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**RESPONSES TO QUESTIONS FROM  
THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) IN RELATION TO  
THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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NoonTalk Media Limited (“NoonTalk Media” or the “Company”) and its Board of Directors (the “Board”) would like to thank the Securities Investors Association (Singapore) (“SIAS”) for submitting their questions in advance of the Company’s Annual General Meeting (“AGM”)/Extraordinary General Meeting (“EGM”), which will be convened and held in a wholly physical format at 29 Media Circle, #01-04/05 Alice @ Mediapolis, Singapore 138565 on Monday, 23 October 2023 at 10.00 am.

The Company and the Board are pleased to provide their responses to the questions received from SIAS that are substantial and relevant to the Company’s business and its Annual Report, as set out in the following pages.

Question 1:

**For the financial year ended 30 June 2023, the company's revenue decreased by \$2.19 million to \$4.18 million, with decreases attributed to both the operating segments, i.e. "Management and Events" and "Production".**

**Loss for the year was \$(3.24) million. Excluding \$1.16 million of one-off listing expenses, the company still recorded a loss of \$(2.08) million after tax for the financial year.**

**For reference, the requirement for safe distancing and limits on group sizes for large settings and events were lifted on 26 April 2022.**

**i) Can management elaborate further on the underlying reasons for the decrease in revenue from the Management and Events segment (from \$2.40 million to \$1.77 million), especially considering that most COVID-19 related restrictions were lifted by the end of April 2022?**

Company's Response:

During the pandemic years, there was increased demand for livestreaming events and other online services. As such, the Company strategically allocated a significant portion of its resources towards the provision of these services, a strategic decision that yielded positive results for its Production and Management segments from fiscal years 2020 to 2022.

While the Company was able to capitalise on the increased demand for livestreaming events and online services during the COVID-19 pandemic, the situation is now reversed as post-pandemic normalcy returns. Thus, the lifting of COVID-19 restrictions does not immediately boost the consumption of these services even as the market is re-adjusting back to physical and live events. However, it should be noted that the Company is also calibrating its activities to meet the demands of the post-pandemic new normal.

**ii) Similarly, what are the underlying reasons that revenue from the Production segment suffered a 42% decrease to \$2.41 million? Can management help shareholders better understand to what extent the production segment benefitted from pent-up demand during FY2022 due to the COVID-19 pandemic? Is there a potential risk that revenue from the production segment would normalise post the pandemic?**

Company's Response:

The Company's production operations are divided into three distinct segments:

- a. Multimedia Production
- b. Film & Drama Production
- c. Video Production

The underlying reason for the 42% decline in revenue in the Production segment is as explained in (i) above. The multimedia sector has undergone significant shifts during the pandemic lock-down, as clients transitioned their events and marketing communications to the digital realm. Post-pandemic, the industry saw the resurgence of physical events, a trend that is particularly pronounced in the Meetings, Incentives, Conferences and Exhibitions (MICE) sector. Going forward, the return in demand for physical events will also lead to an increase in demand for multimedia services. This will present an opportunity for the Company to re-allocate its resources to meet the requirements of the new normal of the industry.

**iii) Could management clarify the company's cutting-edge technology and infrastructure? How unique are the company's capabilities, and what strategies does the company employ to secure high value contracts and projects?**

Company's Response:

The Company is dedicated to continuous research and development (“R&D”) initiatives, actively embracing emerging technologies to enhance its service offerings. As a notable example, the Company achieved a significant milestone in 2020 by presenting Singapore’s first-ever concert featuring ambisonics surround sound technology, offering online audiences a highly immersive and realistic 360-degree audio-visual experience, as demonstrated during ChildAid 2020.

Additionally, as part of the Chingay 2022 project, the Company introduced the state-of-the-art WiredCam solution, EagleEye from Switzerland. This pioneering move marked the first utilisation of a three-point wired camera deployment in an indoor setting in Singapore, delivering dynamic and unique perspectives to the audiences. With this inaugural introduction, the Company now possesses the capability to integrate this technology into other comparable large-scale events, including sports and concerts, providing the Company a competitive advantage when pursuing new opportunities. The above project has garnered two prestigious awards for NoonTalk Media – Asia Pacific Broadcasting+ Awards (Excellence Award for Live Event Streaming) and 27<sup>th</sup> Asian Television Awards (Best Entertainment).

These R&D endeavours carry immense significance for the Company, as they drive its business forward and open new revenue generation avenues. Given the competitive nature of these developmental domains, the Company will share specific details once it reaches a more concrete and mature stage of development.

One of the key areas of exploration is the realm of Artificial Intelligence (“AI”). The Company recognises the potential to expand its service offerings and enhance its capabilities within this domain. The Company actively participates in the development of potential projects at both the local and regional levels, leveraging its network and partnerships. The exponential growth in AI globally has inspired the Company to explore and integrate AI into its business operations. This strategic approach underscores its commitment to staying at the forefront of industry trends and innovation.

**iv) What are management's top (operational) priorities for FY2024 in terms of achieving profitability for the company?**

Company's Response:

In light of the ever-changing market landscape of the media and entertainment industry, the Company will focus on the following growth strategies for the fiscal year 2024:

- a. The Company will continue to penetrate the market, reinforcing its existing service offerings and expanding its capabilities. This includes strengthening its presence and business segments. The Company will also establish strategic partnerships and collaborations to capitalise on new growth opportunities, specifically in the area of digitalisation.
- b. The Company will proactively explore avenues for new market development. This entails strengthening the capabilities of its Production business segment, with a focus on creating compelling, informative and entertaining content that resonates with emerging trends and expands into untapped territories. This strategic approach will help diversify the Company’s portfolio, broaden its market presence and position it at the forefront of industry evolution.

- c. The Company will seek opportunities to broaden its service offerings through the introduction of new complementary services, creating additional revenue streams. One prospective avenue involves expanding its services to encompass marketing and public relations for event management.

In addition, The Company is committed to fiscal responsibility that entails optimising its operational costs and expenses. This approach ensures that it maintains financial efficiency and sustainability while remaining agile in response to shifting market dynamics. The Company will also continue to nurture its employees, equipping them with the necessary skills to excel in their roles and contribute effectively to organisational objectives.

**The core business segments of the company are shown in the offer document dated 14 November 2022 (reproduced below).**

- v) Since the management of artistes and talent and the management of events and projects are distinct, would management consider providing a separate breakdown of revenue for each of these categories?**

Company's Response:

The uniqueness of the Company lies in its multifaceted approach, extending beyond traditional artiste and talent management. Within the Company's two core business segments, comprising six subcategories, projects often exhibit intricate intersections in terms of revenue streams.

In contrast to conventional artiste and talent agencies that primarily supply talents, the Company offers a comprehensive service model, enabling it to provide a package solution to its clients, thereby enhancing the overall value proposition. For instance, a single project appointment can encompass several services, such as artiste engagement, live event conceptualisation and management, promotional video and studio filming.

This integrated approach allows the Company to address the diverse needs of its clients, offering them a holistic solution that spans various facets of talent engagement and promotional initiatives.

- vi) Has the company been able to add to its stable of artistes and talent? How does the company perceive the emergence of social media influencers, considering that anyone with a mobile phone and an internet connection has the potential to achieve viral success overnight?**

Company's Response:

The Company remains dedicated to discovering and nurturing new talents. As a testament to its commitment, NoonTalk Media has recently welcomed two promising local artistes, Kevin and Yan, to its stable of artistes. Additionally, the Company collaborates with a diverse pool of local and international affiliates, comprising of artistes and talents.

The ever-evolving media industry brings forth an exciting and dynamic environment. It is crucial to recognise that artiste development differs significantly from social media influencers, as the former demands a more sustainable approach. Influencers can attain viral success with one-off content that may quickly fade into obscurity. With the Company's artistes, meticulous planning, strategic thinking and thoughtful content curation are in place to ensure their long-term growth and sustainability. Nevertheless, the Company also collaborates with external social media influencers on a project basis. Hence, social media influencers are integral to the present-day media ecosystem and are not typically considered competitors.

**vii) Can management provide more details about its plans for international expansion? Can the company confirm whether Zheng Kai, also known as Ryan Zheng, is still part of the organisation and actively fulfilling his role as the Business Development (Overseas) Director (as mentioned on page 121 of the offer document)?**

Company's Response:

As the Director of Business Development (Overseas), Mr Zheng Kai holds a significant position within the Company. His responsibilities include identifying and fostering collaborative partnerships with international companies, with a particular focus on the Mainland China market. Mr Zheng has, over the years, introduced and presented several potential projects and partnerships to the Company.

Notably, some projects are in the discussion phase, but owing to the confidential nature of its client relationships, they are currently under embargo. These endeavours highlight the Company's commitment to broadening its global reach and nurturing valuable partnerships to propel its future growth and development.

#### **Question 2:**

**In June 2022, the company launched a film in Thailand entitled "The Antique Shop". In FY2023, the company invested \$1.1 million of the IPO proceeds in an upcoming movie production, "The Chosen One", which is scheduled to be released in the second quarter of next year.**

**i) Can management help shareholders better understand the financial and non-financial criteria used for movie investments? Do the board and management have a comprehensive understanding of the risk profile of investing in movies?**

Company's Response:

The Company's key personnel possess ground-up expertise and deep knowledge on movie conceptualisation, production and financing. In addition, the Board provides its financial and management oversight to ensure that the project is well planned and monitored.

The evaluation of movie investments is predicated on a range of both tangible financial criteria and intangible non-financial criteria, which include:

a. Tangible Financial Criteria

- Return on Investment (ROI): A key consideration involving potential returns on investment.
- Budget Allocation: Pertaining to the allocation of resources including cash flows which impacts elements such as the project's concept, production quality, artist line-up, marketing and costs.
- Profit Potential: Assessing the financial viability and revenue-generating capacity of the investment.

b. Intangible Non-Financial Criteria

- Branding and Reputational Enhancement: The non-financial gains tied to associating and uplifting of the brand, reputation and image within the industry, especially regionally.
- Market Expansion: Expanding to new markets with films and artistes, which can pave the way for future projects. This expansion has already proven its worth by opening doors to the overseas media industry and establishing relationships with major players such as television stations and prominent cineplexes.

On the other hand, tied to (a) and (b) above are the associated risks involved in movie production and investments. By carefully examining these financial and non-financial factors together with the risks

involved, the management provides the Board of Directors with all the relevant information for discussion before each investment in accordance with its investment policy.

**ii) What insights did management gain from the company's investment in "The Antique Shop"? Was it a financial success?**

Company's Response:

At present, "The Antique Shop" film has reached a financial breakeven status and still maintains a revenue stream, as there are further opportunities to explore with on-demand entertainment platforms like Netflix and Disney+. Such new platforms offer substantial growth potential in the future as pursuing such fresh avenues extend the timeline for film investments.

This project has afforded the Company with an opportunity not only to establish its presence but also to build a strong track record in the Thailand market. The Company has made significant progress in this market, as evidenced by ongoing discussions for new projects. It has also facilitated collaborations with production houses and positioned the Company well to represent international artistes, emphasising its commitment to expanding its global presence.

**iii) Has the board offered additional guidance to management with regard to the company's investments in movies, concerning the company's investments in movies, particularly in terms of risk assessment, hurdle rates, and investment amounts?**

Company's Response:

During the Company's recent Board Meeting, the Board conducted a comprehensive review and is actively in the process of refining its Investment Policy. This policy shall serve as a vital framework to guide and oversee the Company's future investments, ensuring prudent governance, management and periodic evaluation of these strategic financial commitments.

**Question 3:**

**In the corporate governance report, the company disclosed that it has engaged Baker Tilly Consultancy (Singapore) Pte. Ltd. as the internal auditor. The scope of the internal audit covered key aspects of the company's internal controls established to address financial, operational, compliance and information technology risks.**

**The internal auditor's activities are guided by Baker Tilly's global internal auditing methodology, which is in line with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.**

**i) For the benefit of shareholders, can the board disclose the scope, key findings and recommendations by the internal auditor for FY2023?**

Company's Response:

For FY2023, the internal auditors reviewed the control environment and compliance processes, and facilitated an enterprise-wide risk assessment for the Company. No significant control deficiencies were brought to the attention of the audit committee.

**ii) What is the level of oversight by the audit committee on the remedial actions taken by management to follow up on the recommendations?**

Company's Response:

The Management is required to update the audit committee periodically on the remedial actions taken to follow up on the recommendations by the Company's internal auditors. The internal auditors are tasked to conduct a follow-up review and report to the audit committee on the implementation status during their next review cycle, which is slated for 2024. In any event, given the size of the Company, all members of the audit committee have frequent and direct communications with the management.

By Order of the Board

Dasmond Koh Chin Eng  
Executive Director and CEO

17 October 2023

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*This announcement has been prepared by NoonTalk Media Limited (the "Company") and its contents have been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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