

MM2 ASIA LTD.
(Company Registration No.: 201424372N)
(Incorporated in the Republic of Singapore)

- (1) **APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH RULES 705(1), 707(1), 707(2) AND 711A OF THE LISTING MANUAL OF THE SGX-ST**
 - (2) **APPLICATION TO ACRA FOR EXTENSION OF TIME PURSUANT TO SECTIONS 175(2)(A) AND 197(1B)(A) OF THE COMPANIES ACT**
 - (3) **UPDATE ON STATUS OF LEGAL DEMAND LETTERS AND CINEMA LEASE OBLIGATIONS**
 - (4) **GOING-CONCERN ASSESSMENT AND CONTINGENT LANDLORD EXPOSURE**
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1. INTRODUCTION AND EXTENSION APPLICATION

- 1.1. The Board of Directors (the “**Board**”) of mm2 Asia Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 15 May 2025, submitted the following applications to the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) for an extension of time to comply with:
- (a) Rule 705(1) of the Listing Manual in relation to announce its unaudited financial statements for the full year ended 31 March 2025 (“**FY2025**”); and
 - (b) Rules 707(1), 707(2) and 711A of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to FY2025.
- 1.2. Pursuant to Rules 705(1), 707(1), 707(2) and 711A of the Listing Manual, the Company must:
- (a) announce its unaudited financial statements for FY2025 (“**FY2025 Results**”) by 30 May 2025 (i.e. no later than 60 days from the end of the relevant full financial year);
 - (b) hold its annual general meeting (“**AGM**”) for FY2025 on or before 31 July 2025 (i.e. within four months from the end of the Company’s financial year)
 - (c) issue its annual report for FY2025 (“**FY2025 AR**”) to shareholders and the SGX-ST by 16 July 2025 (i.e. at least fourteen (14) days before the date of its AGM); and
 - (d) issue its sustainability report for FY2025 (“**FY2025 SR**”) by 31 July 2025 (i.e. no later than four (4) months after the end of the Company’s financial year).
- 1.3. Accordingly, the Company is seeking an extension of time from SGX RegCo, in relation to the following:
- (a) a 90 days extension to announce its FY2025 Results by 28 August 2025 instead of the prescribed timeline of 30 May 2025 under Rule 705(1) of the Listing Manual;
 - (b) a 90 days extension to hold its AGM for FY2025 by 29 October 2025 instead of the prescribed timeline of 31 July 2025 under Rule 707(1) of the Listing Manual;
 - (c) a 90 days extension to issue its FY2025 AR by 14 October 2025 instead of the prescribed timeline of 16 July 2025 under Rule 707(2) of the Listing Manual; and
 - (d) a 65 days extension to issue its FY2025 SR by 14 October 2025 instead of the prescribed timeline of 31 July 2025 under Rule 711A of the Listing Manual,
- (collectively, the “**Extension Application**”).

2. RATIONALE FOR THE EXTENSION APPLICATION

2.1. The rationale for making the Extension Application are as follows:

- (a) **Prolonged goodwill and asset impairment assessment on cinema business:** The on-going discussions with landlords on the legal demands have delayed the finalization of the assessment due to uncertainty of the operating outlets concerning the cinema business. Management is undertaking a comprehensive review of certain assets in accordance with accounting standards, to ensure the integrity and accuracy of the Group's financial reporting. This includes the assessment of goodwill and other non-current assets in light of evolving market conditions of the cinema business.
- (b) **Funding and Administrative Alignment for Audit Completion:** The recent demands from cinema landlords have placed significant pressure on the Group's resources, requiring management to divert considerable attention towards responding to information requests from banks, creditors, and other stakeholders. This has, in turn, delayed the closing of the Group's books and impacted the timeline for audit completion. Compounding this, claims made by landlords on bankers' guarantees (totaling approximately S\$2 million) required urgent settlement within a short period, creating unforeseen cash demands. This constrained the Group's ability to meet other obligations, including the timely payment of audit fees. This issue has since been resolved as the Group has committed to the repayment milestone, aligned with the key audit phrases and progress, with the audit expected to commence in mid July 2025.
- (c) **Complex accounting treatment for impairments and provisions:** The Group is assessing several complex accounting matters including the recognition of impairment losses, fair value adjustments, and provisions for legal exposure, all of which require more time to validate and review with the auditors.
- (d) In view of the above, the Company believes that the extensions requested in the Extension Application are necessary, as additional time is required to prepare the relevant financial information for the Company and the Group, and to finalise the FY2025 results and complete the audit process with the auditors.

2.2. The Company confirms that the Extension Application does not contravene any laws and regulations governing the Company and constitutional documents of the Company.

3. APPLICATION TO ACCOUNTING AND CORPORATE REGULATORY AUTHORITY ("ACRA")

3.1. The Company has also submitted an application under Sections 175(2)(a) and 197(1B)(a) of the Companies Act 1967 (the "**Companies Act**") to ACRA for an extension of time of 60 days from the requirements of Sections 175(1)(a) and 197(1)(a) of the Companies Act to hold its AGM for FY2025 and lodge its annual return for FY2025 by 29 September 2025 and by 30 October 2025 respectively (the "**ACRA Application**").

3.2. As the Company is only able to apply for an extension of up to 60 days at a time through Bizfile of ACRA, the Company intends to submit a further application to ACRA for an additional 30-day extension to comply with Sections 175(1)(a) and 197(1)(a) of the Companies Act, in relation to holding its AGM and filing its annual return for FY2025 by 29 October 2025 and by 29 November 2025 respectively (the "**Further ACRA Application**"). The Company will provide further updates upon submitting the Further ACRA Application.

4. PROPOSED INDICATIVE TIMELINE

- 4.1. The Extension Application is based on the following proposed indicative timeline, as agreed with the auditors:

Proposed Indicative Date ⁽¹⁾	Milestone(s)
By 28 August 2025	The FY2025 Results is announced.
By 14 October 2025	The FY2025 AR and the FY2025 SR are issued.
By 29 October 2025	The Group's AGM for FY2025 is convened.
By 29 November 2025	The Company's annual return is filed.

Note (1): The proposed indicative dates assumes that the Company has received approvals from SGX RegCo (in relation to the Extension Application) and ACRA (in relation to the ACRA Application and the Further ACRA Application).

- 4.2. Shareholders should note that the above timetable is indicative only and may be subject to change. Please refer to further announcements by the Company for the exact dates of such event.

5. UPDATE ON STATUS OF LEGAL DEMAND LETTERS AND CINEMA LEASE OBLIGATIONS

- 5.1. As disclosed on 3 February 2025, 6 February 2025, and 27 March 2025, the Group received letters of demand relating to lease and tenancy matters involving Cathay Cineplexes Pte. Ltd. ("CCPL"), an associated company of the Group which operates the Cathay brand of cinemas in Singapore.
- 5.2. As at the date of this announcement, CCPL has aggregate outstanding liabilities of approximately S\$10.26 million owing to various landlords in respect of leases for cinema locations, of which approximately S\$3.07 million is backed by corporate guarantees issued by the Company. These liabilities arose primarily from the closure of loss-making branches during the post-pandemic recovery period and the continued cash flow constraints affecting the cinema business.
- 5.3. The Group acknowledges the seriousness of these liabilities and is actively exploring a comprehensive solution to address the financial challenges faced by the cinema business. As of the date of this announcement, no formal legal proceedings have been commenced by any of the landlords as the Group has been actively engaging with them on all outstanding issues. Given the longstanding relationship with these landlords since the pre-pandemic period, the Company is positive that it is on track to arrive at mutually beneficial solutions in due course

6. GOING-CONCERN ASSESSMENT AND CONTINGENT LANDLORD EXPOSURE

- 6.1. The Company is preparing the Group's consolidated financial statements for the financial year ended FY2025 on a going concern basis, after taking into account, inter alia, the following considerations:
- (a) The overall outlook for the Group's core content business remains highly encouraging. Demand for content continues to grow across key markets, including China, Malaysia, and other parts of Asia. Notably, the cinema industry in Vietnam recently reported that its 2024 box office performance has surpassed pre-COVID levels seen in 2019. In Malaysia, the local cinema sector has seen strong momentum, with Malay-language films consistently producing blockbusters over the past two to three years – outperforming Hollywood titles in some instances. Positioned at the centre of this

regional growth, the Group is well-placed to produce compelling content for both Chinese and non-Chinese speaking markets.

- (b) In Singapore, the recent challenges faced by the Group's cinema operations have also brought about an opportunity to accelerate the right-sizing of the Group's portfolio. Similar to the situation in Hong Kong, Singapore remains a highly competitive and difficult market for cinemas. This streamlining enables us to focus resources on more profitable and scalable segments of the business.
 - (c) Overall, the Group remain optimistic about the growth prospects of the core content business and the Malaysia cinema operations. While all outstanding liabilities are presently the subject of consensual negotiations and no formal legal proceedings have commenced, the Group's negotiations on the legal demands by the landlords, if not promptly resolved, would be a material adverse event that could cast significant doubt on the Group's ability to continue as a going concern.
 - (d) To address this contingency, the Group and CCPL have engaged professional and legal advisors, to support ongoing negotiations and broader restructuring efforts.
- 6.2. Having considered the factors set out in paragraphs 6.1(a) to 6.1(d) above, the Board is of the opinion that should the legal demands by the landlords are resolved amicably and promptly, the Group will have sufficient resources to meet its obligations as and when they fall due for at least the next twelve months. The Board will continue to monitor the situation closely and will keep shareholders informed of any material developments.

7. FURTHER ANNOUNCEMENTS AND CAUTIONARY STATEMENT

The Company will make further announcements should there be any material developments in relation to the matters contained in this announcement. **Shareholders are advised to exercise caution when dealing in the securities of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests.**

BY ORDER OF THE BOARD

Melvin Ang Wee Chye
Executive Chairman
19 May 2025