



mm2 Asia Ltd.

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

CLARIFICATION TO THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2018 ("FINANCIAL STATEMENTS")

The board of directors (the "Board" or "Directors") of MM2 Asia Ltd. (the "Company", and together with its subsidiaries, the "Group") refer to the queries raised by the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 3 September 2018, and set out below the response to the queries from the SGX-ST:

Query 1:

With regard to paragraph 1(d)(ii) on page 9 of the Financial Statements, please clarify if there are any outstanding convertibles and if so, the number of shares that may be issued on conversion of all outstanding convertibles.

Company's response:

The Company ("mm2 Asia Ltd") has neither issued nor has any outstanding convertible bonds/notes as at 30 June 2018. Furthermore, the Group's only 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. shares. Accordingly, the Group's outstanding convertible bonds/notes do not have impact on the Company's ordinary shares.

Query 2:

We note that the Company has explained the decrease in "cash and cash equivalents" on page 12 of the Financial Statements and attributed it to the increase or decrease in 4 sub-categories.

Please explain the increase or decrease in each sub-category of "cash and cash equivalents."

Company's response:

Cash and cash equivalents of approximately S\$54.5 million, represent a decrease by S\$38.7 million or 41.6%, from approximately S\$93.2 million as at 31 March 2018. This was mainly due to:

- (a) A decrease of S\$47.2 million in our core business, mainly due to payment of deferred consideration for the acquisition of our subsidiary, Cathay Cineplexes Pte. Ltd. for approximately S\$215.0 million, offset by net proceeds from borrowing by approximately S\$170.2 million.
- (b) A decrease of S\$6.9 million in cinema operation, mainly due to repayment of bank borrowings for approximately S\$10 million.
- (c) An increase of S\$16.5 million in event production and concert promotion business, mainly due to proceeds from a partial divestment of our stake in a subsidiary of S\$25.8 million and offset by cash being disbursed for upcoming promotion and production project.

- (d) A decrease of S\$1.1 million in post-production comprises mainly of net cash provided by its operating activities.

By Order of the Board

Melvin Ang Wee Chye
Executive Chairman
6 September 2018