2021 to \$67.5 million; and
 - net decrease slightly in other receivables for approximately \$0.9 million, mainly due to Post-production segment's reclassification of deposit paid of \$1.48 million to films intangible and inventory as the acquisitions of rights were completed in FY2022.
- (ii) an increase in cash and cash equivalents by approximately \$2.5 million or 20.7%, from \$12.1 million in FY2021 to \$14.6 million in FY2022, was mainly due to cash inflows generated from operation of \$25.6 million, cash generated from investing of \$2.7 million and cash used in financing activities \$20 million (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 \$7.6 million or 10%, from \$75.9 million in FY2021 to \$83.5 million in FY2022, was mainly due to ongoing drama productions to represent the Group's right to consideration for dramas and films production not bill in FY2022; and
- (iii) an increase in film products and films under production by approximately \$4.9 million or 445.5%, from \$1.1 million in FY2021 to \$6 million in FY2022, was mainly due to completed film products but yet to be released commercially.

Non-current assets

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

- (i) a decrease in financial assets at fair value through profit or loss by \$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 \$28.2 million or 32% was mainly due to depreciation expenses, including Right-of-use, of approximately \$19.7 million and PPE written off of \$0.8 million and derecognition of right-of-use of \$1.1 million in Cinema segment;
- (iii) a decrease in film rights by \$4.7 million or 14.1% was mainly due impairment of film rights of \$6.2 million in FY2021 compared to FY2022; and
- (iv) an increase in film intangibles and film inventories by \$0.8 million or 4.1% was mainly attributable to additions in film inventories in Core segment and Post-production segment for \$3.9 million and \$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 \$2.7 million and recognition of impairment losses of \$2.4 million.

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss (continued):

Review of Financial Position (Consolidated Statement of Financial Position)

Current liabilities

Current liabilities decreased by \$33.2 million or 10.3%, from \$323.4 million in FY2021 to \$290.2 million in FY2022, was contributed by:

- (i) a net increase in trade and other payable by \$12.5 million or 15.8% arising from (a) increase in trade payables by \$5.6 million due to payments to creditors and (b) increase in other payables by \$6.9 million due to deposit received amounted to \$3.5 million pertaining to the convertible bond, Company;
- (ii) a net decrease in contract liabilities (advance billing but services yet to be delivered and to be recognised as revenue upon completion) by \$1 million or 11% 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 \$32.7 million or 17%, from \$192.7 million in FY2021 to \$160 million in FY2022, was mainly due to full redemption of MTN on 27 April 2021; and
- (iv) a net decrease in lease liabilities by \$5.1 million or 15.4% 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 \$39.8 million or 31.5%, from \$126.2 million in FY2021 to \$86.4 million in FY2022, mainly due to repayment of borrowings and lower lease liabilities due to the closure of cinema sites in Malaysia.

Review of Cash Position (Consolidated Statement of Cash Flow)

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

(a) 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 (\$0.8 million); and
- (ii) rental concessions/ rebates from landlord (\$4.3 million).

Accordingly, the Group generated approximately \$25.9 million net cash positive from operating activities before net working capital changes as compared to \$14.7 million net cash positive from operating activities before net working capital changes in FY2021.

After applying net working capital changes, it generated net cash inflows of approximately \$27 million (FY2021: net cash inflows \$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 receivables and unbilled \$5 million due to higher received payment from debtors in FY2022; partially offset by (b) net decrease in other receivables for approximately \$0.3 million;
- (ii) a net increase in other current assets of \$18.7 million due to recognition of production costs in profit or loss for completed projects;
- (iii) a net increase in film intangible and film inventories of \$4.2 million due to additions in intangible assets amounted \$2.9 million from Post-productions segment;

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss (continued):

Review of Cash Position (Consolidated Statement of Cash Flow) (Continued)

(a) Net cash used in operating activities (continued)

- (iv) a net increase in trade and other payables of \$16.1 million;
- (v) a net decrease in contract liabilities of \$1 million due to increase in progress billing for ongoing projects; and
- (vi) corporate tax payments of \$0.7 million during the year.

(b) Net cash used in investing activities

In FY2022, net cash outflows from investing activities amounted to approximately \$6.2 million as compared to \$9.1 million outflows in FY2021, was mainly contributed by additional of film right \$5.4 million, offset by the proceeds from the sales of an unquoted investments for approximately \$1.9 million by Post-production segment.

(c) Net cash generated from financing activities

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

- (i) proceeds from bank borrowings approximately \$50.9 million mainly derived from Core business and Event segments;
- (ii) net proceeds from issuance of right shares and ordinary shares for approximately \$52.2 million and \$6 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 \$110.7 million was mainly derived from Core segments and redemption of MTN;
- (v) repayment of lease liabilities of \$18.9 million was mainly contributed by Cinema segment; and
- (vi) interest payments of \$10.4 million (comprising interest on bank borrowing of \$8.2 million and interest on lease liabilities of \$2.2 million).

As aforesaid mentioned, the Group recorded a net cash increase of approximately \$2.8 million in FY2022, as compared to a net cash decrease of approximately \$17.1 million in FY2021.

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

4 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has faced enormous challenges in the past two years since the COVID-19 pandemic began. However, with the opening up of many markets and sectors, including better understanding and management of Covid-19 globally, all the Group's businesses are seeing strong recovery play in the next twelve to eighteen months.

These have been demonstrated since April 2022, where safe management measures in Singapore and Malaysia have been lifted, with cinema and concert businesses being able to operate at full capacity. These are further enhanced with the slate of strong Hollywood and Asian titles stacked up to be released in the coming months.

The Group will also see many international artistes organising concerts in our key markets, and the demand for good content will continue from all platforms, including cinema, live entertainment and digital streaming platforms.

In addition, the Group's core content business pipeline is promising with continued demand from existing and upcoming new digital platforms launching in Asia. Content demand for traditional platforms, including short-form content for on-the-go consumption will continue to grow when more markets in North Asia gradually open up.

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

5 If a decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b) Amount per share in cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

6 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

There was no dividend declared or recommended for the current reporting period as the Group recorded a loss for the year.

7 If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders for interested person transactions pursuant to Rule 920.

There were no IPT of \$100,000 and above in the current period under review.

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

8 Update on Use of proceeds

(i) Private placement of S\$19.5million

The Company refers to announcement made on 4 April 2022 in relation to the new Ordinary Shares in the capital of the Company ("Placement Shares"). In this respect, the Company has successfully raised an aggregate gross proceeds of \$19.5 million pursuant to the private placement.

As at the date of this announcement, the status of proceeds in Singapore dollar is as follows:

	Intended Use of Net Proceeds	Amount Allocated S\$'000	Amount utilised S\$'000	Balance of Net Proceeds S\$'000
(a)	Repayment of the \$7 million bank loan servicing	7.50	3.10	4.40
(b)	Expenses incurred in relation to Right Issues ⁽¹⁾	0.20	0.20	-
(c)	General Working capital ⁽²⁾	11.80	11.80	-
		19.50	15.10	4.40

⁽¹⁾ Expenses incurred in relation to the Rights Issue relate to Professional Fees, Underwritten Commissions and Manager fees.

⁽²⁾ General working capital includes payment to suppliers in connection with productions projects and other operating costs.

The \$11.8 million has been applied towards general working capital for project related expenses of approximately \$11.6 million and administrative expenses of approximately \$0.2 million.

9 Confirmation by Directors pursuant to Rule 705(5) of the SGX-ST Listing Manual.

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group and the Company for the financial year ended 31 March 2022 to be false or misleading, in any material aspect.

10 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720 (1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720 (1).

11 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(9). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

BY ORDER OF THE BOARD

Melvin Ang Wee Chye
 Executive Chairman

30 May 2022