



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

**UNAUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022**

MM2 ASIA LTD.

Condensed Interim Financial Statements

For The Third Quarter Ended 31 December 2022

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A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022

	Note	Group Third quarter period ended			Group Nine months period ended		
		3Q FY2023 (Unaudited) S\$'000	3Q FY2022 (Unaudited) S\$'000	Change %	31 Dec 2022 (Unaudited) S\$'000	31 Dec 2021 (Unaudited) S\$'000	Change %
Revenue	4	62,320	33,987	83.4%	141,333	80,262	76.1%
Cost of sales		(48,071)	(23,280)	106.5%	(101,816)	(60,185)	-69.2%
Gross profit		14,249	10,707	33.1%	39,517	20,077	96.8%
Other income							
- Interest		9	2	350.0%	44	26	69.2%
- Others		357	2,731	-86.9%	1,505	8,681	-82.7%
Other gains/(losses) - net							
- Expected credit losses, net		-	(458)	N.M	-	(458)	-100.0%
- Others		(1,981)	(179)	1006.7%	(3,530)	(357)	N.M.
Administrative expenses		(11,577)	(10,788)	7.3%	(34,431)	(32,597)	-5.6%
Finance expenses		(4,778)	(3,234)	47.7%	(11,533)	(10,096)	-14.2%
Share of (losses)/profits of associated companies and former joint venture		(40)	(255)	-84.3%	(684)	284	N.M.
Loss before income tax	6.1	(3,761)	(1,474)	155.2%	(9,112)	(14,440)	36.9%
Income tax expenses	7	(146)	308	N.M.	(966)	(562)	-71.9%
Net loss for the financial period		(3,907)	(1,166)	235.1%	(10,078)	(15,002)	32.8%
Other comprehensive income, net of tax:							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation							
- Gains		467	96	386.5%	1,873	67	N.M.
Total comprehensive loss for the financial period		(3,440)	(1,070)	221.5%	(8,205)	(14,935)	45.1%
Loss attributable to:							
Equity holders of the Company		(3,469)	(357)	N.M.	(8,865)	(11,774)	24.7%
Non-controlling interests		(438)	(809)	-45.9%	(1,213)	(3,228)	62.4%
		(3,907)	(1,166)	235.1%	(10,078)	(15,002)	32.8%
Total comprehensive loss attributable to:							
Equity holders of the Company		(3,051)	(257)	N.M.	(7,112)	(11,710)	39.3%
Non-controlling interests		(389)	(813)	-52.2%	(1,093)	(3,225)	66.1%
		(3,440)	(1,070)	221.5%	(8,205)	(14,935)	45.1%
Loss per share attributable to owners of the Company							
Basic and diluted (in cents)	8	(0.13)	(0.01)	1200.0%	(0.33)	(0.49)	-32.7%

N.M. - not meaningful

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

	Note	Group		Company	
		31 Dec 2022	31 Mar 2022	31 Dec 2022	31 Mar 2022
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		12,171	14,571	920	9,796
Trade and other receivables	9	108,429	102,894	341,559	262,572
Inventories		1,096	1,013	-	-
Other current assets	16	110,256	83,459	-	-
Film products and films under production		5,426	6,004	-	-
Income tax receivables		202	407	-	-
		<u>237,580</u>	<u>208,348</u>	<u>342,479</u>	<u>272,368</u>
Non-current assets					
Trade and other receivables	9	16,294	19,962	-	-
Financial assets, at fair value through profit or loss ("FVPL")	10	1,752	1,701	96	-
Investments in subsidiaries		-	-	68,951	70,226
Investments in associated companies		2,444	3,196	1,581	2,045
Property, plant and equipment	11	45,594	59,817	36	76
Intangible assets and goodwill	12	234,212	237,086	-	-
Film rights	13	24,140	28,678	-	-
Film intangibles and film inventories	14	20,544	20,277	-	-
Deferred income tax assets		4	23	-	-
		<u>344,984</u>	<u>370,740</u>	<u>70,664</u>	<u>72,347</u>
TOTAL ASSETS		<u>582,564</u>	<u>579,088</u>	<u>413,143</u>	<u>344,715</u>
LIABILITIES					
Current liabilities					
Trade and other payables	15	88,702	91,723	52,489	58,562
Contract liabilities	17	14,094	8,149	-	-
Borrowings	18	81,427	154,394	44,672	56,820
Lease liabilities		17,160	28,090	37	58
Derivative financial instruments		-	6	-	-
Current income tax liabilities		1,065	2,279	-	-
		<u>202,448</u>	<u>284,641</u>	<u>97,198</u>	<u>115,440</u>
Non-current liabilities					
Borrowings	18	146,675	55,366	123,008	38,910
Lease liabilities		17,913	23,179	-	19
Provisions		4,574	5,886	-	-
Deferred income tax liabilities		7,308	7,524	-	-
		<u>176,470</u>	<u>91,955</u>	<u>123,008</u>	<u>38,929</u>
TOTAL LIABILITIES		<u>378,918</u>	<u>376,596</u>	<u>220,206</u>	<u>154,369</u>
NET ASSETS		<u>203,646</u>	<u>202,492</u>	<u>192,937</u>	<u>190,346</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	19	230,602	211,102	230,602	211,102
Reserves		(12,267)	(4,270)	-	9,750
Accumulated losses		(55,542)	(46,677)	(37,665)	(30,506)
		<u>162,793</u>	<u>160,155</u>	<u>192,937</u>	<u>190,346</u>
Non-controlling interests		40,853	42,337	-	-
TOTAL EQUITY		<u>203,646</u>	<u>202,492</u>	<u>192,937</u>	<u>190,346</u>

**C CONDENSED INTERIM STATEMENTS OF CHANGES OF EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022**

Group (Unaudited)

	Attributable to equity holders of the Company					Total equity S\$'000
	Share capital S\$'000	Reserves S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	
As at 1 April 2022	211,102	(4,270)	(46,677)	160,155	42,337	202,492
Net loss for the financial period	-	-	(8,865)	(8,865)	(1,213)	(10,078)
Other comprehensive income for the financial period	-	1,753	-	1,753	120	1,873
Total comprehensive income/(loss) for the financial period	-	1,753	(8,865)	(7,112)	(1,093)	(8,205)
Issuance of ordinary shares of the Company pursuant to:						
- Private Placement (Note 19)	19,500	(9,750) ¹	-	9,750	-	9,750
Disposal of a non-controlling interest in subsidiary	-	-	-	-	(391)	(391)
As at 31 December 2022	230,602	(12,267)	(55,542)	162,793	40,853	203,646
As at 1 April 2021	152,870	(14,300)	(11,695)	126,875	47,334	174,209
Net loss for the financial year	-	-	(11,774)	(11,774)	(3,228)	(15,002)
Other comprehensive income for the financial year	-	64	-	64	3	67
Total comprehensive loss for the financial year	-	64	(11,774)	(11,710)	(3,225)	(14,935)
Issuance of ordinary shares of the Company pursuant to:						
- Rights issue	54,652	-	-	54,652	-	54,652
Capitalised expenses pertaining to issuance of rights issue	(2,420)	-	-	(2,420)	-	(2,420)
Issuance of new shares in subsidiary to non-controlling interests	-	-	-	-	2,187	2,187
As at 31 December 2021	205,102	(14,236)	(23,469)	167,397	46,296	213,693

Company (Unaudited)

	Share capital S\$'000	Reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
As at 1 April 2022	211,102	9,750	(30,506)	190,346
Net loss for the financial period	-	-	(7,159)	(7,159)
Issuance of ordinary shares of the Company pursuant to:				
- Private Placement (Note 19)	19,500	(9,750) ¹	-	9,750
As at 31 December 2022	230,602	-	(37,665)	192,937
As at 1 April 2021	152,870	-	(24,936)	127,934
Net loss for the financial period	-	-	(5,209)	(5,209)
Issuance of ordinary shares of the Company pursuant to:				
- Rights issue	54,652	-	-	54,652
Capitalised expenses pertaining to issuance of rights issue	(2,420)	-	-	(2,420)
As at 31 December 2021	205,102	-	(30,145)	174,957

¹ Advance payment of \$9.75 million was received for the subscription of ordinary shares of the Company pursuant to the private placement in FY2022, has been reclassified from Reserves to Share Capital when new shares were allotted to the placees on 1 April 2022 (Note 19(a)).

**D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022**

	Group	
	Nine months period ended	
	31 Dec 2022 (Unaudited) S\$'000	31 Dec 2021 (Unaudited) S\$'000
Cash flows from operating activities		
Net loss	(10,078)	(15,002)
Adjustments for:		
- Income tax expenses	966	562
- Interest income	(44)	(26)
- Finance expenses	11,533	10,096
- Amortisation of intangible assets	1,291	2,060
- Amortisation of film rights	5,079	4,906
- Amortisation of film intangibles and film inventories	1,229	785
- Depreciation of property, plant and equipment	3,131	5,363
- Depreciation of right-of-use assets	13,694	14,592
- Inventories written off	1	70
- Property, plant and equipment written off	29	675
- Share of losses/(profits) of associated companies and former joint venture	684	(284)
- Rental concession income	(906)	(2,913)
- Expected credit loss on financial assets, net	(26)	458
- Gain on disposal of a subsidiary	(66)	-
- Gain arising from derecognition of leases	(57)	(253)
- Gain arising from re-measurement of financial asset	(16)	-
- Gain on disposal of property, plant and equipment	(41)	(39)
- Gain on fair value changes in derivative financial instruments, net	(6)	(72)
- Gain on fair value changes in financial assets, at FVPL, net	-	(19)
- Gain on disposal of financial assets, at FVPL	-	(19)
- Loss on unrealised foreign exchange	3,547	401
Operating cash flows before working capital changes	29,944	21,341
Change in working capital:		
- Trade and other receivables	(3,956)	1,987
- Inventories	(91)	(20)
- Other current assets	(27,983)	(3,050)
- Film products and films under production	-	(488)
- Film intangible and film inventories	(744)	(2,912)
- Trade and other payables	(1,774)	3,335
- Contract liabilities	6,060	(1,609)
Cash generated from operations	1,456	18,584
Income tax refund	-	252
Income tax paid	(1,882)	(895)
Net cash (used in)/provided by operating activities	(426)	17,941

**D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022 (CONTINUED)**

	Group	
	Nine months period ended	
	31 Dec 2022 (Unaudited) S\$'000	31 Dec 2021 (Unaudited) S\$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	85	39
Proceeds from disposal of financial assets, at FVPL	-	1,877
Proceeds from disposal of a subsidiary, net of cash disposed of (Note 20)	235	-
Incorporation of an associated company	-	(60)
Additions to property, plant and equipment	(1,349)	(66)
Additions to intangible assets	-	(729)
Additions of film rights	(21)	(5,383)
Government grants received for:		
- development of film rights	-	317
- development of software	155	-
Interest received	11	7
Net cash used in investing activities	(884)	(3,998)
Cash flows from financing activities		
Interest paid	(8,976)	(8,656)
Proceeds from issuance of ordinary shares of the Company pursuant to private placement (Note 19(a))	9,750	-
Proceeds from issuance of right shares (Note 19(b))	-	54,652
Expenses pertaining to issuance of right shares (Note 19(b))	-	(2,420)
Proceeds from issuance of ordinary shares of the Company pursuant to exchange right (Note 19(c))	-	6,000
Proceeds from issuance of convertible debt securities	15,350	1,000
Proceeds from issuance of exchangeable bond, net of capitalised transaction cost	51,400	-
Proceeds from issuance of new shares in subsidiary to non-controlling interests	-	2,187
Proceeds from borrowings	23,526	21,073
Repayments of borrowings	(75,178)	(78,345)
Repayments of lease liabilities	(16,479)	(13,884)
Net cash generated from/(used in) financing activities	(607)	(18,393)
Net changes in cash and cash equivalents	(1,917)	(4,450)
Cash and cash equivalents		
At beginning of financial year	13,607	10,824
Effects of currency translation on cash and cash equivalents	(50)	(44)
At end of financial year	11,640	6,330
Cash and cash equivalent comprise:		
Cash and bank balances	12,169	7,132
Fixed deposits	2	168
	12,171	7,300
Bank overdraft	(531)	(970)
	11,640	6,330

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 1002 Jalan Bukit Merah #07-11 Singapore 159456.

These condensed interim consolidated financial statements as at and third quarter ended 31 December 2022 ("**9M FY2023**") 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 Consolidated Financial Statements for the period ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The Condensed Interim Consolidated Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included for 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 financial year ended 31 March 2022. 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 financial year ended 31 March 2022.

The accounting policies adopted are consistent with the most recent audited consolidated financial statements for the financial year ended 31 March 2022 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.

This Condensed Interim Financial Statements of the Group and of the Company have been prepared on a going concern basis as the Group and the Company will be able to meet its liabilities as and when they fall due. The Group incurred a net loss of S\$10.1 million (previous corresponding period: S\$15.0 million) for the financial period ended 31 December 2022. As of that date, the Group's current assets exceeded its current liabilities by S\$35.1 million (current liabilities exceeded its current assets on 31 Mar 2022: \$76.3 million). The Group's businesses are on the road to recovering from the COVID-19 pandemic in the current financial year.

The Group and the Company have implemented several measures to weather through this current challenging environment. These efforts are ongoing as the Group and the Company continue to seek support from the vendors, landlords, shareholders and business partners to meet the challenges.

(a) Ongoing recovery from the effect of the COVID-19 pandemic

Despite the Group having incurred a net loss for the period ended 31 December 2022, the financial metrics of the Group have improved as compared to that of the corresponding period. This was mainly attributed to the lifting of the COVID-19 pandemic restrictions in April 2022, particularly on seating capacity and the resumption of large-scale live entertainment events.

As discussed in Section F to the Condensed Interim Financial Statements, the Group's financial position improved from a net current liabilities of S\$76.3 million to net current assets of S\$35.1 million. In addition, the Group's revenue grew by approximately 70.7% in the current financial period, EBITDA also has increased from S\$23.4 million to S\$26.8 million while net loss has reduced from S\$15.0 million to S\$10.1 million.

E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 Basis of Preparation (continued)

(b) The Group has completed the following during the current financial period

- (i) On 23 March 2022, the Company had entered into placement agreements with placees for the allotment and issuance of 390 million placement shares in the capital of the Company at an issue price of \$0.05 per placement share (the "Placement"). The aggregate consideration payable by placees is \$19.5 million. The transaction was completed on 1 April 2022.
- (ii) During the current financial period, mm Connect Pte. Ltd. ("mm Connect"), a wholly-owned subsidiary of the Company, had entered into convertible bond agreements with subscribers ("Bondholders") for issuance of unsecured convertible bonds in an aggregate of \$15.35 million, carrying a coupon rate of 5% per annum and matures on the second anniversary of their respective dates of issue. These transactions were completed as at the date of this report.
- (iii) The Group has been engaging continually with various lenders since the last 2 financial years to obtain letters of waiver on certain compliances requirements stipulated in the facility agreements, refinancing of its existing loans and/or to extend existing loans tenure. In the current financial period, one of the financial institutions of the Company has agreed to defer the loan repayment, specifically, the loan principal repayments totaling \$21.93 million which are due within next twelve (12) months from the financial year end, has been extended for another 12 months. These refinancing exercises allow the Group to preserve sufficient working capital to sustain its recovery from the impact of the COVID-19 pandemic. The deferment has been reflected in this Condensed Interim Financial Statements.
- (iv) As announced on 16 June 2022 and 25 September 2022, the Company has on 23 September 2022 entered into a subscription agreement with UOB Kay Hian Private Limited to subscribe a proposed issue of exchangeable bonds ("Exchangeable Bonds") coupled with detachable warrants ("Warrants") by the Company (collectively known as "Proposed Issuance").

The principal amount of Exchangeable Bonds is \$54.0 million, with a coupon rate of 5% per annum and a tenure of two (2) calendar years from the issue date, which will automatically be extended for one (1) year in the event the Exchange Right is not exercised at the end of the two years tenure. The Exchangeable Bonds are issued together with 250 million Warrants, each carrying the right for a period of five (5) years from the issue date to subscribe for one new ordinary share in the Company at an exercise price of S\$0.065 per new share. If fully exercised, the consideration from issuance of the Warrants will amount to \$16.25 million. This transaction forms the refinancing plan for the convertible securities due 31 December 2022. The transaction has completed on 30 December 2022.

- (v) On 31 December 2022, the Company and mm Connect completed the execution of deeds of amendment and settlement ("Settlement Deed") with the holders of the mm Connect Convertible Securities ("CNCB Holders") in relation to the full and final settlement of all principal amount due to them under the outstanding mm Connect Convertible Securities together with any accrued but unpaid interest thereon, via a combination of cash amounted to S\$28.1 million and unlisted, unsecured, redeemable, convertible and exchangeable bonds to be issued by the Company amounted to S\$30.7 million.

Pursuant to the terms of the Settlement Deed, CNCB Holders and the Company have further entered into binding term sheets with sets out the salient terms and conditions of the Bonds to be issued to the CNCB Holders. The Bonds have coupon rate of 6% per annum and a tenure of two (2) calendar years from issue date. Please refer announcement dated 31 December 2022 for salient terms of the Settlement Deed and the Term Sheet.

The Bonds have coupon rate of 6% per annum and a tenure of two (2) calendar years from issue date. Please refer announcement dated 31 December 2022 for salient terms of the Settlement Deed and the Term Sheet.

(d) Other ongoing actions

- (i) Management continues to review existing financing facilities and to procure new financing. Based on the Group's successful negotiation with the lenders in the past financial periods, the Group is cautiously optimistic that the various lenders will continue to support the Group.
- (ii) Management will continue to implement comprehensive cost-containment measures and continue deleveraging exercise to reduce the financing cost and liabilities.

E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 Basis of Preparation (continued)

(b) *The Group has completed the following during the current financial period (continued)*

Accordingly, the directors of the Company are of the opinion that the going concern basis in preparing the consolidated financial statements under the going concern assumption for the financial period ended 31 December 2022 is appropriate.

This Condensed Interim Financial Statements does not include any adjustments that may result in the event that the Group is unable to continue as a going concern. In the event that the Group is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which are currently recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

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 2022. 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 2022.

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.

There is no additional impairment provided as at financial period ended 31 December 2022. The carrying amounts of the film rights, film intangibles and film inventories are disclosed in Notes 13 and Notes 14 to the Condensed Interim Consolidated 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 has 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.

There is no additional of ECL provided as at financial period 31 December 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, there is no further impairment is necessary as at 31 December 2022.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period 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 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" 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 third quarter period 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 October 2022 to 31 December 2022 (3Q FY2023)							
Total segment sales	32,994	415	10,910	16,928	1,702	(629)	62,320
Inter-segment sales	(493)	(1)	(63)	(69)	(3)	629	-
Sales to external parties	32,501	414	10,847	16,859	1,699	-	62,320
Adjusted earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))							
	7,364	(779)	1,603	1,575	(533)	261	9,491
Depreciation	(94)	(69)	(3,775)	(322)	(32)	-	(4,292)
Amortisation	(3,670)	(172)	-	(207)	(133)	-	(4,182)
Finance expenses	(2,126)	(42)	(2,297)	(312)	(1)	-	(4,778)
Profit/(Loss) before tax	1,474	(1,062)	(4,469)	734	(699)	261	(3,761)
Income tax expenses	(10)	-	-	(136)	-	-	(146)
Net profit/(loss)	1,464	(1,062)	(4,469)	598	(699)	261	(3,907)
1 October 2021 to 31 December 2021 (3Q FY2022)							
Total segment sales	18,271	552	11,274	2,782	1,383	(275)	33,987
Inter-segment sales	(122)	(3)	(110)	-	(40)	275	-
Sales to external parties	18,149	549	11,164	2,782	1,343	-	33,987
Adjusted earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))							
	6,445	(216)	5,501	(194)	(7)	(80)	11,449
Depreciation	(167)	(112)	(5,978)	(333)	(22)	-	(6,612)
Amortisation	(2,325)	(335)	(89)	(207)	(121)	-	(3,077)
Finance expenses	(1,159)	(54)	(1,783)	(239)	-	1	(3,234)
Profit/(Loss) before tax	2,794	(717)	(2,349)	(973)	(150)	(79)	(1,474)
Income tax (expenses)/ credit	(3)	28	142	141	-	-	308
Net profit/(loss)	2,791	(689)	(2,207)	(832)	(150)	(79)	(1,166)

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: (continued)

	Group						Total S\$'000
	For the nine months period 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 Apr 2022 to 31 December 2022 (9M FY2023)							
Total segment sales	75,983	2,246	37,633	23,223	3,634	(1,386)	141,333
Inter-segment sales	(908)	(1)	(231)	(221)	(25)	1,386	-
Sales to external parties	75,075	2,245	37,402	23,002	3,609	-	141,333
Adjusted earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))							
	16,930	(1,534)	9,059	3,492	(1,454)	352	26,845
Depreciation	(347)	(212)	(15,244)	(934)	(88)	-	(16,825)
Amortisation	(6,055)	(521)	(1)	(623)	(399)	-	(7,599)
Finance expenses	(5,218)	(130)	(5,425)	(758)	(4)	2	(11,533)
Profit/(loss) before tax	5,310	(2,397)	(11,611)	1,177	(1,945)	354	(9,112)
Income tax (expenses)/credit	(961)	-	83	(88)	-	-	(966)
Net profit/(loss)	4,349	(2,397)	(11,528)	1,089	(1,945)	354	(10,078)
1 Apr 2021 to 31 December 2021 (9M FY2022)							
Total segment sales	51,111	1,744	21,415	3,208	3,267	(483)	80,262
Inter-segment sales	(170)	(20)	(183)	-	(110)	483	-
Sales to external parties	50,941	1,724	21,232	3,208	3,157	-	80,262
Adjusted earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))							
	15,806	(996)	9,987	(683)	(570)	(182)	23,362
Impairment losses	-	-	-	-	-	-	-
Depreciation	(498)	(404)	(17,966)	(1,017)	(70)	-	(19,955)
Amortisation	(5,469)	(995)	(267)	(623)	(397)	-	(7,751)
Finance expenses	(3,839)	(173)	(5,313)	(771)	(3)	3	(10,096)
Profit/(loss) before tax	6,000	(2,568)	(13,559)	(3,094)	(1,040)	(179)	(14,440)
Income tax (expenses)/credit	(995)	74	163	196	-	-	(562)
Net profit/(loss)	5,005	(2,494)	(13,396)	(2,898)	(1,040)	(179)	(15,002)

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

4 Segment and revenue information (continued)

Revenue by geographical location of customers

	Group		Group	
	Third quarter period Ended		Nine months period ended	
	3Q FY2023	3Q FY2022	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	26,073	25,462	62,380	43,152
Malaysia	6,589	1,745	13,223	5,745
China	4,877	355	15,809	8,066
Taiwan	16,838	6,007	36,746	16,257
Hong Kong	7,460	65	10,792	5,782
Others	483	353	2,383	1,260
	62,320	33,987	141,333	80,262

Timing of revenue recognition

At point in time	62,601	33,308	138,937	76,678
At over time	(281)	679	2,396	3,584
	62,320	33,987	141,333	80,262

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 December 2022 and 31 March 2022:

	Group		Company	
	31 Dec 2022	31 Mar 2022	31 Dec 2022	31 Mar 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets, at amortised cost	134,416	135,780	341,330	272,171
Financial assets, at FVPL	1,752	1,701	96	-
Total	136,168	137,481	341,426	272,171
Financial liabilities, at amortised cost	351,877	352,752	220,206	154,369
Derivatives financial instruments	-	6	-	-
Total	351,877	352,758	220,206	154,369

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

6 Loss before income taxation

6.1 Significant items

	Group		Group	
	Third quarter period Ended		Nine months period ended	
	3Q FY2023	3Q FY2022	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Loss before income tax is arrived at after (crediting)/charging:				
Amortisation of intangible assets	427	693	1,291	2,060
Amortisation of film rights	3,072	2,097	5,079	4,906
Amortisation of film intangibles and film inventories	683	287	1,229	785
Depreciation of property, plant and equipment	305	1,802	3,131	5,363
Depreciation of right-of-use assets	3,987	4,810	13,694	14,592
Employees compensation	4,899	3,986	14,449	12,454
Expected credit loss on financial assets, net	-	458	-	458
Interest expenses on:				
- Borrowings	4,409	2,662	10,281	8,438
- Lease liabilities	369	572	1,252	1,658
Inventories written off	-	16	1	70
Government grants income, including JSS and RSS*	(177)	(2,260)	(335)	(5,539)
Rental concession income	(126)	(206)	(906)	(2,913)
Property, plant and equipment written off	29	1	29	675
Gain arising from derecognition of leases	(56)	(62)	(57)	(253)
Gain arising from re-measurement of financial asset	(16)	-	(16)	-
Gain on fair value changes in derivative financial instrument, net	(6)	(72)	(6)	(72)
Gain on fair value changes in financial assets, FVPL	-	-	-	(19)
Gain on disposal of financial assets, at FVPL	-	-	-	(19)
Gain on disposal of subsidiary	(66)	-	(66)	-
Gain on disposal of property, plant and equipment	76	(39)	(41)	(39)
Loss on foreign exchange, net				
- Realised foreign exchange	-	-	(1,133)	(39)
- Unrealised foreign exchange	2,035	295	4,855	53

* JSS - Job Support Scheme (9M FY2023 & 9M FY2022)
RSS - Rental Support Scheme (9M FY2022)

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

6 Loss before income 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	
	Third quarter period Ended		Nine months period ended	
	3Q FY2023	3Q FY2022	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Sales of goods and/or services to</u>				
- Associated company	2	1	267	2,308
- Related parties	8	531	800	1,358
<u>Purchase of services from</u>				
- Associated company	(1)	1	18	2,264
- Related parties	(10)	12	212	137

Outstanding balances as at 31 December 2022 and 31 December 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	
	Third quarter period Ended		Nine months period ended	
	3Q FY2023	3Q FY2022	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax				
- Current financial period	169	(136)	1,120	(115)
- Prior financial period	26	498	(71)	494
	195	362	1,049	379
Deferred tax				
- Current financial period	(49)	(846)	(97)	(121)
- Prior financial period	-	176	14	304
	(49)	(670)	(83)	183
Income tax expense	146	(308)	966	562

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 half years ended 31 December 2022 and 31 December 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		Group	
	Third quarter period Ended 3Q FY2023	3Q FY2022	Nine months period ended 31 Dec 2022	31 Dec 2021
Loss attributable to equity holders of the Company (S\$'000)	(3,469)	(357)	(8,865)	(11,774)
Weighted average number of ordinary share issued ('000)	2,691,239	2,003,847	2,691,239	2,003,847
Adjustment for ordinary shares ('000) ⁽¹⁾	-	390,000	-	390,000
	<u>2,691,239</u>	<u>2,393,847</u>	<u>2,691,239</u>	<u>2,393,847</u>
Basic and fully diluted basis LPS (cents)	<u>(0.13)</u>	<u>(0.01)</u>	<u>(0.33)</u>	<u>(0.49)</u>

⁽¹⁾ On 23 March 2022, the Company has entered into Placement agreements with placees for an allotment and issuance of 390 million new ordinary shares of the Company at an issue price of \$0.05 per share (the Placement). The aggregate consideration of the Placement is \$19.50 million. The Placement was completed on 4 April 2022 and 390 million new ordinary shares was allotted and issued. Accordingly, the effects of issuance of 390 million of new ordinary shares has been retrospectively adjusted for prior financial period.

9 Trade and other receivables

	Group	
	31 Dec 2022 S\$'000	31 Mar 2022 S\$'000
Current		
Trade receivables:		
- Non-related parties	83,375	72,598
- Related parties	94	701
- Associated companies	989	1,199
	<u>84,458</u>	<u>74,498</u>
Less: Expected credit loss allowance - Non-related parties	(6,910)	(6,990)
Trade receivables - net (Note 9(a))	<u>77,548</u>	<u>67,508</u>
Other receivables (Note 9(b))		
- Non-related parties	6,890	6,959
- Related parties	16	13
- Associated companies	38	216
- Former joint venture	-	9
	<u>6,944</u>	<u>7,197</u>
Less: Expected credit loss allowance - Non-related parties	(519)	(524)
	<u>6,425</u>	<u>6,673</u>
Deposits (Note 9(c))	19,792	22,998
Less: Expected credit loss allowance - Non-related parties	(156)	(157)
	<u>19,636</u>	<u>22,841</u>
Prepayments	2,477	1,647
Accrued income	2,343	4,225
	<u>108,429</u>	<u>102,894</u>

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

9 Trade and other receivables (continued)

	Group	
	31 Dec 2022 S\$'000	00 Jan 1900 S\$'000
Non-current		
Other receivables - Non-related parties (Note 9(b))	18,356	18,524
Less: Expected credit loss allowance - Non-related parties	(2,062)	(2,062)
	16,294	16,462
Deposits (Note 9(c))	-	3,500
	16,294	19,962

(a) Trade receivables aging

	Group	
	31 Dec 2022 S\$'000	31 Mar 2022 S\$'000
Current		
Below 3 months	52,366	25,302
3 - 6 months	10,435	8,908
Above 6 months	21,657	40,288
	84,458	74,498
Expected credit loss allowance ("ECL")	(6,910)	(6,990)
	77,548	67,508

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

- (i) Core business amounted to S\$18,915,000 (31 March 22: S\$27,516,000); and
- (ii) Event segment/ Unusual Limited group amounted S\$11,697,000 that are past due more than 12 months as at 31 December 2022 (31 March 2022: S\$10,689,000).

Plans to recover the trade and other receivables

The industry is still recovering from the impact of COVID-19, our counterparties' ability to pay the trade receivables on time is still being affected despite COVID-19 restrictions being lifted in certain territories in April 2022 while China's COVID-19 restriction also lifted in December 2022.

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 minimizes 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 of the opinion that the methodology used for impairment is in line with the 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 assessment.

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 mainly consist of Core business and Event segment for approximately S\$2.7 million and S\$2.5 million. These are (i) advance project cost billing from supplier that will be reclassified to "Other current assets"/work in progress upon projects re-commence as it were delayed due to COVID-19 previously; (ii) refundable amount pending completion of a project.

Non-current other receivables from non-related parties are mainly due from an 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 impact from COVID-19 2 years ago. There are no material changes in the fair value of non-current other receivables and deposits as at 31 December 2022.

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

- (c) Deposits mainly comprise deposits paid for:

- (i) securing production-related services and film rights and/or film intangibles. Upon acquisitions being 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 Dec 2022	31 Mar 2022
	S\$'000	S\$'000
Beginning of financial period/year	1,701	3,223
Additions	96	700
Disposal	-	(1,856)
Loss on fair value changes - net	-	(361)
Currency translation differences	(45)	(5)
End of financial period/year	<u>1,752</u>	<u>1,701</u>
Represented by:		
Unquoted securities	296	200
Unquoted convertible loans	1,456	1,501
	<u>1,752</u>	<u>1,701</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 Dec 2022	31 Mar 2022
	S\$'000	S\$'000
Beginning of financial period/year	59,817	87,989
Depreciation:		
- property, plant and equipment	(3,131)	(8,242)
- right-of-use assets	(13,694)	(19,335)
Additions	1,349	3,613
Disposal	(36)	(214)
Disposal of a subsidiary	(146)	-
Lease modification	2,671	123
Written off	(29)	(801)
Derecognition of right-of-use assets	-	(2,777)
Currency translation differences	(1,207)	(539)
End of financial period/year	<u>45,594</u>	<u>59,817</u>
Represented by		
Property, plant and equipment	20,253	21,167
Right-of-use assets	25,341	38,650
	<u>45,594</u>	<u>59,817</u>

The total depreciation charge for the period is included in cost of sales and administrative expenses amounting to S\$2,669,000 (9 months ended 31 December 2021: S\$4,845,000) and S\$14,156,000 (9 months ended 31 December 2021: S\$15,110,000) 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 Dec 2022					
Cost					
Beginning of financial period	258,727	17,969	8,423	13,986	299,105
Currency translation differences	(1,204)	-	-	(204)	(1,408)
Additions	-	-	-	127	127
Disposal of a subsidiary	-	-	-	(934)	(934)
Government grants received for development of software	-	-	-	(155)	(155)
End of financial period	<u>257,523</u>	<u>17,969</u>	<u>8,423</u>	<u>12,820</u>	<u>296,735</u>
Accumulated amortisation					
Beginning of financial period	-	-	3,183	6,288	9,471
Currency translation differences	-	-	-	(6)	(6)
Amortisation charge for the period	-	-	420	871	1,291
Disposal of a subsidiary	-	-	-	(661)	(661)
End of financial period	<u>-</u>	<u>-</u>	<u>3,603</u>	<u>6,492</u>	<u>10,095</u>
Accumulated impairment					
Beginning of financial period	51,503	-	-	1,045	52,548
Currency translation differences	(120)	-	-	-	(120)
End of financial period	<u>51,383</u>	<u>-</u>	<u>-</u>	<u>1,045</u>	<u>52,428</u>
Carrying amount					
End of financial period	<u>206,140</u>	<u>17,969</u>	<u>4,820</u>	<u>5,283</u>	<u>234,212</u>
31 Mar 2022					
Cost					
Beginning of financial year	258,999	17,969	8,423	12,423	297,814
Currency translation differences	(272)	-	-	214	(58)
Additions	-	-	-	1,424	1,424
Government grants received for development of software	-	-	-	(75)	(75)
End of financial year	<u>258,727</u>	<u>17,969</u>	<u>8,423</u>	<u>13,986</u>	<u>299,105</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 of financial year	39,610	-	-	-	39,610
Currency translation differences	(107)	-	-	-	(107)
Impairment during the year	12,000	-	-	1,045	13,045
End of financial year	<u>51,503</u>	<u>-</u>	<u>-</u>	<u>1,045</u>	<u>52,548</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>

Other intangible assets include 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\$411,000 (9 months ended 31 December 2021: S\$909,000) and S\$880,000 (9 months ended 31 December 2021: S\$1,151,000) respectively.

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

12 Intangible assets and goodwill

Goodwill impairment testing

The management has used the traditional approach (i.e., single cash flow projections) to determine the value-in-use. In preparation of the cash flow projections, significant judgement is used to assess the recoverable amounts of the CGUs which are highly dependent on management's forecasts and estimates which include, but are not limited to, discount rate, growth rate, future projected cash flows and assumptions that are affected by future market and economic conditions.

Management has reassessed recoverable amounts of the Cinema operations and is of the view that no further impairment of goodwill on Cinema is necessary as at 31 December 2022.

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 breakdown of film rights is presented below:

	Group	
	31 Dec 2022	31 Mar 2022
	S\$'000	S\$'000
Beginning of financial period/year	28,678	39,589
Additions	21	5,339
Written-off	-	(20)
Transfer from film products	582	415
Transfer to work-in-progress	(51)	-
Government grants received for development of content	-	(317)
Amortisation charge for the period/year	(5,079)	(10,103)
Impairment	-	(6,225)
Effect of foreign currency exchange differences	(11)	-
End of financial period/year	<u>24,140</u>	<u>28,678</u>

The amortisation charge for the year is included in cost of sales and administrative expenses amounting to S\$4,825,000 (9 months ended 31 December 2021: S\$4,672,000) and S\$254,000 (9 months ended 31 December 2021: S\$234,000) 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 Dec 2022	31 Mar 2022
	S\$'000	S\$'000
Beginning of financial period/year	20,277	19,484
Additions	1,530	5,921
Amortisation charge for the period/year	(1,229)	(2,654)
Impairment	-	(2,417)
Written off	-	(52)
Effect of foreign currency exchange differences	(34)	(5)
End of financial period/year	<u>20,544</u>	<u>20,277</u>

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

15 Trade and other payables

	Group	
	31 Dec 2022	31 Mar 2022
	S\$'000	S\$'000
Current		
Trade payables		
- Non-related parties	40,269	41,260
- Related parties	6	-
- Associated companies	82	434
- Former joint venture	-	5
	<u>40,357</u>	<u>41,699</u>
Other payables		
- Non-related parties	6,236	11,349
- Related parties	1,837	1,635
- Associated companies	1,153	1,236
- Director	81	58
	<u>9,307</u>	<u>14,278</u>
Accruals	17,327	11,924
Deposit received	18,932	21,022
Withholding tax	2,779	2,800
	<u>88,702</u>	<u>91,723</u>

16 Other current assets

Costs incurred to fulfil revenue contracts relate to direct costs incurred for revenue contracts in progress as at 31 December 2022 and 31 March 2022. 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 Dec 2022 S\$'000	31 Mar 2022 S\$'000
Current	81,427	154,394
Non-current	146,675	55,366
	228,102	209,760
Secured borrowing		
Amount repayable in one year or less	76,652	147,844
Amount repayable after one year	63,431	54,428
	140,083	202,272
Unsecured borrowing		
Amount repayable in one year or less	4,775	6,550
Amount repayable after one year	83,244	938
	88,019	7,488

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 shares '000	Issued and paid-up share capital S\$'000
Ordinary shares of the Company		
31 Dec 2022		
Beginning of financial period	2,400,610	211,102
Issuance of ordinary shares pursuant to private placement (Note a)	390,000	19,500
End of financial period	2,790,610	230,602
31 Mar 2022		
Beginning of financial year	1,162,805	152,870
Issuance of rights shares	1,162,805	54,652
Less: capitalised expenses in relation to issuance of rights shares	-	(2,420)
Net of issuance of rights shares (Note b)	1,162,805	52,232
Issuance of ordinary shares (Note c)	75,000	6,000
End of financial year	2,400,610	211,102

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

- (a) On 1 April 2022, the Company successfully allotted 390,000,000 new Ordinary Shares at an issue price of \$0.05 for each ordinary share for S\$19.5 million pursuant to the placees. As at 31 March 2022, the Company had received advance payment of \$9.75 million and this had been accounted as part of "Reserves" in equity within the Group's and Company's statements of financial position. The placement has been completed on 1 April 2022 when the receipt of the remaining placement funds of \$9.75 million (as disclosed in the cash flow statement). Accordingly, the total number of issued shares of the Company has increased from 2,400,610,000 shares to 2,790,610,000 shares, being the enlarged issued and paid-up share capital.

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

19 Share capital (continued)

- (b) 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 \$54,652,000. The transaction cost in relation to the issuance of rights shares are amounted to \$2,420,000 which will be capitalised as part of the transaction.
- (c) On 30 August 2021, the Company entered into sale and purchase agreement ("SPA") with Kingsmead Properties Pte. Ltd. (the "Purchaser") pertaining to the proposed sale of not less than 80% of issued and paid-up share capital in mm Connect Pte. Ltd., a wholly-owned subsidiary of the Company (the "Proposed Sale"). In the event that the Proposed Sale is not completed as a result of conditions precedent in the SPA, the Purchaser may elect to exchange the deposit of \$6,000,000 paid to the Company into newly issued shares of the Company at a share price of \$0.08 per share (the "Exchange Right").

On 3 January 2022, the Purchaser had elected to exercise the Exchange Right under the SPA due to one or more of conditions precedent not having been satisfied. Accordingly, on 3 March 2022, the Company allotted 75,000,000 new Ordinary Shares at agreed share price of \$0.08 for each ordinary share to the Purchaser.

20 Cash and Cash equivalents

Proceeds from disposal of a subsidiary, net of cash disposed:

On 30 December 2022, the Company entered a share purchase agreement to dispose its 41% equity interest in a subsidiary, AsiaOne Online Pte. Ltd. ("AsiaOne") for consideration of \$394,000. The Company's remaining stake of 10% in AsiaOne is classified as Financial Assets, FVTPL in the statement of financial position as at 31 December 2022 of the Company and of the Group. The transaction was completed on 31 December 2022.

	Group S\$'000
Net assets derecognised	798
Less: Non-controlling interest	(391)
Net assets disposed	<u>407</u>
Less: Net assets retained 10%	(79)
Add: Gain on disposal	<u>66</u>
Cash proceeds on disposal	394
Less: Cash and cash equivalents in subsidiary disposed of	<u>(159)</u>
Net cash inflow on disposal	<u><u>235</u></u>

21 Net asset value

	Group		Company	
	31 Dec 2022	31 Mar 2022	31 Dec 2022	31 Mar 2022
Net asset value attributable to equity holders of the Company (S\$'000)	162,793	160,155	192,937	190,346
Number of ordinary shares issued ('000)	2,790,610	2,400,610	2,790,610	2,400,610
Net asset value per ordinary share	<u>0.06</u>	<u>0.07</u>	<u>0.07</u>	<u>0.08</u>

22 Subsequent events

There are no material subsequent events.

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 December 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)

9M FY2023 vs 9M FY2022

Revenue

The Group's revenue grew by approximately \$61.1 million or 76.1%, from \$80.2 million to \$141.3 million. It was mainly due to Group's businesses gradually recovering from the COVID-19 pandemic and lifting of governments' restrictions since April 2022. Revenues of each segment are analysed as follows:

Revenue from the Core business rose by approximately \$24.9 million or 48.7%, from \$51.1 million to \$76.0 million. The increase was mainly attributable from film/drama productions by \$24.4 million or 54% as the segment completed more projects as compared to last financial period.

Revenue from the Post and digital content production ("Post-production") segment increased slightly by approximately \$0.5 million or 28.8%, from \$1.7 million to \$2.2 million. This was mainly due to improvement in the segment's revenue in Digital Media Production from \$1.3 million to \$1.8 million, up by 38% as more projects completed with higher value in 9M FY2023.

Revenue from the Cinema segment increased by approximately \$16.2 million or 75.7%, from \$21.4 million to \$37.6 million. The full-scale operation of cinemas segment led to higher admission and box office collections since April 2022, the main factors that contributed positively to the overall performance of this segment.

Revenue from the Concert and event ("Event") segment increased significantly by approximately \$20.0 million, from \$3.2 million to \$23.2 million. The reopening of live performances in Singapore and Malaysia, and lifted COVID-19 restrictions, especially the capacity limit for large-scale event since April 2022, led to revenue increases significantly from its promotion and production business.

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. Revenue of this segment is mainly contributed by advertising and news agency activities and the revenue slightly increased by \$0.4 million or 11.2%, from \$3.2 million to \$3.6 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)

Cost of sales

Cost of sales increased by approximately \$41.6 million or 69.2%, from \$60.2 million to \$101.8 million. The increase in cost of sales was in line with the increase in revenue from respective business segments, particularly, the Core, Cinema and Event segments, except for other direct fixed costs, such as depreciation and amortisation and direct staff cost, which have been incurred throughout the period.

Gross profit

Gross profit increased by approximately \$19.4 million, from \$20.1 million to \$39.5 million, and the increase was mainly contributed by better performances from Cinema and Event segments. Overall, the gross profit margin of the Group has improved from 25% to 28%.

Other income

Other income decreased by approximately \$7.2 million, from \$8.7 million to \$1.5 million, mainly due to lower in rental concessions income in the Cinema segment and government grant income from Job Support Scheme (JSS) and Rental Support Scheme (RSS) for approximately \$4.9 million as compared to the last corresponding period.

Other gains/losses - net

The Group recorded net other losses approximately of \$3.5 million as compared to net other losses of \$0.8 million in the previous corresponding period. The increase in net of losses in 9M FY2023 mainly due to increase in losses in foreign exchange which comprised of unrealised foreign exchange losses of \$3.4 million, and realised foreign exchange loss of \$0.3 million.

Administrative expenses

Administrative expenses consist of the following

	1H FY2023	1H FY2022
	S\$'000	S\$'000
Staff costs (excluding cost capture under cost of sales)	7,568	7,044
Repair and maintenance of cinema halls and other admin offices	862	566
Utilities of cinema halls and other admin offices	2,419	1,666
Cleaning fees for cinema halls	913	949
Depreciation and amortisation (including depreciation on rights-of-use)	14,156	15,109
Others	8,512	7,263
	<u>34,431</u>	<u>32,597</u>

The Group's administrative expenses increased by approximately \$1.8 million or 5.6% from \$32.6 million to \$34.4 million in the current reporting period. The increase was attributed to:

- (a) an increase in repair and maintenance, utilities and rental of cinema halls by approximately total of \$1.3 million, mainly contributed by Cinema segment as the cinemas opened for full capacity since April 2022;
- (b) an increase in professional fee by approximately total of \$0.3 million mainly due to recent corporate exercises; and
- (c) an increase in staff cost by approximately total of \$0.5 million mainly contributed by Event segment due to increase in its business activities.

and partially offset by,

- (d) a decrease in depreciation of right-of-use assets by approximately \$0.9 million, from \$14.6 million to \$13.7 million mainly contributed by closure of cinema outlet in Singapore.

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 the reporting period, finance expenses comprised:

- (a) interest expenses on borrowings of \$9.9 million (previous corresponding period: \$8.1 million), an increase of \$1.8 million or 22.2%, was mainly due to increase in interest rates and higher borrowings arising from the issuance of new convertible bonds in mm Connect Pte Ltd., a wholly owned subsidiary of the Company in the 1Q FY2023; and
- (b) interest expenses on lease liabilities of \$1.3 million (previous corresponding period: \$1.7 million), decreased by \$0.4 million or 23.5%, was mainly due to closure of a cinema location in Singapore and re-measurement of lease liabilities resulted in lower lease liabilities.

Overall, the Group's finance expenses increased by \$1.4 million or 14.2%, from \$10.1 million to \$11.5 million.

Share of (losses)/profits of associated companies and former joint venture

The share of losses of associated companies and former joint venture from profits to losses of \$0.7 million was mainly contributed by core segment's associated company.

Loss before income tax

As a result of the aforementioned, the Group's losses before income tax has reduced by approximately \$5.3 million or 36.8%, from \$14.4 million to \$9.1 million in the reporting period. The improvement of the performance was mainly contributed from all the Group's business segments, particularly the Concert & Event Segment's financial performance has returned to profit position for this first time since the COVID-19 outbreak. Please refer to Note 4 to the Condensed Interim Financial Statements for further breakdown.

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

	As reported		Adjustment for exclusion		Pro forma	
	9M FY2023	9M FY2022	9M FY2023	9M FY2022	9M FY2023	9M FY2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	141,333	80,262	-	-	141,333	80,262
Cost of sales	(101,816)	(60,185)	-	-	(101,816)	(60,185)
Gross profit	39,517	20,077	-	-	39,517	20,077
Other income						
- Interest	44	26	-	-	44	26
- Others	1,505	8,681	-	-	1,505	8,681
Other gains/(losses) - net	(3,530)	(815)	-	-	(3,530)	(815)
Administrative expenses ^(a)	(34,431)	(32,597)	(1,947)	(1,806)	(36,378)	(34,403)
Finance expenses ^(b)	(11,533)	(10,096)	1,252	1,658	(10,281)	(8,438)
Share of (losses)/profits of associated companies and former joint venture	(684)	284	-	-	(684)	284
Loss before income tax	(9,112)	(14,440)	(695)	(148)	(9,807)	(14,588)
Income tax expenses	(966)	(562)	-	-	(966)	(562)
Net loss for the financial period	(10,078)	(15,002)	(695)	(148)	(10,773)	(15,150)
Earnings/(loss) before interest, tax, depreciation, amortisation and impairment ("EBITDA"/("LBITDA")) ^(c)	26,845	23,362	(15,641)	(16,398)	11,204	6,964
Add: Unrealised foreign exchange losses/(gains)						
- Cinema segment	2,639	-	-	-	2,639	-
- Post-production segment	572	(146)	-	-	572	(146)
Adjusted EBITDA(LBITDA)	30,056	23,216	(15,641)	(16,398)	14,415	6,818

(a) Pro forma administrative expenses

The pro forma administrative expenses increased by \$1.9 million in 9M FY2023. The increased in other administrative expenses is discussed in the commentary for Administrative Expenses above.

(b) Pro forma finance expenses

Pro forma interest expense increased by \$1.8 million or 21.8%, from \$8.4 million in 9M FY2022 to \$10.2 million in 9M FY2023, mainly due to the reasons as mentioned in the commentary for Finance expense above.

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

	As reported		Adjusted Pro forma	
	9M FY2023	9M FY2022	9M FY2023	9M FY2022
Segments	S\$'000	S\$'000	S\$'000	S\$'000
Core	16,930	15,806	16,713	15,486
Post-productions	(962)	(1,142)	(1,065)	(1,283)
Cinema	11,698	9,987	(3,552)	(5,903)
Events	3,492	(683)	3,475	(701)
Others	(1,454)	(570)	(1,508)	(599)
Elimination	352	(182)	352	(182)
	30,056	23,216	14,415	6,818

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)

31 March 2022 vs 31 December 2022

Current assets

Current assets increased by \$29.3 million or 14.1%, from \$208.3 million to \$237.6 million contributed by:

- (i) a net increase in trade and other receivables by approximately \$5.5 million or 5.3% from \$102.9 million to \$108.4 million mainly attributable to the Core Segment;
- (ii) a decrease in cash and cash equivalents by approximately \$2.4 million or 16.4%, from \$14.6 million to \$12.2 million, mainly due to cash utilised in operating activities of \$0.4 million, investing activities of \$0.9 million and cash generated from financing activities of \$0.6 million (refer to Review of Cash Position for details); and
- (iii) an increase in other current assets (i.e. costs incurred by the Group in fulfilling a contract with its customers (third party commissioned projects) for ongoing projects by approximately \$26.8 million or 32.1%, from \$83.5 million to \$110.3 million due to increase of number of ongoing projects. These project costs will be recognised as cost of sales upon completion.

Non-current assets

Non-current assets decreased by \$25.7 million or 6.9%, from \$370.7 million to \$345.0 million contributed by:

- (i) a decrease in property, plant and equipment (including right-of-use assets) by approximately \$14.2 million or 23.7% was mainly due to depreciation expenses;
- (ii) a decrease in film rights by \$4.6 million or 16% was mainly due to amortisation expenses; and
- (iii) an increase in film intangibles and film inventories by \$0.2 million or 1.0% was mainly attributed to addition of \$1.4 million in film inventories by Core and Post-production segments. This is partly offset by amortisation of film intangibles and film inventories of approximately \$1.2 million.

Current liabilities

Current liabilities decreased by \$82.2 million or 28.9%, from \$284.6 million to \$202.4 million contributed by:

- (i) a net decrease in trade and other payable by \$3.0 million or 3.3% mainly due to reclassification of a \$5 million deposit from other payable to non-current borrowings for the subscription of Exchangeable Bond in the Company as the transaction was completed on 30 December 2022.
- (ii) a net increase in contract liabilities (i.e. advance billing but services yet to be delivered to clients and to be recognised as revenue upon services completed) by \$6.0 million or 74.1% was mainly attributable by Core segment (approximately \$6.7 million) due to increase in advance billings for ongoing projects;
- (iii) a decrease in short-term borrowings by approximately \$73.0 million or 47.3%, from \$154.4 million to \$81.4 million mainly due to partially settlement of convertible debt securities and other bank borrowings after the issuance of Exchangeable Bond by the Company on 31 December 2022;
- (iv) a net decrease in lease liabilities by \$10.9 million or 38.8% was mainly attributable to repayment of lease liabilities and closure of a cinema outlet in Singapore.

Non-current liabilities

Non-current liabilities increased by approximately \$84.5 million or 5.4%, from \$92.0 million to \$176.5 million mainly due to the new issuance of convertible bonds of \$15.3 million by a subsidiary, mm Connect Pte Ltd, and Exchangeable Bond of \$54.0 million by Company. Please refer to Note 2(b)(iii) and Note 2(b)(iv) for further details.

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)

31 December 2021 vs 31 December 2022

As at 31 December 2022, the Group's cash and cash equivalents, net of bank overdraft, amounted to approximately \$11.6 million, as compared to \$6.3 million in corresponding period. The increase in cash and cash equivalents mainly arose from:

(a) Net cash used in operating activities

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

- (i) loss on unrealised foreign exchange of \$3.5 million; and
- (ii) rental concessions/ rebates from landlord of \$0.9 million.

Accordingly, the Group generated approximately \$29.9 million net cash inflow from operating activities before net working capital changes as compared to \$21.3 million net cash inflow from operating activities before net working capital changes in the previous corresponding period.

After applying net working capital changes, it generated net cash outflows of approximately \$0.4 million (previous corresponding period: net cash inflows \$17.9 million). The net working capital changes are derived from:

- (i) a net increase in receivables mainly due to (a) net increase in trade receivables of \$3.9 million due to higher billings and revenue in current reporting period; partially offset by (b) net decrease in other receivables by approximately \$5.0 million;
- (ii) a net increase in other current assets of \$28.0 million due to higher project cost incurred and higher number of projects;
- (iii) a net decrease in trade and other payables of \$1.8 million was mainly due to repayment of creditors;
- (iv) a net increase in contract liabilities of \$6.0 million due to increase in progress billing for ongoing projects; and
- (v) corporate tax payments of \$2.0 million during the period.

(b) Net cash used in investing activities

In current reporting period, net cash outflows from investing activities amounted to approximately \$0.9 million as compared to \$4.0 million outflows in the previous corresponding period, was mainly contributed by:-

- (i) addition of property, plant and equipment of \$1.3 million, offset by proceeds from disposal of a subsidiary of approximately \$0.2 million.

(c) Net cash generated from financing activities

In current reporting period, net cash inflows from financing activities amounted to approximately \$0.6 million (previous corresponding period: net cash outflows \$18.4 million), mainly contributed by:

- (i) proceeds from bank borrowings approximately \$23.5 million mainly derived from the Core segment;
- (ii) proceeds from issuance of exchangeable bonds, net of capitalised transaction cost approximately \$51.4 million by the Company;
- (iii) net proceeds from issuance of ordinary shares pursuant to the private placement for approximately \$9.8 million by the Company (refer Note 19(a) to the Condensed Interim Financial Statements);
- (iv) proceeds from the issuance of new convertible securities for S\$15.4 million by the Cinema segment;
- (v) repayment of borrowings for \$75.2 million was mainly derived from the Core and Cinema segments;
- (vi) repayment of lease liabilities of \$16.5 million was mainly contributed by the Cinema segment; and
- (vii) interest payments of \$9.0 million (comprising interest on bank borrowing of \$7.7 million and interest on lease liabilities of \$1.3 million).

As a result, the Group recorded a net cash decrease of approximately \$1.9 million in current reporting period, as compared to a net cash decrease of approximately \$4.5 million in previous corresponding period.

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

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.

One of the key concerns of the last two years has been the shortfall of the Group's current assets relative to its current liabilities. This has now been addressed through a combination of debt restructuring and an overall improvement in our financials. The debt restructuring has been a vote of confidence by our bankers for our recovery process.

In this period, public mood has been optimistic as pandemic restrictions are increasingly eased and audiences are more willing to return to live events and out-of-home entertainment. There is some sense of a looming recession and inflationary pressures from the global economy. Despite this, the Group has delivered strong third-quarter results, reporting a remarkable 76% increase in revenue and a 97% increase in gross profits YTD.

Our concert business has announced sold-out shows through the reporting period across the region and has reported a 624% increase in revenue for the 9-months period. Our core business has reported a 49% increase in revenue, as regional demand for content remains strong. On the other hand, the cinema business is still lagging behind in profitability, due to a lack of strong Hollywood films needed to bring in audiences.

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 IPTs 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) Issuance of Exchangeable Bond for principal amount of S\$54.0 million

On 23 September 2022, the Company has entered into a subscription agreement with UOB Kay Hian (as a subscriber one bought deal basis) for issuance of exchangeable bond ("Exchangeable Bond") coupled with detachable warrants by the Company. The principal amount of Exchangeable Bond is S\$54.0 million, carrying a coupon rate of 5% per annum, payable on a semi-annual basis. The transaction has completed on 30 December 2022.

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 borrowings	43,069	43,069	-
(b)	Professional fees incurred pertaining to the issuance of Exchangeable Bond	2,600	2,600	-
(c)	Other liabilities payments			
	- Interest payments	3,331	3,331	-
	- Cinema liabilities	5,000	5,000	-
		54,000	54,000	-

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 period ended 31 December 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

14 February 2023