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

# UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2023

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## A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FULL FINANCIAL YEAR ENDED 31 MARCH 2023

| | | Group Fourth quarter period ended | | | Group Full Financial Year Ended | | |
|---|---|---|---|---|---|---|---|
| | Note | 4Q FY2023 (Unaudited) S$'000 | 4Q FY2022 (Unaudited) S$'000 (Restated) | Change % | 31 Mar 2023 (Unaudited) S$'000 | 31 Mar 2022 (Audited) S$'000 (Restated) | Change % |
| **Continuing operations** | | | | | | | |
| Revenue | 4 | 30,585 | 24,670 | 24.0% | 134,285 | 83,517 | 60.8% |
| Cost of sales | | (23,858) | (28,792) | -17.1% | (106,611) | (74,757) | 42.6% |
| **Gross (loss)/profit** | | **6,727** | **(4,122)** | N.M | **27,674** | **8,760** | **215.9%** |
| Other income | | | | | | | |
| - *Interest* | | 23 | 20 | 15.0% | 67 | 46 | 45.7% |
| - *Others* | | 114 | 619 | -81.6% | 666 | 2,214 | -69.9% |
| Other gains/(losses) - net | | | | | | | |
| - *Expected credit losses, net* | | (559) | (2,612) | -78.6% | (559) | (3,070) | -81.8% |
| - *Fair value changes in financial instruments* | | (24,172) | - | N.M. | (24,172) | - | N.M. |
| - *Others* | | (863) | (929) | -7.1% | (1,782) | (729) | 144.4% |
| Administrative expenses | | (3,989) | (6,596) | -39.5% | (15,324) | (17,250) | -11.2% |
| Finance expenses | | (2,673) | (1,821) | 46.8% | (8,780) | (6,605) | 32.9% |
| Share of profits/(losses) of associated companies | | 166 | 149 | 11.4% | (517) | 461 | N.M. |
| Loss before income tax | 6.1 | (25,226) | (15,292) | 65.0% | (22,727) | (16,173) | 40.5% |
| Income tax credit/(expenses) | 7 | 363 | (324) | N.M. | (686) | (1,049) | -34.6% |
| **Loss from continuing operations** | | **(24,863)** | **(15,616)** | 59.2% | **(23,413)** | **(17,222)** | 35.9% |
| **Discontinued operations** | | | | | | | |
| Loss from discontinued operations | 21 | (119,291) | (11,469) | 940.1% | (130,820) | (24,866) | 426.1% |
| Gain on deconsolidation of a subsidiary | 21 | 31,778 | - | N.M. | 31,778 | - | N.M. |
| **Net loss for the financial period/year** | | (112,376) | (27,085) | 314.9% | (122,455) | (42,088) | 190.9% |
| **Other comprehensive income, net of tax:** | | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | |
| Currency translation differences arising from consolidation | | | | | | | |
| - Gains | | 337 | 135 | 149.6% | 2,210 | 202 | 994.1% |
| **Total comprehensive loss for the financial period/year** | | **(112,039)** | **(26,950)** | 315.7% | **(120,245)** | **(41,886)** | 187.1% |

## A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FULL FINANCIAL YEAR ENDED 31 MARCH 2023

| | | Group Fourth quarter period ended | | | Group Full Financial Year Ended | | |
|---|---|---|---|---|---|---|---|
| | Note | 4Q FY2023 (Unaudited) S$'000 | 4Q FY2022 (Unaudited) S$'000 (Restated) | Change % | 31 Mar 2023 (Unaudited) S$'000 | 31 Mar 2022 (Audited) S$'000 (Restated) | Change % |
| **Loss attributable to:** | | | | | | | |
| Equity holders of the Company | | (111,588) | (23,207) | 380.8% | (120,454) | (34,982) | 244.3% |
| Non-controlling interests | | (788) | (3,878) | -79.7% | (2,001) | (7,106) | -71.8% |
| | | **(112,376)** | **(27,085)** | 314.9% | **(122,455)** | **(42,088)** | 190.9% |
| **Loss attributable to equity holders of the Company relates to:** | | | | | | | |
| Loss from continuing operations | | (24,075) | (11,738) | 105.1% | (21,412) | (10,116) | 111.7% |
| Loss from discontinued operations | | (87,513) | (11,469) | 663.0% | (99,042) | (24,866) | 298.3% |
| | | **(111,588)** | **(23,207)** | 380.8% | **(120,454)** | **(34,982)** | 244.3% |
| **Total comprehensive loss attributable to:** | | | | | | | |
| Equity holders of the Company | | (111,256) | (23,057) | 382.5% | (118,369) | (34,768) | 240.5% |
| Non-controlling interests | | (783) | (3,893) | -79.9% | (1,876) | (7,118) | -73.6% |
| | | **(112,039)** | **(26,950)** | 315.7% | **(120,245)** | **(41,886)** | 187.1% |
| **Loss per share attributable to owners of the Company** | | | | | | | |
| **Basic LPS** | | | | | | | |
| From continuing operations | 8 | (0.86) | (0.44) | 95.5% | (0.77) | (0.38) | 102.6% |
| From discontinued operations | 8 | (3.14) | (0.43) | 630.2% | (3.55) | (0.93) | 281.7% |

*N.M. - not meaningful*

## B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 31 Mar 2023 (Unaudited) S$'000 | 31 Mar 2022 (Audited) S$'000 | 31 Mar 2023 (Unaudited) S$'000 | 31 Mar 2022 (Audited) S$'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | | 9,440 | 14,571 | 415 | 9,796 |
| Trade and other receivables | 9 | 98,573 | 102,894 | 44,892 | 262,572 |
| Inventories | | 800 | 1,013 | - | - |
| Other current assets | 17 | 115,357 | 83,459 | - | - |
| Film products and films under production | | 3,290 | 6,004 | - | - |
| Income tax receivables | | 247 | 407 | - | - |
| | | 227,707 | 208,348 | 45,307 | 272,368 |
| **Non-current assets** | | | | | |
| Trade and other receivables | 9 | 1,858 | 19,962 | - | - |
| Financial assets, at fair value through profit or loss ("FVPL") | 10 | 1,649 | 1,701 | - | - |
| Investments in subsidiaries | | - | - | 68,951 | 70,226 |
| Investments in associated companies | | 92,608 | 3,196 | 91,753 | 2,045 |
| Property, plant and equipment | 11 | 15,225 | 59,817 | 22 | 76 |
| Intangible assets and goodwill | 12 | 46,147 | 237,086 | - | - |
| Film rights | 13 | 23,584 | 28,678 | - | - |
| Film intangibles and film inventories | 14 | 20,267 | 20,277 | - | - |
| Deferred income tax assets | | - | 23 | - | - |
| | | 201,338 | 370,740 | 160,726 | 72,347 |
| Non-current assets held for sale | 15 | 96 | - | 96 | - |
| | | 201,434 | 370,740 | 160,822 | 72,347 |
| **TOTAL ASSETS** | | **429,141** | **579,088** | **206,129** | **344,715** |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 16 | 70,599 | 91,723 | 15,803 | 58,562 |
| Contract liabilities | 18 | 16,503 | 8,149 | - | - |
| Borrowings | 19 | 117,635 | 154,394 | 84,340 | 56,820 |
| Lease liabilities | | 317 | 28,090 | 23 | 58 |
| Derivative financial instruments | | - | 6 | - | - |
| Current income tax liabilities | | 1,068 | 2,279 | - | - |
| | | 206,122 | 284,641 | 100,166 | 115,440 |
| **Non-current liabilities** | | | | | |
| Trade and other payables | 16 | 13,425 | - | 13,425 | - |
| Borrowings | 19 | 113,529 | 55,366 | 82,393 | 38,910 |
| Lease liabilities | | 381 | 23,179 | - | 19 |
| Provisions | | 140 | 5,886 | - | - |
| Deferred income tax liabilities | | 3,938 | 7,524 | - | - |
| | | 131,413 | 91,955 | 95,818 | 38,929 |
| **TOTAL LIABILITIES** | | **337,535** | **376,596** | **195,984** | **154,369** |
| **NET ASSETS** | | **91,606** | **202,492** | **10,145** | **190,346** |
| **EQUITY** | | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | | |
| Share capital | 20 | 230,602 | 211,102 | 230,602 | 211,102 |
| Reserves | | (11,935) | (4,270) | - | 9,750 |
| Accumulated losses | | (167,131) | (46,677) | (220,457) | (30,506) |
| | | 51,536 | 160,155 | 10,145 | 190,346 |
| Non-controlling interests | | 40,070 | 42,337 | - | - |
| **TOTAL EQUITY** | | **91,606** | **202,492** | **10,145** | **190,346** |

## C CONDENSED INTERIM STATEMENTS OF CHANGES OF EQUITY FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2023

**Group (Unaudited)**

| | Attributable to equity holders of the Company | | | | | |
|---|---|---|---|---|---|---|
| | **Share capital S$'000** | **Reserves S$'000** | **Accumulated losses S$'000** | **Total S$'000** | **Non-controlling interests S$'000** | **Total equity S$'000** |
| **As at 1 April 2022** | **211,102** | **(4,270)** | **(46,677)** | **160,155** | **42,337** | **202,492** |
| Net loss for the financial year | - | - | (120,454) | (120,454) | (2,001) | (122,455) |
| Other comprehensive income for the financial year | - | 2,085 | - | 2,085 | 125 | 2,210 |
| Total comprehensive income/(loss) for the financial year | - | 2,085 | (120,454) | (118,369) | (1,876) | (120,245) |
| Issuance of ordinary shares of the Company pursuant to: | | | | | | |
| - Private Placement (Note 20) | 19,500 | (9,750) [1] | - | 9,750 | - | 9,750 |
| Disposal of a non-controlling interest in subsidiary | - | - | - | - | (391) | (391) |
| **As at 31 March 2023** | **230,602** | **(11,935)** | **(167,131)** | **51,536** | **40,070** | **91,606** |
| | | | | | | |
| **As at 1 April 2021** | **152,870** | **(14,300)** | **(11,695)** | **126,875** | **47,334** | **174,209** |
| Net loss for the financial year | - | - | (34,982) | (34,982) | (7,106) | (42,088) |
| Other comprehensive income/(loss) for the financial year | - | 214 | - | 214 | (12) | 202 |
| Total comprehensive income/(loss) for the financial year | - | 214 | (34,982) | (34,768) | (7,118) | (41,886) |
| Issuance of ordinary shares of the Company pursuant to: | | | | | | |
| - Rights issue | 54,652 | - | - | 54,652 | - | 54,652 |
| Less: capitalised expenses pertaining to issuance of rights issue | (2,420) | - | - | (2,420) | - | (2,420) |
| | 52,232 | - | - | 52,232 | - | 52,232 |
| - Exchange right | 6,000 | - | - | 6,000 | - | 6,000 |
| Subsciption of ordinary shares of the Company pursuant to the Private Placement pending for allotment | - | 9,750 | - | 9,750 | - | 9,750 |
| Dilution of interest in a subsidiary without loss on control | - | 66 | - | 66 | 2,121 | 2,187 |
| **As at 31 March 2022** | **211,102** | **(4,270)** | **(46,677)** | **160,155** | **42,337** | **202,492** |

## C CONDENSED INTERIM STATEMENTS OF CHANGES OF EQUITY FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2023

**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 year | - | - | (189,951) | (189,951) |
| Issuance of ordinary shares of the Company pursuant to: | | | | |
| - Private Placement (Note 20) | 19,500 | (9,750) [1] | - | 9,750 |
| **As at 31 March 2023** | **230,602** | **-** | **(220,457)** | **10,145** |
| | | | | |
| **As at 1 April 2021** | **152,870** | **-** | **(24,936)** | **127,934** |
| Net loss for the financial year | - | - | (5,570) | (5,570) |
| Issuance of ordinary shares of the Company pursuant to: | | | | |
| - Rights issue | 54,652 | - | - | 54,652 |
| Less: capitalised expenses pertaining to issuance of right issue | (2,420) | - | - | (2,420) |
| | 52,232 | - | - | 52,232 |
| - Exchange right | 6,000 | - | - | 6,000 |
| Subscription of ordinary shares of the Company pursuant to the Private Placement pending allotment | - | 9,750 | - | 9,750 |
| **As at 31 March 2022** | **211,102** | **9,750** | **(30,506)** | **190,346** |

[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 FULL FINANCIAL YEAR ENDED 31 MARCH 2023

| | Group Full Financial Year Ended | |
|---|---|---|
| | **31 Mar 2023 (Unaudited) S$'000** | **31 Mar 2022 (Audited) S$'000** |
| **Cash flows from operating activities** | | |
| Net loss from continuing and discontinued operations | (122,455) | (42,088) |
| Adjustments for: | | |
| - Income tax expenses | 603 | 876 |
| - Interest income | (67) | (46) |
| - Finance expenses | 15,261 | 13,508 |
| - Amortisation of intangible assets | 1,690 | 4,233 |
| - Amortisation of film rights | 7,764 | 10,103 |
| - Amortisation of film intangibles and film inventories | 2,035 | 2,654 |
| - Depreciation of property, plant and equipment | 4,373 | 7,893 |
| - Depreciation of right-of-use assets | 18,166 | 19,684 |
| - Impairment loss on: | | |
| - Goodwill | 117,677 | 12,000 |
| - Film intangibles and inventories | - | 2,417 |
| - Intangible assets | - | 1,045 |
| - Written-off on: | | |
| - Film products and films under production | - | 29 |
| - Film rights | - | 20 |
| - Film intangibles and inventories | - | 52 |
| - Intangible assets | 1 | - |
| - Inventories written off | 2 | 75 |
| - Inventories written down | - | 800 |
| - Property, plant and equipment written off | 95 | 801 |
| - Share of losses/(profits) of associated companies and former joint venture | 517 | (423) |
| - Rental concession income | (967) | (4,299) |
| - Expected credit loss on financial assets, net | 531 | 3,070 |
| - Gain on deconsolidation of a subsidiary | (31,778) | - |
| - Gain on disposal of subsidiary company | (20) | - |
| - Gain on disposal of an associated company | 3 | - |
| - Gain arising from derecognition of leases | (57) | (252) |
| - Gain arising from re-measurement of financial asset | (16) | (1,073) |
| - Gain on disposal of property, plant and equipment | (57) | (42) |
| - Loss on fair value changes in financial instruments | 21,618 | - |
| - Gain on fair value changes in derivative financial instruments, net | (6) | (6,148) |
| - Gain on disposal of financial assets, at FVPL | - | (19) |
| - Loss on fair value changes in financial assets, at FVPL, net | - | 361 |
| - Loss on unrealised foreign exchange | 4,324 | 723 |
| **Operating cash flows before working capital changes** | **39,237** | **25,954** |
| Change in working capital: | | |
| - Trade and other receivables | 1,227 | 5,183 |
| - Inventories | (54) | (58) |
| - Other current assets | (32,807) | (14,049) |
| - Film products and films under production | - | (660) |
| - Film intangible and film inventories | (1,265) | (4,212) |
| - Trade and other payables | (6,015) | 15,796 |
| - Contract liabilities | 10,474 | (993) |
| Cash generated from operations | 10,797 | 26,961 |
| Income tax refund | (17) | 252 |
| Income tax paid | (1,853) | (993) |
| **Net cash provided by operating activities** | **8,927** | **26,220** |

## D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)

| | Group | |
|---|---|---|
| | Full Financial Year Ended | |
| | 31 Mar 2023 (Unaudited) S$'000 | 31 Mar 2022 (Audited) S$'000 |
| **Cash flows from investing activities** | | |
| Effect on deconsolidation of a subsidiary's cash and cash equivalents | (751) | - |
| Proceeds from disposal of subsidiaries, net of cash disposed | 189 | - |
| Proceeds from disposal of financial assets, at FVPL | - | 1,874 |
| Proceeds from disposal of property, plant and equipment | 82 | 256 |
| Additions to financial assets, at FVPL | - | (700) |
| Additions to property, plant and equipment | (984) | (1,321) |
| Additions to intangible assets | (27) | (1,058) |
| Additions of film rights | 1 | (5,339) |
| Government grants received for: | | |
| - development of film products and films under production | - | 351 |
| - development of film rights | - | 317 |
| - development of software | 155 | 75 |
| Interest received | 35 | 46 |
| **Net cash used in investing activities** | **(1,300)** | **(5,499)** |
| | | |
| **Cash flows from financing activities** | | |
| Interest paid | (12,669) | (10,353) |
| 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 subscription of ordinary shares of the Company pursuant to the private placement pending for allotment | - | 9,750 |
| Proceeds from issuance of new shares of a subsidiary to non-controlling interests | - | 2,187 |
| 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 borrowings | 30,542 | 26,596 |
| Repayments of borrowings | (83,085) | (86,434) |
| Repayments of lease liabilities | (23,566) | (18,869) |
| **Net cash used in financing activities** | **(12,278)** | **(17,891)** |
| | | |
| **Net changes in cash and cash equivalents** | **(4,651)** | **2,830** |
| | | |
| **Cash and cash equivalents** | | |
| At beginning of financial year | 13,608 | 10,824 |
| Effects of currency translation on cash and cash equivalents | (41) | (46) |
| **At end of financial year** | **8,916** | **13,608** |
| | | |
| **Cash and cash equivalent comprise:** | | |
| Cash and bank balances | 9,438 | 14,405 |
| Fixed deposits | 2 | 166 |
| | 9,440 | 14,571 |
| Bank overdraft | (524) | (963) |
| | **8,916** | **13,608** |

## 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 for the year ended 31 March 2023 **("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 year ended 31 March 2023 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 are expected to be able to meet its liabilities as and when they fall due. The Group incurred a net loss of S$122.4 million (compared to the previous corresponding year's net loss of S$42.1 million) for the financial year ended 31 March 2023. As of that date, the Group's current assets exceeded its current liabilities by S$21.6 million (31 March 2022: current liabilities exceeded its current assets by $76.3 million). The Group's businesses are on the path to recovery 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 year ended 31 March 2023, and 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$21.6 million. In addition, from Group's continuing operations the revenue grew by approximately 60.8% in the current financial year, and adjusted EBITDA also has increased from S$12.1 million to S$24.4 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 year***

(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"), an associated Company (a former 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 in June 2023.

(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 in this 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 free 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 is deemed to be completed on 24 March 2023.

(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. The transaction has completed on 24 March 2023.

(vi) On 26 April 2023, the Company had entered into a binding term sheet (the "Term Sheet") with Hildrics Asia Growth Fund VCC (acting on behalf of Hildrics Asia Growth Fund 1) (the "Investor") whereby the Investor shall subscribe for convertible bonds issued by mmLive Pte. Ltd. ("mmLive", being a wholly-owned subsidiary of the Company and together with the Company and the Investor, the "Parties") for an aggregate principal amount of up to S$5,000,000 ("Proposed CB Issuance"), with the Investor having an option to subscribe for an additional investment amount of up to S$5,000,000 within 3 months from the date of the Term Sheet. The transaction is ongoing as of date of this report.

***(c) 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)

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 year ended 31 March 2023 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 year ended 31 March 2023. 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.

Allowance for ECL is recognised in profit or loss for the financial year 31 March 2023. 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, impairment is recognised as at 31 March 2023.

### 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'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.

The Group is organised into the following main business segments:

Continuing Operations

*(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) Concert and event*

Concert and event segment refers to sales on events production, concerts promotion and renting of stage sound system and equipment.

The "Others" segment 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 "Others" column.

Discontinued Operations

*Cinema operations*

Cinema operations segment refers to sales of cinema ticket and concession, hall rental and screen advertising.

## 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:

***Continuing Operations***

| | Group<br>For the fourth quarter period ended | | | | | |
|---|---|---|---|---|---|---|
| | **Core business S$'000** | **Post-productions S$'000** | **Concert and event S$'000** | **Others S$'000** | **Segments elimination S$'000** | **Total for continuing operations S$'000** |
| **1 January 2023 to 31 March 2023** ***(4Q FY2023)*** | | | | | | |
| Total segment sales | 25,340 | 668 | 6,006 | 506 | (1,935) | 30,585 |
| Inter-segment sales | (1,525) | (389) | (18) | (3) | 1,935 | - |
| **Sales to external parties** | 23,815 | 279 | 5,988 | 503 | - | 30,585 |
| **Earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))** | **(16,985)** | **(702)** | **132** | **(232)** | **(336)** | **(18,123)** |
| Depreciation | **(9,113)** | **(483)** | **102** | **(415)** | **-** | (9,909) |
| Amortisation | **5,592** | **212** | **(633)** | **307** | **-** | 5,478 |
| Finance expenses | **(2,289)** | **(42)** | **(341)** | **-** | **-** | (2,672) |
| **Loss before tax** | (22,795) | (1,015) | (740) | (340) | (336) | (25,226) |
| Income tax expenses | (7) | (4) | 374 | - | - | 363 |
| **Net loss** | **(22,802)** | **(1,019)** | **(366)** | **(340)** | **(336)** | **(24,863)** |
| **1 January 2022 to 31 March 2022** ***(4Q FY2022)*** ***(Restated)*** | | | | | | |
| Total segment sales | 22,351 | 1,117 | 385 | 1,205 | (388) | 24,670 |
| Inter-segment sales | (298) | (32) | - | (58) | 388 | - |
| **Sales to external parties** | 22,053 | 1,085 | 385 | 1,147 | - | 24,670 |
| **Earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))** | **1,770** | **(760)** | **(1,524)** | **(449)** | **(13)** | **(976)** |
| Impairment losses | (2,417) | - | - | - | - | (2,417) |
| Depreciation | (160) | (75) | (320) | (23) | - | (578) |
| Amortisation | (6,662) | (2,477) | (209) | (151) | - | (9,499) |
| Finance expenses | (1,561) | (50) | (210) | (1) | - | (1,822) |
| **Loss before tax** | (9,030) | (3,362) | (2,263) | (624) | (13) | (15,292) |
| Income tax (expenses)/ credit | (342) | 23 | (5) | - | - | (324) |
| **Net loss** | **(9,372)** | **(3,339)** | **(2,268)** | **(624)** | **(13)** | **(15,616)** |

## 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)

***Continuing Operations***

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | For the full year ended | | | | | |
| | **Core business S$'000** | **Post-productions S$'000** | **Concert and event S$'000** | **Others S$'000** | **Segments elimination S$'000** | **Total for continuing operations S$'000** |
| **1 Apr 2022 to 31 March 2023** ***(12M FY2023)*** | | | | | | |
| Total segment sales | 101,323 | 2,914 | 29,229 | 4,140 | (3,321) | 134,285 |
| Inter-segment sales | (2,664) | (390) | (239) | (28) | 3,321 | - |
| **Sales to external parties** | 98,659 | 2,524 | 28,990 | 4,112 | - | 134,285 |
| **Earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))** | **(55)** | **(2,236)** | **3,624** | **(1,686)** | **16** | **(337)** |
| Impairment losses | - | - | - | - | - | - |
| Depreciation | (9,460) | (695) | (832) | (503) | - | (11,490) |
| Amortisation | (463) | (309) | (1,256) | (92) | - | (2,120) |
| Finance expenses | (7,507) | (172) | (1,099) | (4) | 2 | (8,780) |
| **Profit/(loss) before tax** | (17,485) | (3,412) | 437 | (2,285) | 18 | (22,727) |
| Income tax (expenses)/credit | (968) | (4) | 286 | - | - | (686) |
| **Net profit/(loss)** | **(18,453)** | **(3,416)** | **723** | **(2,285)** | **18** | **(23,413)** |
| **1 Apr 2021 to 31 March 2022** ***(12M FY2022)*** ***(Restated)*** | | | | | | |
| Total segment sales | 73,462 | 2,861 | 3,593 | 4,472 | (871) | 83,517 |
| Inter-segment sales | (651) | (52) | - | (168) | 871 | - |
| **Sales to external parties** | 72,811 | 2,809 | 3,593 | 4,304 | - | 83,517 |
| **Earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))** | **17,576** | **(1,756)** | **(2,207)** | **(1,019)** | **(195)** | **12,399** |
| Impairment losses | (2,417) | - | - | - | - | (2,417) |
| Depreciation | (658) | (479) | (1,337) | (93) | - | (2,567) |
| Amortisation | (12,131) | (3,472) | (832) | (548) | - | (16,983) |
| Finance expenses | (5,400) | (223) | (981) | (4) | 3 | (6,605) |
| **Loss before tax** | (3,030) | (5,930) | (5,357) | (1,664) | (192) | (16,173) |
| Income tax (expenses)/credit | (1,337) | 97 | 191 | - | - | (1,049) |
| **Net loss** | **(4,367)** | **(5,833)** | **(5,166)** | **(1,664)** | **(192)** | **(17,222)** |

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

### 4 Segment and revenue information (continued)

**Revenue by geographical location of customers**

| | Group | | Group | |
|---|---|---|---|---|
| | Fourth Quarter Period Ended | | Full Financial Year Ended | |
| | 4Q FY2023 | 4Q FY2022 | 31 Mar 2023 | 31 Mar 2022 |
| | S$'000 | S$'000 (Restated) | S$'000 | S$'000 (Restated) |
| Singapore | 4,316 | 5,837 | 37,816 | 18,835 |
| Malaysia | 4,357 | 3,705 | 8,827 | 8,189 |
| China | 12,982 | 1,346 | 29,791 | 9,412 |
| Taiwan | 4,350 | 4,814 | 41,096 | 31,071 |
| Hong Kong | 4,210 | 8,733 | 15,002 | 14,515 |
| Others | 370 | 235 | 1,753 | 1,495 |
| | 30,585 | 24,670 | 134,285 | 83,517 |

**Timing of revenue recognition**

| | | | | |
|---|---|---|---|---|
| At point in time | 24,977 | 22,647 | 126,281 | 77,910 |
| At over time | 5,608 | 2,023 | 8,004 | 5,607 |
| | 30,585 | 24,670 | 134,285 | 83,517 |

### 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 March 2023 and 31 March 2022:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Mar 2023 | 31 Mar 2022 | 31 Mar 2023 | 31 Mar 2022 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Financial assets, at amortised cost | 107,576 | 135,780 | 44,136 | 272,171 |
| Financial assets, at FVPL | 1,649 | 1,701 | - | - |
| Total | 109,225 | 137,481 | 44,136 | 272,171 |
| Financial liabilities, at amortised cost | 302,461 | 352,752 | 182,559 | 154,369 |
| Derivatives financial instruments | - | 6 | - | - |
| Total | 302,461 | 352,758 | 182,559 | 154,369 |

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

## 6 Loss before income taxation

### 6.1 Significant items

| | Group Fourth Quarter Period Ended | | Group Full Financial Year Ended | |
|---|---|---|---|---|
| | 4Q FY2023 S$'000 | 4Q FY2022 S$'000 (Restated) | 31 Mar 2023 S$'000 | 31 Mar 2022 S$'000 (Restated) |
| **Loss before income tax is arrived at after (crediting)/charging:** | | | | |
| **Continuing operations** | | | | |
| Amortisation of intangible assets | 399 | 2,433 | 1,689 | 4,226 |
| Amortisation of film rights | 2,685 | 5,197 | 7,764 | 10,103 |
| Amortisation of film intangibles and film inventories | 806 | 1,869 | 2,035 | 2,654 |
| Depreciation of property, plant and equipment | 430 | 266 | 1,645 | 1,757 |
| Depreciation of right-of-use assets | 111 | 312 | 477 | 810 |
| Employees compensation | 2,988 | 3,370 | 12,481 | 12,012 |
| Expected credit loss on financial assets, net | 531 | 2,612 | 531 | 3,070 |
| Impairment loss on: | | | | |
| - Film intangible and inventories | 66 | 2,417 | - | 2,417 |
| - Intangible assets | - | 1,045 | - | 1,045 |
| Interest expenses on: | | | | |
| - Borrowings | 2,670 | 2,052 | 8,758 | 6,791 |
| - Lease liabilities | 4 | (230) | 23 | (186) |
| Inventories written down | - | 800 | - | 800 |
| Government grants income, including JSS and RSS* | (62) | (154) | (353) | (1,625) |
| Property, plant and equipment written off | 5 | (2) | 34 | 3 |
| Gain arising from derecognition of leases | (1) | 1 | (1) | 1 |
| Gain arising from re-measurement of financial asset | - | - | (16) | - |
| Gain on fair value changes in derivative financial instrument, net | - | (73) | (6) | (145) |
| Loss on fair value changes in financial assets, FVPL | - | 380 | - | 361 |
| Loss on fair value changes in financial instruments | 24,172 | - | 24,172 | - |
| Gain on disposal of subsidiary company | 46 | - | (20) | - |
| Gain on disposal of an associated company | 3 | - | 3 | - |
| Gain on disposal of property, plant and equipment | - | 3 | (57) | 3 |
| Loss on disposal of financial assets, at FVPL | - | - | - | (19) |
| Gain/(Loss) on foreign exchange, net | | | | |
| - Realised foreign exchange | 1,949 | (525) | 805 | (672) |
| - Unrealised foreign exchange | (1,119) | 346 | 1,097 | 399 |

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

### 6 Loss before income taxation (continued)

#### 6.1 Significant items (continued)

| | Group Fourth Quarter Period Ended | | Group Full Financial Year Ended | |
|---|---|---|---|---|
| | 4Q FY2023 S$'000 | 4Q FY2022 S$'000 (Restated) | 31 Mar 2023 S$'000 | 31 Mar 2022 S$'000 (Restated) |
| **Discontinued operations** | | | | |
| Depreciation of property, plant and equipment | 812 | 2,264 | 2,728 | 6,136 |
| Depreciation of right-of-use assets | 4,361 | 4,780 | 17,689 | 18,874 |
| Employees compensation | 1,641 | 1,517 | 6,597 | 5,329 |
| Impairment loss on: | | | | |
| - Goodwill | 117,677 | 12,000 | 117,677 | 12,000 |
| Interest expenses on: | | | | |
| - Borrowings | 520 | 786 | 4,713 | 4,485 |
| - Lease liabilities | 534 | 804 | 1,767 | 2,418 |
| Inventories written off | 1 | 5 | 2 | 75 |
| Government grants income, including JSS and RSS* | (197) | (191) | (241) | (4,259) |
| Rental concession income | (61) | (1,386) | (967) | (4,299) |
| Property, plant and equipment written off | 61 | 128 | 61 | 798 |
| Loss/(Gain) arising from derecognition of leases | 1 | - | (56) | (253) |
| Gain arising from re-measurement of financial asset | - | (1,073) | - | (1,073) |
| Gain on fair value changes in derivative financial instrument, net | - | (6,002) | - | (6,002) |
| Gain on fair value changes in financial instruments | (2,554) | - | (2,554) | - |
| Loss on foreign exchange, net | | | | |
| - Realised foreign exchange | - | (96) | 11 | 12 |
| - Unrealised foreign exchange | 462 | 324 | 3,101 | 324 |

** JSS - Job Support Scheme (FY2023 & FY2022)*
*RSS - Rental Support Scheme (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 Fourth Quarter Period Ended | | Group Full Financial Year Ended | |
|---|---|---|---|---|
| | **4Q FY2023 S$'000** | **4Q FY2022 S$'000** | **31 Mar 2023 S$'000** | **31 Mar 2022 S$'000** |
| Sales of goods and/or services to | | | | |
| - Associated company | 1,255 | 70 | 1,522 | 2,378 |
| - Related parties | 5 | (42) | 805 | 1,316 |
| Purchase of services from | | | | |
| - Associated company | 24 | (2) | 42 | 2,262 |
| - Related parties | 10 | 190 | 222 | 327 |

Outstanding balances as at 31 March 2023 and 31 March 2022, 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 Fourth Quarter Period Ended | | Group Full Financial Year Ended | |
|---|---|---|---|---|
| | **4Q FY2023 S$'000** | **4Q FY2022 S$'000 (Restated)** | **31 Mar 2023 S$'000** | **31 Mar 2022 S$'000 (Restated)** |
| Current income tax | | | | |
| - Current financial period/year | (345) | (55) | 775 | (39) |
| - Prior financial period/year | (20) | (623) | 6 | (129) |
| | (365) | (678) | 781 | (168) |
| Deferred tax | | | | |
| - Current financial period/year | 2 | 1,052 | (95) | 963 |
| - Prior financial period/year | - | (50) | - | 254 |
| | 2 | 1,002 | (95) | 1,217 |
| Income tax (expense)/credit | (363) | 324 | 686 | 1,049 |

## 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 year.

There were no dilutive earnings per share for the financial years ended 31 March 2023 and 31 March 2022 as there were no dilutive potential ordinary shares outstanding. The Group's outstanding convertible bonds/notes were issued by the Company's associated Company (former 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<br>Fourth Quarter Period Ended | | Group<br>Full Financial Year Ended | |
|---|---|---|---|---|
| | **4Q FY2023** | **4Q FY2022** | **31 Mar 2023** | **31 Mar 2022** |
| Loss attributable to equity holders of the Company (S$'000) :- | | | | |
| - Continuing Operation | (24,075) | (11,738) | (21,412) | (10,116) |
| - Discontinued Operation | (87,513) | (11,469) | (99,042) | (24,866) |
| Weighted average number of ordinary share issued ('000) | 2,787,404 | 2,290,153 | 2,787,404 | 2,290,153 |
| Adjustment for ordinary shares ('000) [1] | - | 390,000 | - | 390,000 |
| | 2,787,404 | 2,680,153 | 2,787,404 | 2,680,153 |
| Basic and fully diluted basis LPS (cents):- | | | | |
| - Continuing Operation | (0.86) | (0.44) | (0.77) | (0.38) |
| - Discontinued Operation | (3.14) | (0.43) | (3.55) | (0.93) |

(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 year.

### 9 Trade and other receivables

| | Group | |
|---|---|---|
| | **31 Mar 2023** | **31 Mar 2022** |
| **Current** | **S$'000** | **S$'000** |
| Trade receivables: | | |
| - Non-related parties | 78,307 | 72,598 |
| - Related parties | 108 | 701 |
| - Associated companies | 759 | 1,199 |
| | 79,174 | 74,498 |
| Less: Expected credit loss allowance - Non-related parties | (7,126) | (6,990) |
| Trade receivables - net (Note 9(a)) | 72,048 | 67,508 |

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

### 9 Trade and other receivables (continued)

| **Current (continued)** | **Group** | |
|---|---|---|
| | **31 Mar 2023 S$'000** | **31 Mar 2022 S$'000** |
| Other receivables (Note 9(b)) | | |
| - Non-related parties | 4,927 | 6,959 |
| - Related parties | 17 | 13 |
| - Associated companies | 461 | 216 |
| - Former joint venture | - | 9 |
| | 5,405 | 7,197 |
| Less: Expected credit loss allowance - Non-related parties | (774) | (524) |
| | 4,631 | 6,673 |
| Deposits (Note 9(c)) | 17,786 | 22,998 |
| Less: Expected credit loss allowance - Non-related parties | (156) | (157) |
| | 17,630 | 22,841 |
| Prepayments | 2,295 | 1,647 |
| Accrued income | 1,969 | 4,225 |
| | 98,573 | 102,894 |
| **Non-current** | | |
| Other receivables - Non-related parties (Note 9(b)) | 1,858 | 18,524 |
| Less: Expected credit loss allowance - Non-related parties | - | (2,062) |
| | 1,858 | 16,462 |
| Deposits (Note 9(c)) | - | 3,500 |
| | 1,858 | 19,962 |

(a) **Trade receivables aging**

| | **Group** | |
|---|---|---|
| **Current** | **31 Mar 2023 S$'000** | **31 Mar 2022 S$'000** |
| Below 3 months | 26,599 | 25,302 |
| 3 - 6 months | 22,050 | 8,908 |
| Above 6 months | 30,525 | 40,288 |
| | 79,174 | 74,498 |
| Expected credit loss allowance ("ECL") | (7,126) | (6,990) |
| | 72,048 | 67,508 |

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

(i) Core business amounted to S$18,514,000 (31 March 2022: S$27,516,000); and

(ii) Event segment/ Unusual Limited group amounted S$11,850,000 that are past due more than 12 months as at 31 March 2023 (31 March 2022: S$10,689,000).

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

### 9 Trade and other receivables (continued)

(a) **Trade receivables aging (continued)**

***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 the 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.

(b) The current other receivables mainly consist of Core business and Event segment for approximately S$2.3 million and S$2.3 million respectively. 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 overseas project in the US was reclassified as an intellectual property ("IP") asset. This was necessary to record the change in the business model relating to the exploitation of IP rights in a US project i.e., the value of the IP asset will be released to match against the revenue that will be generated from the exploitation of the IP relatng to the show.

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.

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

### 10 Financial assets at fair value through profit or loss

The movement of the financial assets, FVPL is as follows:

| | Group | |
|---|---|---|
| | **31 Mar 2023** | **31 Mar 2022** |
| | **S$'000** | **S$'000** |
| Beginning of financial year | 1,701 | 3,223 |
| Additions | - | 700 |
| Disposal | - | (1,856) |
| Loss on fair value changes - net | - | (361) |
| Currency translation differences | (52) | (5) |
| End of financial year | 1,649 | 1,701 |
| **Represented by:** | | |
| Unquoted securities | 200 | 200 |
| Unquoted convertible loans | 1,449 | 1,501 |
| | 1,649 | 1,701 |

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)).

### 11 Property, plant and equipment

The movement of property, plant and equipment is as follows:

| | Group | |
|---|---|---|
| | **31 Mar 2023** | **31 Mar 2022** |
| | **S$'000** | **S$'000** |
| Beginning of financial year | 59,817 | 87,989 |
| Depreciation: | | |
| - property, plant and equipment | (4,373) | (8,242) |
| - right-of-use assets | (18,166) | (19,335) |
| Additions | 984 | 3,613 |
| Disposal | (20) | (214) |
| Deconsolidation of a subsidiary | (41,978) | - |
| Lease modification | 18,494 | 123 |
| Written off | (119) | (801) |
| Derecognition of right-of-use assets | - | (2,777) |
| Currency translation differences | 586 | (539) |
| End of financial year | 15,225 | 59,817 |
| **Represented by** | | |
| Property, plant and equipment | 14,638 | 21,167 |
| Right-of-use assets | 587 | 38,650 |
| | 15,225 | 59,817 |

The total depreciation charge for the period is included in cost of sales and administrative expenses amounting to S$3,776,000 (31 March 2022: S$7,289,000) and S$18,763,000 (31 March 2022: S$20,288,000) 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 Mar 2023** | | | | | |
| ***Cost*** | | | | | |
| Beginning of financial year | 258,727 | 17,969 | 8,423 | 13,986 | 299,105 |
| Currency translation differences | (1,391) | - | - | (219) | (1,610) |
| Additions | - | - | - | 14,415 | 14,415 |
| Disposal of a subsidiary | - | - | - | (934) | (934) |
| Deconsolidaiton of a subsidiary | (235,170) | (17,969) | - | (1,067) | (254,206) |
| Government grants received for development of software | - | - | - | (155) | (155) |
| End of financial year | 22,166 | - | 8,423 | 26,026 | 56,615 |
| ***Accumulated amortisation*** | | | | | |
| Beginning of financial year | - | - | 3,183 | 6,288 | 9,471 |
| Currency translation differences | - | - | - | (13) | (13) |
| Amortisation charge for the year | - | - | 561 | 1,129 | 1,690 |
| Disposal of a subsidiary | - | - | - | (658) | (658) |
| Deconsolidaiton of a subsidiary | - | - | - | (22) | (22) |
| End of financial year | - | - | 3,744 | 6,724 | 10,468 |
| ***Accumulated impairment*** | | | | | |
| Beginning of financial year | 51,503 | - | - | 1,045 | 52,548 |
| Currency translation differences | (120) | - | - | - | (120) |
| Deconsolidaiton of a subsidiary | 66,294 | - | - | (1,045) | 65,249 |
| Impairment during the year | (117,677) | - | - | - | (117,677) |
| End of financial year | - | - | - | - | - |
| ***Carrying amount*** | | | | | |
| End of financial year | 22,166 | - | 4,679 | 19,302 | 46,147 |
| **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 | 258,727 | 17,969 | 8,423 | 13,986 | 299,105 |
| ***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 | - | - | 3,183 | 6,288 | 9,471 |
| ***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 | 51,503 | - | - | 1,045 | 52,548 |
| ***Carrying amount*** | | | | | |
| End of financial year | 207,224 | 17,969 | 5,240 | 6,653 | 237,086 |

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$627,000 (31 March 2022: S$2,366,000) and S$1,063,000 (31 March 2022: S$1,867,000) 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 impairment during the current financial year is necessary. Impairment loss on goodwill of cinema operations amounting to S$117,677,000. As the CGUs have been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment loss.

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 Mar 2023 S$'000 | 31 Mar 2022 S$'000 |
| Beginning of financial year | 28,678 | 33,364 |
| Additions | 1 | 5,339 |
| Written-off | - | (20) |
| Transfer from film products | 2,734 | 415 |
| Transfer to work-in-progress | (51) | - |
| Government grants received for development of content | - | (317) |
| Amortisation charge for the year | (7,764) | (10,103) |
| Impairment | - | - |
| Effect of foreign currency exchange differences | (14) | - |
| End of financial year | 23,584 | 28,678 |

The amortisation charge for the year is included in cost of sales and administrative expenses amounting to S$7,423,000 (31 March 2022: S$9,766,000) and S$341,000 (31 March 2022: S$337,000) 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 Mar 2023 | 31 Mar 2022 |
| | S$'000 | S$'000 |
| Beginning of financial year | 20,277 | 19,484 |
| Additions | 2,066 | 5,921 |
| Amortisation charge for the year | (2,035) | (2,654) |
| Impairment | - | (2,417) |
| Written off | (15) | (52) |
| Effect of foreign currency exchange differences | (26) | (5) |
| End of financial year | 20,267 | 20,277 |

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

### 15 Non-current assets held for sale

On 30 December 2022, the Company entered a share purchase agreement ("SPA") to dispose its 41% equity interest in a subsidiary, AsiaOne Online Pte. Ltd. ("AsiaOne") for consideration of $394,000. After the disposal, the Company retains 10% equity stake in AsiaOne.

In accordance with the shareholders agreement of AsiaOne, the Company is expecting to dispose the remaining stake of 10% in AsiaOne for consideration of $96,000 in 2 years later.

Consequently, the non-current asset held for sale is remeasured and recorded at $96,000 as at 31 March 2023.

### 16 Trade and other payables

| | Group | |
|---|---|---|
| | 31 Mar 2023 | 31 Mar 2022 |
| **Current** | S$'000 | S$'000 |
| Trade payables | | |
| - Non-related parties | 26,720 | 41,260 |
| - Related parties | 6 | - |
| - Associated companies | 482 | 434 |
| - Former joint venture | - | 5 |
| | 27,208 | 41,699 |
| Other payables | | |
| - Non-related parties | 6,010 | 11,349 |
| - Related parties | 1,953 | 1,635 |
| - Associated companies | 1,145 | 1,236 |
| - Financial guarantee | 1,101 | - |
| - Director | 64 | 58 |
| | 10,273 | 14,278 |
| | | |
| Accruals | 7,699 | 11,924 |
| Deposit received | 22,640 | 21,022 |
| Withholding tax | 2,779 | 2,800 |
| | 70,599 | 91,723 |
| | | |
| **Non-Current** | | |
| Other payables | | |
| - Financial guarantee | 13,425 | - |
| | 13,425 | - |

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

### 17 Other current assets

Costs incurred to fulfil revenue contracts relate to direct costs incurred for revenue contracts in progress as at 31 March 2023 and 31 March 2022. The Group expects the capitalised costs to be completely recovered, hence no impairment loss has been recognised.

### 18 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.

### 19 Borrowings

| | Group | |
|---|---|---|
| | **31 Mar 2023 S$'000** | **31 Mar 2022 S$'000** |
| Current | 117,635 | 154,394 |
| Non-current | 113,529 | 55,366 |
| | 231,164 | 209,760 |
| **Secured borrowing** | | |
| Amount repayable in one year or less | 113,121 | 148,250 |
| Amount repayable after one year | 112,404 | 52,553 |
| | 225,525 | 200,803 |
| **Unsecured borrowing** | | |
| Amount repayable in one year or less | 4,514 | 6,144 |
| Amount repayable after one year | 1,125 | 2,813 |
| | 5,639 | 8,957 |

**<u>Details of any collateral</u>**

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.

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

### 20 Share capital

| | Number of shares '000 | Issued and paid-up share capital S$'000 |
|---|---|---|
| **Ordinary shares of the Company** | | |
| **31 Mar 2023** | | |
| Beginning of financial year | 2,400,610 | 211,102 |
| Issuance of ordinary shares pursuant to private placement (Note a) | 390,000 | 19,500 |
| End of financial year | 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 March 2023 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.

(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 precedented 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.

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

### 21 Discontinued operation and deconsolidation of a subsidiary

As announced on 30 December 2022, the Group entered into a Exchangeable Bond Subscription Agreement with detachable warrants for $54.0 million. Subsequently, on 24 March 2023, the Group's wholly-owned subsidiary, namely mmConnect Pte Ltd and its subsidiaries ("mmConnect") had completed the settlement of its certain convertible securities. Consequently, the issuance of Exchangeable bond is deemed to be completed on 24 March 2023.

On 31 March 2023, the Group concluded that in accordance with SFRS it no longer has control of mmConnect after the control reassessment, taking into consideration the terms and conditions of the Exchangeable Bond, including the 60% board representation in mmConnect from the Bondholder. As a result of the deemed loss of control of the Group, it no longer consolidates mmConnect's financial position and performance as at 31 March 2023. After deconsolidation, the Group remains the 100% of equity interests in mmConnect and recorded at a fair value of $90.0 million as an investment in associated company status as at reporting date.

The cinema segment's financial results have been reclassified to "Discontinued Operation" as of 31 March 2023 and its prior year's financial results have been restated to reflect this change in presentation in the Consolidated Statement of Comprehensive Income.

The results of the discontinued operations are as follows:

| | 31 Mar 2023 | 31 Mar 2022 |
|---|---|---|
| | S$'000 | S$'000 |
| Revenue | 47,738 | 29,460 |
| Cost of sales | (24,492) | (20,377) |
| Gross profit | 23,246 | 9,083 |
| Other income | 1,211 | 8,664 |
| Other gains - net | (568) | 6,162 |
| Administrative expenses | (30,633) | (42,007) |
| Impairment on goodwill | (117,677) | - |
| Finance expenses | (6,481) | (6,903) |
| Share of loss of associated companies and former joint venture | (1) | (38) |
| Loss before income tax from discontinued operations | (130,903) | (25,039) |
| Income tax expense | 83 | 173 |
| Loss after tax from discontinued operations | (130,820) | (24,866) |
| Gain on deconsolidation of a subsidiary | 31,778 | - |
| Loss for the year from discontinued operations | (99,042) | (24,866) |

### 22 Net asset value

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Mar 2023 | 31 Mar 2022 | 31 Mar 2023 | 31 Mar 2022 |
| Net asset value attributable to equity holders of the Company (S$'000) | 51,536 | 160,155 | 10,145 | 190,346 |
| Number of ordinary shares issued (' 000) | 2,790,610 | 2,400,610 | 2,790,610 | 2,400,610 |
| Net asset value per ordinary share (S$) | 0.02 | 0.07 | - | 0.08 |

### 23 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 March 2023 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)**

**FY2023 vs FY2022**

**Continuing operations**

**Revenue**

The Group's revenue grew by approximately $50.8 million or 60.8%, from $83.5 million to $134.3 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 $27.9 million or 37.9%, from $73.4 million to $101.3 million. The increase was mainly attributable from film/drama productions by $27.1 million or 42.9% as the segment completed more projects as compared to last financial year.

Revenue from the Post and digital content production ("Post-production") segment increased slightly by approximately $0.1 million or 1.9%, from $2.8 million to $2.9 million. This was mainly due to improvement in the segment's revenue in Content Production from Nil to $0.5 million, as more projects completed with higher value in FY2023.

Revenue from the Concert and event ("Event") segment increased significantly by approximately $25.6 million, from $3.6 million to $29.2 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 $0.3 million or 7.4%, from $4.4 million to $4.1 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 $31.8 million or 42.6%, from $74.8 million to $106.6 million. The increase in cost of sales was in line with the increase in revenue from respective business segments, particularly, the Core, and Event segments, except for other direct fixed costs, such as depreciation, amortisation and direct staff cost, which have been incurred throughout the year.

**Gross profit**

Gross profit increased by approximately $18.9 million, from $8.7 million to $27.6 million, and the increase was mainly contributed by better performances from Core and Event segments. Overall, the gross profit margin of the Group has improved from 10.5% to 20.6%.

**Other income**

Other income decreased by approximately $1.5 million, from $2.2 million to $0.7 million, mainly due to lower in government grant income from Job Support Scheme (JSS) and government subsidy for approximately $1.3 million as compared to the last corresponding year.

**Other gains/losses - net**

The Group recorded net other losses approximately of $26.5 million as compared to net other losses of $3.8 million in the previous corresponding year. The increase in net of losses in FY2023 mainly due to fair value losses on financial instruments which accounted for $24.2 million.

**Administrative expenses**

Administrative expenses consist of the following

| | **31 Mar 2023 S$'000** | **31 Mar 2022 S$'000** |
|---|---|---|
| Staff costs (excluding cost capture under cost of sales) | 7,509 | 6,731 |
| Repair and maintenance of cinema halls and other admin offices | 111 | 116 |
| Depreciation and amortisation (including depreciation on rights-of-use) | 873 | 1,190 |
| Others | 6,831 | 9,213 |
| | 15,324 | 17,250 |

The Group's administrative expenses decreased by approximately $1.9 million or 11.2% from $17.2 million to $15.3 million in the current reporting year. The decrease was attributed to:

(a) a decrease in impairment of film intangibles and film inventories by approximately total of $2.4 million, mainly contributed by Core segment as there is no additional impairment provided;

(b) a decrease in amortisation by approximately $1.1 million, from $2.5 million to $1.4 million;

and partially offset by,

(d) an increase in staff cost by approximately total of $0.7 million mainly contributed by Event segment due to increase in its business activities.

**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 year, finance expenses comprised interest expenses on borrowings of $8.4 million (previous corresponding period: $6.2 million), an increase of $2.2 million or 32.9%, was mainly due to increase in interest rates and higher borrowings arising from the issuance of exchangeable bonds in the 4Q FY2023

Overall, the Group’s finance expenses increased by $2.2 million or 32.9%, from $6.6 million to $8.8 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 $0.5 million was mainly contributed by core segment's associated company.

**Loss before income tax**

As a result of the aforementioned, the Group's loss before income tax has increased by approximately $6.5 million or 40.1%, from $16.2 million to $22.7 million in the reporting year, was mainly due to non-operating expenses comprising o$24.2 million in fair value losses of financial instruments. Hence, excluding non-operating expenses, Group's has improvement performance, mainly contributed from all the Group's business segments, particularly the Concert & Event Segment's financial performance, which 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.

**Discontinued operations**

**Revenue**

Revenue from the Cinema segment increased by approximately $18.3 million or 62.0%, from $29.4 million to $47.7 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.

**Cost of sales**

Cost of sales increased by approximately $4.1 million or 20.2%, from $20.3 million to $24.5 million. The increase in cost of sales was in line with the increase in revenue except for other direct fixed costs, such as depreciation and direct staff cost, which have been incurred throughout the year.

**Gross profit**

Gross profit increase by $14.1 million or 155.9%, from $9.1 million to $23.2 million, and the increase was mainly due to better performances.

**Other income**

Other income decreased by approximately $7.5 million, from $8.7 million to $1.2 million, mainly due to lower in concession income, government grant income from Job Support Scheme (JSS) and Rental Support Scheme (RSS) for approximately $7.1 million as compared to the last corresponding year.

**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):**

**<u>Review of Financial Performance (Consolidated Statement of Comprehensive Income) (continued)</u>**

**Other gains/losses - net**

Cinema segment recorded net other losses approximately of $0.6 million in FY2023 as compared to net other gains of $6.2 million in FY2022. The other gains or losses in FY2023 mainly consists of:
(a) unrealised foreign exchange losses of $3.1 million; and
(b) gain on fair value changes in financial instruments of $2.5 million.

**Administrative expenses**

Administrative expenses consist of the following

| | 31 Mar 2023<br>S$'000 | 31 Mar 2022<br>S$'000 |
|---|---|---|
| Staff costs (excluding cost captured under cost of sales) | 2,741 | 2,465 |
| Repair and maintenance of cinema halls and other admin offices | 1,089 | 680 |
| Utilities of cinema halls and other admin offices | 3,231 | 2,397 |
| Cleaning fees for cinema halls | 1,378 | 1,351 |
| Depreciation and amortisation (including depreciation on rights-of-use) | 17,890 | 19,098 |
| Impairment on goodwill | 117,677 | 12,000 |
| Others | 4,304 | 4,016 |
| | 148,310 | 42,007 |

Cinema segment's administrative expenses increased by approximately $106.3 million or 253.1% from $42.0 million to $148.3 million in FY2023. The increase was attributed to:

(a) an increase in repair and maintenance and utilities and rental of cinema halls by approximately total of $2.1 million, mainly contributed by Cinema segment due to easing of Covid 19 restriction in FY2023;

(b) an increase in staff cost by approximately total of 0.3 million contributed by Cinema segment due to wage reinstatement;

(c) impairment losses of $117.7 million (2022: $12.0 million) arising from goodwill in cinema segment;

and partially offset by,

(d) a decrease in depreciation of right-of-use assets by approximately $1.2 million mainly contributed by closure of cinema outlet in Singapore.

**Finance expenses**

In FY2023, finance expenses comprised

(a) interest expenses on borrowings of $4.7 million (FY2022: $4.7 million); and

(b) interest expenses on lease liabilities of $1.8 million (FY2022: $2.2 million), decrease by $0.4 million or 18.2% was mainly due to closure of cinema outlet in Singapore.

**Loss before income tax**

Cinema segment's losses before income tax has increased by approximately $105.0 million, from $25.0 million to $130.0 million in the reporting year, owing to the impairment losses of $117.7 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):**

**Pro forma consolidated statement of profit or loss analysis**

| | As reported | | Adjustment for exclusion SFRS(I) 16 impact | | Pro forma | |
|---|---|---|---|---|---|---|
| | FY2023 S$'000 | FY2022 S$'000 (Restated) | FY2023 S$'000 | FY2022 S$'000 (Restated) | FY2023 S$'000 | FY2022 S$'000 (Restated) |
| **Continuing operations** | | | | | | |
| Revenue | 134,285 | 83,517 | - | - | 134,285 | 83,517 |
| Cost of sales | (106,611) | (74,757) | - | - | (106,611) | (74,757) |
| Gross profit | **27,674** | **8,760** | **-** | **-** | **27,674** | **8,760** |
| Other income | | | | | | |
| - Interest | 67 | 46 | - | - | 67 | 46 |
| - Others | 666 | 2,214 | - | - | 666 | 2,214 |
| Other gains/(losses) - net | (26,513) | (3,799) | - | - | (26,513) | (3,799) |
| Administrative expenses [a] | (15,324) | (17,250) | (26) | (25) | (15,350) | (17,275) |
| Finance expenses [b] | (8,780) | (6,605) | 22 | 35 | (8,758) | (6,570) |
| Share of (losses)/profits of associated companies and former joint venture | (517) | 461 | - | - | (517) | 461 |
| Loss before income tax | (22,727) | (16,173) | (4) | 10 | (22,731) | (16,163) |
| Income tax credit/(expenses) | (686) | (1,049) | - | - | (686) | (1,049) |
| **Loss from continuing operations** | **(23,413)** | **(17,222)** | **(4)** | **10** | **(23,417)** | **(17,212)** |
| **Discontinued operations** | | | | | | |
| Loss from discontinued operations | (130,820) | (24,866) | (554) | 1,009 | (131,374) | (23,857) |
| Gain on deconsolidation of a subsidiary | 31,778 | - | | | 31,778 | - |
| **Net loss for the financial year** | **(122,455)** | **(42,088)** | **(558)** | **1,019** | **(123,013)** | **(41,069)** |
| **Continuing operations** | | | | | | |
| **Earnings/(loss) before interest, tax, depreciation, amortisation and impairment ("EBITDA"/("LBITDA")) [c]** | **(337)** | **12,399** | **(502)** | **(670)** | **(839)** | **11,729** |
| Add: Unrealised foreign exchange losses/(gains) - Post-production segment | 593 | (173) | - | - | 593 | (173) |
| Add: Loss on fair value changes in financial instruments - Core segment | 24,172 | (146) | - | - | 24,172 | (146) |
| **Adjusted EBITDA/(LBITDA)** | **24,428** | **12,080** | **(502)** | **(670)** | **23,926** | **11,410** |
| **Discontinued operations** | | | | | | |
| **Earnings/(loss) before interest, tax, depreciation, amortisation and impairment ("EBITDA"/("LBITDA")) [c]** | **45,452** | **19,926** | **(20,010)** | **(20,283)** | **25,442** | **(357)** |
| Add: - Unrealised foreign exchange losses/(gains) | 3,101 | 324 | - | - | 3,101 | 324 |
| - Loss on fair value changes in financial instruments | (2,554) | (6,002) | | | (2,554) | (6,002) |
| - Gain on deconsolidation of a subsidiary | (31,778) | - | | | (31,778) | - |
| **Adjusted EBITDA/(LBITDA)** | **14,221** | **14,248** | **(20,010)** | **(20,283)** | **(5,789)** | **(6,035)** |

**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 (continued)**

**(a) Pro forma administrative expenses**

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

**(b) Pro forma finance expenses**

Pro forma interest expense increased by $2.1 million or 33.3%, from $6.6 million in FY2022 to $8.7 million in 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 | |
|---|---|---|---|---|
| | FY2023 | FY2022 | FY2023 | FY2022 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Segments** | | (Restated) | | (Restated) |
| Core | (55) | 17,576 | 31,563 | 17,155 |
| Post-productions | (2,236) | (1,756) | (2,372) | (1,944) |
| Events | 3,624 | (2,207) | 3,602 | (2,231) |
| Others | (1,686) | (1,019) | (1,744) | (1,056) |
| Elimination | 16 | (195) | 15 | (195) |
| | (337) | 12,399 | 31,064 | 11,729 |

**Review of Financial Position (Consolidated Statement of Financial Position)**

**31 March 2023 vs 31 March 2022**

**Current assets**

Current assets increased by $19.4 million or 9.3%, from $208.3 million to $227.7 million contributed by:

(i) a net decrease in trade and other receivables by approximately $4.3 million or 4.2% from $102.9 million to $98.6 million mainly attributable to the Core Segment;

(ii) a decrease in cash and cash equivalents by approximately $5.2 million or 35.6%, from $14.6 million to $9.4 million, mainly due to cash provided by operating activities of $8.9 million, utilised in investing activities of $1.3 million and utilised in financing activities of $12.3 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 $31.9 million or 38.2%, from $83.5 million to $115.4 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 $169.3 million or 45.7%, from $370.7 million to $201.4 million contributed by:

(i) a decrease in intangible assets and goodwill by $191.0 million was mainly due to deconsolidation of cinemal group segment;

(ii) a decrease in property, plant and equipment (including right-of-use assets) by approximately $44.6 million or 74.6% was mainly due to depreciation expenses and deconsolidation of cinema group segment;

(iii) a decrease in other receivables by $18.1 million or 90.5% was mainly due to a reclassification to intangible assets in event segment for an oversea project in US as this was necessary to record the change in the business model relating to the exploitation of IP rights in the US project.

(iv) an increase in assets of disposal group of $0.1 million or 100% was mainly due to remaining stake of 10% in AsiaOne will be disposed after two years from 30 December 2022.

**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)**

**Current liabilities**

Current liabilities decreased by $78.5 million or 27.6%, from $284.6 million to $206.1 million contributed by:

(i) a net decrease in trade and other payable by $21.1 million or 23.0% mainly due to deconsolidation of cinema group segment;

(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 $8.4 million or 103.7% was mainly attributable by Core segment (approximately $10.6 million) due to increase in advance billings for ongoing projects;

(iii) a decrease in short-term borrowings by approximately $36.8 million or 23.8%, from $154.4 million to $117.6 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; and

(iv) a net decrease in lease liabilities by $27.8 million or 98.3% 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 $39.4 million or 42.8%, from $92.0 million to $131.4 million mainly due to the financial guarantee from cinema group segment.

**Review of Cash Position (Consolidated Statement of Cash Flow)**

**31 March 2023 vs 31 March 2022**

As at 31 March 2023, the Group's cash and cash equivalents, net of bank overdraft, amounted to approximately $8.9 million, as compared to $13.6 million in corresponding year. The decrease 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) impairment losses of $117.7 million; and
(ii) loss on unrealised foreign exchange of $4.3 million.

Accordingly, the Group generated approximately $39.2 million net cash inflow from operating activities before net working capital changes as compared to $25.9 million net cash inflow from operating activities before net working capital changes in the previous corresponding year.

After applying net working capital changes, it generated net cash inflows of approximately $8.9 million (previous corresponding year: net cash inflows $26.2 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 $4.5 million due to higher billings and revenue in current reporting year; partially offset by (b) net decrease in other receivables by approximately $2.0 million;

(ii) a net increase in other current assets of $32.8 million due to higher project cost incurred and higher number of projects;

(iii) a net decrease in trade and other payables of $6.0 million was mainly due to repayment of creditors;
(iv) a net increase in contract liabilities of $10.5 million due to increase in progress billing for ongoing projects; and
(v) corporate tax payments of $1.8 million during the year.

**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)**

**(b) Net cash used in investing activities**

In current reporting year, net cash outflows from investing activities amounted to approximately $1.3 million as compared to $5.5 million outflows in the previous corresponding year, was mainly contributed by:-

(i) addition of property, plant and equipment of $1.0 million, and proceeds from deconsolidation of a subsidiary of approximately $0.7 million.

**(c) Net cash generated from financing activities**

In current reporting year, net cash outflows from financing activities amounted to approximately $12.3 million (previous corresponding year: net cash outflows $17.9 million), mainly contributed by:

(i) proceeds from bank borrowings approximately $30.5 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 $83.1 million was mainly derived from the Core and Cinema segments;
(vi) repayment of lease liabilities of $23.5 million was mainly contributed by the Cinema segment; and
(vii) interest payments of $12.7 million (comprising interest on bank borrowing of $10.8 million and interest on lease liabilities of $1.9 million).

As a result, the Group recorded a net cash decrease of approximately $8.9 million in current reporting year, as compared to a net cash decrease of approximately $13.6 million in previous corresponding year.

**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.**

Things are beginning to look up for the industry. All the hard work to preserve and right-size our businesses have begun to pay off, and we are ready to shake off the past couple of years and shift into higher gear.

Our concert business enjoyed explosive demand demonstrated globally with a strong line-up of shows. In the last 6 months, a number of major concerts have been completely sold out across the region. Hollywood blockbusters are back in theatres. The strong performances of recent films are an indication that there is still consumer demand for the big screen experience. The lineup for the rest of the year appears strong. Gauging from current consumer behaviour patterns, we are confident that our decision to right-size the cinema business has been correct.

Our productions will also indirectly benefit from recovering demand for cinema. However, they will benefit the most from the growth in digital distribution as streaming platforms continue to compete in Asian markets. The value of Asian content is expected to continue to grow in the near term, and we will likewise continue to invest in our content business. We will be expanding our geographic reach to meet regional market demand with non-chinese language content in territories such as Thailand, Indonesia and Vietnam.

On the other hand, the company will face some headwinds from inflation raising costs across the board. Borrowing costs are higher but are expected to remain manageable in the reporting term. We have made significant progress in our post-COVID-19 recovery through the exercise to restructure our debt. We are now hyper-focused on riding the wave of consumer demand to emerge stronger than we were before.

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

**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 year under review.

**8 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 year ended 31 March 2023 to be false or misleading, in any material aspect.

**9 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).

**10 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

30 May 2023