mm2 Asia Ltd.

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

MINUTES OF ANNUAL GENERAL MEETING

QUESTIONS AND ANSWERS SESSION

Question 1: **Mr Manohar P. Sabnani enquired on:**

(i) **Where do you see the growth in the business segments?**

Answer: Mr Melvin Ang explained that the Group has four key pillars of businesses, that is, the Core Content Business (content production, distribution and sponsorship), Digital and Live Production Business, Cinema Business and Concert & Event Business. Three of those pillars are listed on SGX, namely mm2 Asia Ltd., UnUsUaL Limited ("**UnUsUaL**") and Vividthree Holdings Ltd. ("**Vividthree**").

The Core Content Business is operating at full steam and we have several projects currently in the works, not just in Singapore but in all the Chinese language markets. Demand grew during the pandemic due to the platform streamers starting to commission regionally. Going forward, demand is expected to be strong, because this is the trend that will replace local television programming.

The concerts industry is doing well globally, and so is our Concert business. In the past year, UnUsUaL organised several concerts for artists including JJ Lin, Grasshoppers, Eric Chou and Jacky Cheung. Management expects the recovery and growth trend to continue for the next two to three years.

As for Vividthree, the Digital Production business is still recovering, as they move to transform and diversify into the events and conventions industry.

The Cinema Business was greatly affected by the pandemic, but the early signs of recovery have been encouraging. The cinema business only really picked up around the middle to the end of last year when China finally opened up. Moviegoing demand has also changed: some of the big titles from Hollywood did not perform as well as expected. In contrast, some other surprising titles performed exceptionally well. To that, Management observes that the prediction and planning of Hollywood releases has to shift to cater to new market demands. But there is the sense is that cinema is coming back.

He further highlighted that the Cinema Business requires cautious cost management. The Business needs to be rightsized to ensure healthy cash flow.

Management is working hard towards a breakeven or profitable position in the current financial year. COVID disrupted and slowed down the Company's businesses but the Management believes that they are back on track.

(ii) **It was noted from the Annual Report that the Company has high depreciation, finance expenses and total liabilities. What is the current level of debt? And what is the interest rate on the debt?**

It is noted that the Cinema Business was designated as discontinued operations, but the Company still fully owns the Cinema Business. What is the purpose of this? When the Exchangeable Bonds mature, does the business revert to the Company's balance sheet?

Answer: Mr Melvin Ang explained the Company's debt structure consist of debt taken on during the acquisition of Cathay Cineplexes, as well as its operating costs and other working capital lines. The Company is looking into several measures to reduce its debt.

As for the Cinema Bond, Mr Melvin Ang explained that the Company has the final call whether to keep its equity or transfer them to the bondholder upon its maturity date at the end of 2025. Should all bondholders decide to convert 100% of the bonds, the Company will still own the remaining 40% equity. There are interested parties that have approached the Company to purchase the remaining 40% of equity.

Mr Chong How Kiat added that the average interest rate is around 7%. The debt arising from the acquisition has reduced gradually over the years. The Management is looking into divestment of assets to reduce a big portion of the debt. The assets including the remaining equity in Cinema Business and equity in UnUsUaL and Vividthree.

(iii) Would the Company continue to pay high directors' fee to the five independent and non-executive directors considering consecutive years of losses?

Answer: Mr Melvin Ang responded that the salary of top management is likely at the bottom 10% among other listed companies. There has been no increment for the top management and directors since the pandemic started.

The Company will continue to uphold its principle that shareholders' interests will be the priority.

Question 2: Mr Seah Kok Hong, being the proxy of Mr Seah Tzu Hui enquired on:

(i) Is the Management considering making more films to increase its revenue and profitability? What are its plans and what are the challenges?

Answer: Mr Melvin Ang responded that other than the Singapore local films, the Company is currently working on 3 projects from Taiwan, 2 projects from Hong Kong and 2 projects from Malaysia. In terms of output, the Company is a leading independent studio in the region.

The Company takes a fee from each production it is involved in, so production is profitable; but while it is easy to make more films, it is less simple to make more good films that are profitable. Singapore and Malaysia are very small markets for the Company, and it has started producing more projects in Hong Kong and Taiwan markets.

There are 2 areas of growth for the Content business, one being the streaming platforms investing in drama series and content for a global Chinese audience in the region, and the second being non-Chinese content such as Malay, Thai, Indonesian and Korean content.

(ii) **Are the profits generated by each film available to the public?**

Answer: Due to Non-Disclosure Agreement, the Company is not able to disclose the breakdowns of profits made by each film. Shareholders can refer to the annual report for the financial highlights to study the performance.

Question 3: **Mr Leong Onn Kay enquired on:**

(i) **Are the other two related listed entities profitable?**
When can shareholders expect the Company to turn profitable?

Answer: On the related listed entities, Mr Melvin Ang explained that UnUsUaL has managed to record a profit of approximately S$1.8 million, whilst Vividthree has recorded a loss of approximately S$3.4 million and has yet to recover from the pandemic. The Group will continue to strive to record pre-COVID financial targets at the next financial year.

(ii) **Are the artists Singaporean or foreigners? Would the Company collaborate with Mediacorp to leverage their coverage in Singapore?**

Answer: Mr Melvin Ang highlighted that the artists will be chosen based on the region of the market the Company operates and will accommodate for market preference. The Company has been working with Mediacorp on a project basis.

Question 4: **Mr Fok Chee Chiong enquired on the reason of higher net loss as compared with previous financial year.**

Answer: Mr Melvin Ang explained that the business is recovering and working on turning around its financial position this financial year.

Question 5: **Based on the cash flow statement, the Company did not have enough cash to pay interest expenses. Mr Wey Ling enquired on how the Company expects to be able to achieve profitability in the next financial year.**

Answer: Mr Melvin Ang highlighted that the cinema business did not have any income during the COVID-19 period, but it still continued to incur fixed costs in that period. The core business has also yet to fully recovered from the COVID-19 pandemic. The business only started to gradually improve towards pre-COVID levels after June 2022. It is expected that the Group's businesses will only be in full recovery in the next financial year, barring any unforeseen major global changes that may affect the industry.

Question 6: **Mr Chen Yee Siong enquired on the revenue and profitability of the titles that are sold to the streaming platforms.**

Answer: Mr Melvin Ang responded that generally, the Company generates a good profit margin. The Company gets a fixed fee for each film produced, regardless of the view counts. If the film performs well (on the platform), the platforms will commission a sequel where the profitability could be higher.