

(1) RESPONSES TO SGX QUERIES
(2) RECEIPT OF LETTER OF DEMAND BY THE COMPANY

The board of directors (the “**Board**” or “**Directors**”) of mm2 Asia Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 3 February 2025 (“**Announcement**”) in relation to the receipt of letters of demand by CCPL.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Announcement.

1. RESPONSES TO SGX QUERIES

The Company has on 4 February 2025 received the following queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to the Announcement. The Company wishes to respond to the queries as follows:

SGX Query 1

It is noted from the 1HFY2025 Results that the Group had approximately S\$10.1m in cash and cash equivalents. As the LODs required the payments of approximately S\$2.7m on a consolidated bases to be made on 3 February and 10 February 2025, please clarify the reasons why such payments relating to rent in arrears and other amounts for CCPL’s leases at Century Square and Causeway Point were not made.

- (i) Are the payment amounts being disputed by CCPL?**
- (ii) Are the cash and cash equivalents of approximately S\$10.1m disclosed in the 1HFY2025 Results restricted or encumbered in any manner?**
- (iii) Please provide the Company’s confirmation as to whether the Group has sufficient financial resources to fulfil the claims under the Letter of Demand.**

Company’s Response

- (i) The payment amounts are not being disputed by CCPL.**

The slower-than-expected recovery of the cinema industry has hampered CCPL’s ability to pay its arrears on a timely basis. Between 1 April 2020 and 31 January 2025, CCPL has paid approximately **S\$12 million** in rental payments to the landlords. The outstanding amounts represent **25%** of the total payment over this period.

- (ii) The cash and cash equivalents of approximately S\$10.1 million as disclosed in the 1HFY2025 Results are not restricted or encumbered in any manner. Notwithstanding the foregoing, a portion of the cash and cash equivalents has been allocated and/or deployed for use in the other businesses of the Group.**
- (iii) The obligations under the letters of demand are secured by corporate guarantees from the Company in favour of the landlords (“**Corporate Guarantees**”).**

The Group is working towards fulfilling the claims under the Corporate Guarantee. Subject to the timelines and success of the initiatives to be undertaken by the Group as elaborated in the Company's responses under Query 3 below, the Company is of the opinion that it has sufficient financial resources to fulfil the claims under the letters of demand. Please refer to the Company's responses to Query 3 below for further information.

SGX Query 2

Please also clarify whether the receipt and/or payments of the LODs by CCPL, would trigger any cross default of its other financial facilities, and how the LODs would impact the financials of the Group.

Company's Response

As of the date on this announcement, the Board is not aware of any circumstances in which the receipt and/or payments under the letters of demand would trigger a cross default under CCPL's other financial facilities.

Based on the actions the Group is taking (as detailed in the Company's responses to Query 3 below), the letters of demands are not expected to have a significant impact on the financials of the Group.

SGX Query 3

In view of the receipt of the LODs by CCPL, please provide the Board's assessment on whether the Group is able to continue as a going concern, meet its short-term liabilities, and its bases of assessment. Please also explain whether and how the Group intends to fulfil its significant payment obligations in the next 12 months. Where the Group has worked out debt repayment plans to fulfil its debt obligations, please clarify whether the Group is on track to fulfilling these obligations.

Company's Response

The Group is treating the LODs with the seriousness they warrant. The Group is actively engaging with the landlords to resolve the matter and will actively maintain a positive relationship with the landlords, prioritising minimal disruption to business operations. The Group will work on a payment schedule acceptable by all parties. As at the date of this announcement, there has been no disruptions to the cinema business, and operations continue as usual.

The cinema business is still in the process of recovering from the impact of the COVID-19 pandemic on the movie industry. However, the cinema industry is expected to see a global rebound in 2025.¹

The increased number of films in the lineups of major Hollywood studios is expected to drive higher attendance and contribute positively to CCPL's financial performance.

To further strengthen its financial position, the Group is pursuing several strategies. First, the Group has initiated negotiations with various lenders for CCPL to secure short-term working capital loans. Second, the Group is actively engaging with potential investors for investments in the cinema business, including exploring a potential divestment. Lastly, the Group is working with various creditors to

¹ As reported by Bloomberg, "Overall, at least 110 movies should get wide releases in 2025, up from 94 last year, according to figures from Comscore and the National Association of Theatre Owners." <<https://www.bloomberg.com/news/articles/2025-01-03/hollywood-s-sequel-led-comeback-projected-to-extend-into-2025>> <<https://www.bnnbloomberg.ca/business/company-news/2025/01/03/hollywoods-sequel-led-comeback-projected-to-extend-into-2025/>>.

reschedule debt as it comes due (including but not limited to possible restructuring of CCPL's business and financial obligations).

Upon the success of the foregoing actions and the positive business outlook, the Board is of the opinion that the Group will be able to continue as a going concern and meet its significant payment obligations over the next 12 months, including debt obligations under the agreed repayment schedule.

2. RECEIPT OF LETTER OF DEMAND BY THE COMPANY

In connection with the letter of demand received by CCPL from FCT on 3 February 2025 and the Corporate Guarantee provided by the Company, the Board wishes to announce that the Company had on 4 February 2025, received another letter of demand from FCT addressed to the Company, in its capacity as guarantor, requiring the payment of the sum of S\$2,203,121.95, comprising CCPL's rent in arrears and other monies owed to FCT, for CCPL's lease of the premises at #07-01, Causeway Point.

As stated in this announcement, the Group is actively engaging with FCT and is working on a payment schedule acceptable by all parties. The Group is also exploring various strategies to resolve the matter.

The Company will make announcements on the same as and when there are any further material developments.

BY ORDER OF THE BOARD

Melvin Ang Wee Chye
Executive Chairman
6 February 2025