



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

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR PERIOD ENDED 30 SEPTEMBER 2023**

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**MM2 ASIA LTD. AND ITS SUBSIDIARIES**

*Condensed Interim Financial Statements*

*For The Half-Year Period Ended 30 September 2023*

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**A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

	Note	Group Six month period ended		Change %
		30 Sep 2023 (Unaudited) S\$'000	30 Sep 2022 (Unaudited) S\$'000 (Restated)	
<b><u>Continuing operations</u></b>				
Revenue	4	128,734	52,289	146.2%
Cost of sales		(89,457)	(39,478)	126.6%
<b>Gross profit</b>		<b>39,277</b>	<b>12,811</b>	<b>206.6%</b>
Other income				
- Interest income		54	35	54.3%
- Others		461	322	43.2%
Other gains/(losses) - net				
- Expected credit loss on financial assets, net		-	(23)	-100.0%
- Others		(329)	252	N.M.
Expenses				
- Administrative		(11,622)	(7,335)	58.4%
- Finance		(8,466)	(3,627)	133.4%
Share of losses of associated companies		(4,691)	(644)	628.4%
Profit before income tax	6.1	14,684	1,791	719.9%
Income tax expenses	7	(3,922)	(903)	334.3%
<b>Net profit from continuing operations</b>		<b>10,762</b>	<b>888</b>	<b>1111.9%</b>
<b><u>Discontinued operations</u></b>				
Loss from discontinued operations, net of tax		-	(7,059)	-100.0%
<b>Net profit/(loss) for the financial period</b>		<b>10,762</b>	<b>(6,171)</b>	<b>N.M.</b>
<b>Other comprehensive income, net of tax:</b>				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation				
- Gains		161	1,406	-88.5%
<b>Total comprehensive profit/(loss) for the financial period</b>		<b>10,923</b>	<b>(4,765)</b>	<b>N.M.</b>

**A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

	Note	Group		Change %
		Six month period ended		
		30 Sep 2023 (Unaudited) S\$'000	30 Sep 2022 (Unaudited) S\$'000 (Restated)	
<b>Profit/(loss) attributable to:</b>				
Equity holders of the Company		2,963	(5,396)	N.M.
Non-controlling interests		7,799	(775)	N.M.
		<u>10,762</u>	<u>(6,171)</u>	N.M.
<b>Profit/(loss) attributable to equity holders of the Company relates to:</b>				
Profit from continuing operations		2,963	1,663	78.2%
Loss from discontinued operations		-	(7,059)	-100.0%
		<u>2,963</u>	<u>(5,396)</u>	N.M.
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company		3,065	(4,061)	N.M.
Non-controlling interests		7,858	(704)	N.M.
		<u>10,923</u>	<u>(4,765)</u>	N.M.
<b>Earnings/(loss) per share attributable to owners of the Company</b>				
<b>Basic earnings/(loss) per share (cents)</b>				
From continuing operations	8	0.11	0.06	83.3%
From discontinued operations	8	-	(0.27)	-100.0%
<b>Diluted earnings/(loss) per share (cents)</b>				
From continuing operations	8	0.13	0.05	160.0%
From discontinued operations	8	-	(0.27)	-100.0%

*N.M. - not meaningful*

**B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023**

	Note	Group		Company	
		30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		17,902	9,440	391	415
Trade and other receivables	9	120,328	98,573	72,506	89,886
Inventories		800	800	-	-
Other current assets	16	127,951	115,357	-	-
Film products and films under production		3,288	3,290	-	-
Income tax receivables		138	247	-	-
		<u>270,407</u>	<u>227,707</u>	<u>72,897</u>	<u>90,301</u>
<b>Non-current assets</b>					
Trade and other receivables	9	2,718	1,858	-	-
Financial assets, at fair value through profit or loss ("FVPL")	10	1,659	1,649	-	-
Investments in subsidiaries		-	-	68,951	68,951
Investments in associated companies		89,567	92,608	88,623	91,754
Property, plant and equipment	11	17,545	15,225	-	22
Intangible assets and goodwill	12	45,261	46,147	-	-
Film rights	13	21,818	23,584	-	-
Film intangibles and film inventories	14	23,459	20,267	-	-
		<u>202,027</u>	<u>201,338</u>	<u>157,574</u>	<u>160,727</u>
Non-current asset held for sale		96	96	96	96
		<u>202,123</u>	<u>201,434</u>	<u>157,670</u>	<u>160,823</u>
<b>TOTAL ASSETS</b>		<b><u>472,530</u></b>	<b><u>429,141</u></b>	<b><u>230,567</u></b>	<b><u>251,124</u></b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	15	106,235	70,599	34,407	35,803
Contract liabilities	17	16,036	16,503	-	-
Borrowings	18	109,819	117,635	85,464	84,340
Lease liabilities		343	317	-	23
Provisions		21	-	-	-
Current income tax liabilities		4,773	1,068	-	-
		<u>237,227</u>	<u>206,122</u>	<u>119,871</u>	<u>120,166</u>
<b>Non-current liabilities</b>					
Trade and other payables	15	-	13,425	-	13,425
Borrowings	18	128,851	113,529	102,354	106,564
Lease liabilities		272	381	-	-
Provisions		141	140	-	-
Deferred income tax liabilities		3,882	3,938	-	-
		<u>133,146</u>	<u>131,413</u>	<u>102,354</u>	<u>119,989</u>
<b>TOTAL LIABILITIES</b>		<b><u>370,373</u></b>	<b><u>337,535</u></b>	<b><u>222,225</u></b>	<b><u>240,155</u></b>
<b>NET ASSETS</b>		<b><u>102,157</u></b>	<b><u>91,606</u></b>	<b><u>8,342</u></b>	<b><u>10,969</u></b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	19	230,602	230,602	230,602	230,602
Reserves		(11,833)	(11,935)	-	-
Accumulated losses		(164,168)	(167,131)	(222,260)	(219,633)
		<u>54,601</u>	<u>51,536</u>	<u>8,342</u>	<u>10,969</u>
Non-controlling interests		47,556	40,070	-	-
<b>TOTAL EQUITY</b>		<b><u>102,157</u></b>	<b><u>91,606</u></b>	<b><u>8,342</u></b>	<b><u>10,969</u></b>

**C CONDENSED INTERIM STATEMENTS OF CHANGES OF EQUITY  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

**Group (Unaudited)**

	Attributable to equity holders of the Company				Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Reserves S\$'000	Accumulated losses S\$'000	Total S\$'000		
<b>As at 1 April 2023</b>	<b>230,602</b>	<b>(11,935)</b>	<b>(167,131)</b>	<b>51,536</b>	<b>40,070</b>	<b>91,606</b>
Net profit for the financial period	-	-	2,963	2,963	7,799	10,762
Other comprehensive income for the financial period	-	102	-	102	59	161
Total comprehensive income for the financial period	-	102	2,963	3,065	7,858	10,923
Acquisition of a new subsidiary's shares from a non-controlling interest <sup>(1)</sup>	-	-	-	-	(372)	(372)
<b>As at 30 September 2023</b>	<b>230,602</b>	<b>(11,833)</b>	<b>(164,168)</b>	<b>54,601</b>	<b>47,556</b>	<b>102,157</b>
<b>As at 1 April 2022</b>	<b>211,102</b>	<b>(4,270)</b>	<b>(46,677)</b>	<b>160,155</b>	<b>42,337</b>	<b>202,492</b>
Net loss for the financial period	-	-	(5,396)	(5,396)	(775)	(6,171)
Other comprehensive income for the financial period	-	1,335	-	1,335	71	1,406
Total comprehensive income/(loss) for the financial period	-	1,335	(5,396)	(4,061)	(704)	(4,765)
Issuance of ordinary shares of the Company pursuant to:						
- Private Placement	19,500	(9,750) <sup>2</sup>	-	9,750	-	9,750
<b>As at 30 September 2022</b>	<b>230,602</b>	<b>(12,685)</b>	<b>(52,073)</b>	<b>165,844</b>	<b>41,633</b>	<b>207,477</b>

**Company (Unaudited)**

	Share capital S\$'000	Reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>As at 1 April 2023</b>	<b>230,602</b>	<b>-</b>	<b>(219,633)</b>	<b>10,969</b>
Net loss for the financial period	-	-	(2,627)	(2,627)
<b>As at 30 September 2023</b>	<b>230,602</b>	<b>-</b>	<b>(222,260)</b>	<b>8,342</b>
<b>As at 1 April 2022</b>	<b>211,102</b>	<b>9,750</b>	<b>(30,506)</b>	<b>190,346</b>
Net loss for the financial period	-	-	(3,948)	(3,948)
Issuance of ordinary shares of the Company pursuant to:				
- Private Placement	19,500	(9,750) <sup>2</sup>	-	9,750
<b>As at 30 September 2022</b>	<b>230,602</b>	<b>-</b>	<b>(34,454)</b>	<b>196,148</b>

<sup>1</sup> A subsidiary of the Company, Vividthree Holdings Ltd., completed the acquisition of Elliot Communications Pte Ltd on 27 May 2023 and its further details are disclosed in Note 12 to this Condensed Interim Financial Statements.

<sup>2</sup> 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 HALF YEAR ENDED 30 SEPTEMBER 2023**

	Group	
	Six month period ended	
	30 Sep 2023	30 Sep 2022
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Net profit/(loss)	10,762	(6,171)
Adjustments for:		
- Income tax expenses	3,922	820
- Interest income	(54)	(35)
- Finance expenses	8,466	6,755
- Amortisation of intangible assets	1,353	864
- Amortisation of film rights	1,782	2,007
- Amortisation of film intangibles and film inventories	575	546
- Depreciation of property, plant and equipment	1,209	2,826
- Depreciation of right-of-use assets	228	9,707
- Inventories written off	-	1
- Property, plant and equipment written off	17	-
- Share of losses of associated companies	4,691	644
- Rental concession income	-	(780)
- Expected credit loss on financial assets, net	(4)	(10)
- Gain arising from derecognition of leases	-	(1)
- Gain on disposal of property, plant and equipment	(32)	(117)
- Gain on fair value changes in derivative financial instruments, net	-	(6)
- Loss on fair value changes in financial assets, at FVPL, net	2	-
- Loss on unrealised foreign exchange	347	2,279
<b>Operating cash flows before working capital changes</b>	<b>33,264</b>	<b>19,329</b>
Change in working capital:		
- Trade and other receivables	(22,174)	(12,940)
- Inventories	-	(96)
- Other current assets	(13,366)	(6,064)
- Film intangible and film inventories	(3,778)	(23)
- Trade and other payables	31,344	(5,655)
- Contract liabilities	(841)	3,019
Cash generated from/(used in) operations	24,449	(2,430)
Income tax paid	(156)	(2,020)
<b>Net cash provided by/(used in) operating activities</b>	<b>24,293</b>	<b>(4,450)</b>
<b>Cash flows from investing activities</b>		
Acquisition of a subsidiary, net of cash acquired	77	-
Proceeds from disposal of property, plant and equipment	32	134
Additions to property, plant and equipment	(3,593)	(425)
Additions to intangible assets	(56)	(9)
Additions of film rights	(20)	(21)
Government grants received for development of software	-	155
Interest received	22	2
<b>Net cash used in investing activities</b>	<b>(3,538)</b>	<b>(164)</b>

**D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)**

	Group	
	Six month period ended	
	30 Sep 2023	30 Sep 2022
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
<b>Cash flows from financing activities</b>		
Interest paid	(3,762)	(4,006)
Proceeds from issuance of ordinary shares of the Company pursuant to private placement (Note 19(a))	-	9,750
Proceeds from issuance of convertible securities	12,000	15,350
Proceeds from borrowings	14,304	16,720
Repayments of borrowings	(34,296)	(27,261)
Repayments of lease liabilities	(260)	(15,263)
<b>Net cash used in financing activities</b>	<b>(12,014)</b>	<b>(4,710)</b>
<b>Net changes in cash and cash equivalents</b>	<b>8,741</b>	<b>(9,324)</b>
<b>Cash and cash equivalents</b>		
At beginning of financial period	8,913	13,608
Effects of currency translation on cash and cash equivalents	(40)	(1)
<b>At end of financial period</b>	<b>17,614</b>	<b>4,283</b>
<b>Cash and cash equivalent comprise:</b>		
Cash and bank balances	9,400	5,051
Fixed deposits	8,502	2
	17,902	5,053
Bank overdraft	(288)	(770)
	<b>17,614</b>	<b>4,283</b>



## 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 half year ended 30 September 2023 ("**1H FY2024**") 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 period ended 30 September 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 2023. 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 2023.

The accounting policies adopted are consistent with the most recent audited consolidated financial statements for the financial year ended 31 March 2023 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.

The Group generated a net profit of S\$10.8 million in 1H FY2024 from a net loss of S\$6.2 million in the last correspondence period. As at reporting date, the Group's current assets exceeded its current liabilities by S\$33.2 million (31 March 2023: \$21.6 million).

The Group's financial performance and financial position for the half-year ended 30 September 2023 have improved significantly following the resumption of full business activities in the regions that the Group has presence since COVID-19 pandemic. Nonetheless, the Group continues the ongoing corporate actions below, to further strengthen the Group's financial position.

- (i) On 29 September 2023, the Company intends to initiate a renounceable rights issue, offering a maximum of 1,776,154,610 new ordinary shares in the company's capital at an issue price of S\$0.02 per Rights Share. This issuance will follow a ratio of one (1) Rights Share for every two (2) existing ordinary shares held by Entitled Shareholders as determined by the Directors at a time and date to be specified to ascertain Shareholders' entitlement under the Rights issue. For additional details regarding the primary terms of the Rights Issue, please refer to the announcement dated 29 September 2023, and 17 October 2023.
- (ii) 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.
- (iii) Management will continue to implement comprehensive cost-containment measures and continue deleveraging exercise to reduce the financing cost and liabilities.

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 period ended 30 September 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.

## E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2 Basis of Preparation (continued)

#### 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 2023. 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 2023.

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 the financial period ended 30 September 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.

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.

Notwithstanding the above, the Group evaluates the ECL on trade and other receivables in financial difficulties separately.

There is no additional allowance for ECL provided as at 30 September 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 30 September 2023.

## **E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

### **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 (an associated company and a formerly subsidiary) where its business will be driven by the timing of the release of movies in holidays and festival season.

### **4 Segmental information**

The Group's chief operating decision-makers ("CODM") comprise 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 "Others" segment include 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.

The "Cinema business" refers to mm Connect Pte. Ltd., an associated company of the Company which in turn the Company holds 100% of the equity stakes in mm Connect Pte. Ltd after the Company lost its majority control in board of mm Connect Pte. Ltd. in last financial year. Please refer Note 20 for further details. The Cinema business refers to sales of cinema tickets and concessions, hall rental and screen advertising.

The Group is organised into the following main business segments:

#### Continuing Operations

##### *(a) Content Business*

Content business refers to the Group's production and distribution of motion picture, video and television programme and sponsorship;

##### *(b) Digital Entertainment Business*

Digital Entertainment business comprises of (i) the services in visual effects and immersive media work for feature films and commercials and production of location-based entertainment with immersive experience; and (ii) Public relations services refers to the services in management consultancy services and communications and media relations solutions.

##### *(c) Concert and Event Business*

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

#### Discontinued Operations

##### *Cinema Business*

In previous financial year ended 31 March 2023, the Company had deconsolidated mm Connect Pte Ltd and has classified as Investment in associated company. Further details are disclosed in Note 20 to this Condensed Interim Financial Statements. As a result of deconsolidation, mm Connect Pte. Ltd. or Cinema business were not part of the reportable segment. Accordingly, the segment information for the financial period ended 30 September 2022 has been restarted. Cinema business was referring to sales of cinema tickets and concessions, 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 (continuing operations) are as follows:  
(continued)

	<b>Group</b>						<b>Total S\$'000</b>
	<b>For the six month period ended</b>						
	<b>Content Business S\$'000</b>	<b>Digital Entertainment Business S\$'000</b>	<b>Concert and Event Business S\$'000</b>	<b>Others S\$'000</b>	<b>Cinema Business S\$'000</b>	<b>Segments elimination S\$'000</b>	
<b>1 Apr 2023 to 30 September 2023 (6M FY2024)</b>							
Total segment sales	58,530	2,831	66,351	1,267	-	(245)	128,734
Inter-segment sales	(18)	(58)	(96)	(73)	-	245	-
<b>Sales to external parties</b>	<b>58,512</b>	<b>2,773</b>	<b>66,255</b>	<b>1,194</b>	<b>-</b>	<b>-</b>	<b>128,734</b>
<b>Earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))</b>							
	<b>14,789</b>	<b>(274)</b>	<b>18,875</b>	<b>(404)</b>	<b>-</b>	<b>-</b>	<b>32,986</b>
Share of losses of an associated company							
- Cinema business	-	-	-	-	(4,623)	-	(4,623)
Depreciation	(238)	(123)	(1,055)	(21)	-	-	(1,437)
Amortisation	(2,187)	(175)	(1,129)	(219)	-	-	(3,710)
Finance expenses	(7,451)	(91)	(922)	(2)	-	-	(8,466)
Loss on fair value changes in financial assets	-	(2)	-	-	-	-	(2)
Loss/(gain) on unrealised foreign exchange	20	(131)	43	4	-	-	(64)
<b>Profit/(loss) before tax</b>	<b>4,933</b>	<b>(796)</b>	<b>15,812</b>	<b>(642)</b>	<b>(4,623)</b>	<b>-</b>	<b>14,684</b>
Income tax (expenses)/credit	(1,395)	1	(2,528)	-	-	-	(3,922)
<b>Net profit/(loss)</b>	<b>3,538</b>	<b>(795)</b>	<b>13,284</b>	<b>(642)</b>	<b>(4,623)</b>	<b>-</b>	<b>10,762</b>

**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 (continuing operations) are as follows:  
(continued)

	<b>Group</b>					<b>Total S\$'000</b>
	<b>For the six month period ended</b>					
	<b>Content Business S\$'000</b>	<b>Digital Entertainment Business S\$'000</b>	<b>Concert and Event Business S\$'000</b>	<b>Others S\$'000</b>	<b>Segments elimination S\$'000</b>	
<b>1 Apr 2022 to 30 September 2022</b>						
<b>(6M FY2023)</b>						
<b>(Restated)</b>						
Total segment sales	42,988	1,831	6,295	1,932	(757)	52,289
Inter-segment sales	(583)	-	(152)	(22)	757	-
<b>Sales to external parties</b>	<b>42,405</b>	<b>1,831</b>	<b>6,143</b>	<b>1,910</b>	<b>-</b>	<b>52,289</b>
<b>Earnings/(loss)</b>						
<b>before interest, tax,</b>						
<b>depreciation, amortisation</b>						
<b>and impairment losses</b>						
<b>("EBITDA"/("LBITDA"))</b>						
	<b>9,566</b>	<b>(373)</b>	<b>1,911</b>	<b>(921)</b>	<b>91</b>	<b>10,274</b>
Depreciation	(253)	(143)	(612)	(56)	-	(1,064)
Amortisation	(2,386)	(349)	(416)	(266)	-	(3,417)
Finance expenses	(3,091)	(88)	(447)	(3)	2	(3,627)
Loss on fair value changes in financial instruments	-	-	6	-	-	6
Gain on unrealised foreign exchange	-	(381)	-	-	-	(381)
<b>Profit/(loss) before tax</b>	<b>3,836</b>	<b>(1,334)</b>	<b>442</b>	<b>(1,246)</b>	<b>93</b>	<b>1,791</b>
Income tax (expenses)/credit	(951)	-	48	-	-	(903)
<b>Net profit/(loss)</b>	<b>2,885</b>	<b>(1,334)</b>	<b>490</b>	<b>(1,246)</b>	<b>93</b>	<b>888</b>

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**4 Segment and revenue information (continued)**

**Revenue by geographical location of customers**

	Group	
	30 Sep 2023	30 Sep 2022
	S\$'000	S\$'000 (Restated)
Singapore	39,841	15,890
Malaysia	33,920	327
China	20,487	10,932
Taiwan	22,000	19,908
Hong Kong	9,795	3,332
Others	2,691	1,900
	128,734	52,289

**Timing of revenue recognition**

At point in time	126,558	49,612
At over time	2,176	2,677
	128,734	52,289

**5 Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2023 and 31 March 2023:

	Group		Company	
	30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets, at amortised cost	148,048	107,576	79,997	89,130
Financial assets, at FVPL	1,659	1,649	-	-
Total	149,707	109,225	79,997	89,130
Financial liabilities, at amortised cost	341,226	315,886	218,258	240,155
Total	341,226	315,886	218,258	240,155

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**6 Profit before income tax**

**6.1 Significant items**

	Group	
	Six month period ended	
	30 Sep 2023	30 Sep 2022
	S\$'000	S\$'000
		(Restated)
<b>Profit before income tax is arrived at after (crediting)/charging:</b>		
<b>Continuing operations</b>		
Amortisation of intangible assets	1,353	863
Amortisation of film rights	1,782	2,007
Amortisation of film intangibles and film inventories	575	546
Depreciation of property, plant and equipment	1,209	818
Depreciation of right-of-use assets	228	246
Employees compensation	8,498	6,184
Expected credit loss on financial assets, net	(4)	10
Interest expenses on:		
- Borrowings	8,445	3,612
- Lease liabilities	21	15
Government grants income	(222)	(114)
Property, plant and equipment written off	17	-
Gain arising from derecognition of leases	-	(1)
Gain on fair value changes in derivative financial instrument, net	-	(6)
Loss on fair value changes in financial assets, FVPL	2	-
Gain on disposal of property, plant and equipment	(32)	(53)
Gain/(Loss) on foreign exchange, net		
- Realised foreign exchange	816	(669)
- Unrealised foreign exchange	(469)	515
<b>Discontinued operations</b>		
Depreciation of property, plant and equipment	-	2,008
Depreciation of right-of-use assets	-	9,461
Employees compensation	-	3,366
Interest expenses on:		
- Borrowings	-	2,260
- Lease liabilities	-	868
Inventories written off	-	1
Government grants income	-	(44)
Rental concession income	-	(780)
Gain on disposal of property, plant and equipment	-	(64)
Loss on foreign exchange, net		
- Realised foreign exchange	-	9
- Unrealised foreign exchange	-	1,832

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**6 Profit before income tax (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:

	<b>Group</b>	
	<b>Six month period ended</b>	
	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<u>Sales of goods and/or services to</u>		
- Associated company	654	265
- Related parties	-	792
<u>Management services rendered by</u>		
- Associated company	135	19
<u>Purchase of services from</u>		
- Associated company	112	19
- Related parties	-	222

Outstanding balances as at 30 September 2023 and 30 September 2022, arising from sales/purchase of services, are unsecured and receivable/payable within 12 months from reporting date.

**7 Income tax expenses**

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:

	<b>Group</b>	
	<b>Six month period ended</b>	
	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
		<b>(Restated)</b>
Current income tax		
- Current financial period	3,964	951
- Prior financial period	6	-
	<u>3,970</u>	<u>951</u>
Deferred tax		
- Current financial period	(48)	(48)
- Prior financial period	-	-
	<u>(48)</u>	<u>(48)</u>
Income tax expense	<u>3,922</u>	<u>903</u>



**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**8 Earnings/(loss) per share**

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	<b>Continuing operation</b>		<b>Discontinued operation</b>		<b>Total</b>	
	<b>Six month period ended</b>		<b>Six month period ended</b>		<b>Six month period ended</b>	
	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>
		<b>(Restated)</b>		<b>(Restated)</b>		<b>(Restated)</b>
Profit/(loss) attributable to equity holders of the Company (S\$'000)	2,963	1,663	-	(7,059)	2,963	(5,396)
Weighted average number of ordinary share issued ('000)	2,787,404	2,592,938	2,787,404	2,592,938	2,787,404	2,592,938
Basic earnings/(loss) per share (cents)	0.11	0.06	-	(0.27)	0.11	(0.21)

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**8 Earnings/(loss) per share (continued)**

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, the profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares from the convertible securities and 250 million free detachable warrants from one of its securities issued by the Company on 1 January 2023 and 30 December 2022 respectively. The diluted earnings/(loss) per share has been retrospectively adjusted.

Diluted earnings/(loss) per share for continuing operations and discontinued operations attributable to equity holders of the Company is calculated as follows:

	<b>Continuing operation</b>		<b>Discontinued operation</b>		<b>Total</b>	
	<b>Six month period ended</b>		<b>Six month period ended</b>		<b>Six month period ended</b>	
	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>
		<b>(Restated)</b>		<b>(Restated)</b>		<b>(Restated)</b>
Profit/(loss) attributable to equity holders of the Company (\$'000)	2,963	1,663	-	(7,059)	2,963	(5,396)
<i>Add back:</i>						
Interest expense on convertible securities, net of tax (\$'000)	1,786	-	-	-	1,786	-
Profit/(loss) used to determine diluted profit/(loss) per share (\$'000)	<u>4,749</u>	<u>1,663</u>	<u>-</u>	<u>(7,059)</u>	<u>4,749</u>	<u>(5,396)</u>
Weighted average number of ordinary share issued ('000)	2,787,404	2,592,938	2,787,404	2,592,938	2,787,404	2,592,938
Effect of conversion of securities convertible ('000)	511,700	511,700	-	-	511,700	511,700
Effect of conversion of detachable warrants ('000)	250,000	250,000	-	-	250,000	250,000
	<u>3,549,104</u>	<u>3,354,638</u>	<u>2,787,404</u>	<u>2,592,938</u>	<u>3,549,104</u>	<u>3,354,638</u>
Diluted earnings/(loss) per share (cents)	<u>0.13</u>	<u>0.05</u>	<u>-</u>	<u>(0.27)</u>	<u>0.13</u>	<u>(0.16)</u>

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**9 Trade and other receivables**

	Group	
	30 Sep 2023	31 Mar 2023
	S\$'000	S\$'000
<b>Current</b>		
Trade receivables:		
- Non-related parties	97,547	78,307
- Related parties	95	108
- Associated companies	1,157	759
	98,799	79,174
Less: Expected credit loss allowance - Non-related parties	(7,100)	(7,126)
Trade receivables - net (Note 9(a))	91,699	72,048
Other receivables (Note 9(b))		
- Non-related parties	4,301	4,927
- Related parties	149	17
- Associated companies	3,574	461
	8,024	5,405
Less: Expected credit loss allowance - Non-related parties	(792)	(774)
	7,232	4,631
Deposits (Note 9(c))	17,821	17,787
Less: Expected credit loss allowance - Non-related parties	(156)	(157)
	17,665	17,630
Prepayments	803	2,295
Accrued income	2,929	1,969
	120,328	98,573
<b>Non-current</b>		
Other receivables - Non-related parties	2,718	1,858
	2,718	1,858
<b>(a) Trade receivables aging</b>		
<b>Current</b>		
Below 3 months	63,390	26,072
3 - 6 months	16,075	32,501
Above 6 months	19,334	20,601
	98,799	79,174
Expected credit loss allowance ("ECL")	(7,100)	(7,126)
	91,699	72,048

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

- (i) Content business amounted to S\$9,674,000 (31 March 2023: S\$18,514,000); and
- (ii) Concert and Event business/ Unusual Limited group amounted S\$9,376,000 that are past due more than 12 months as at 30 September 2023 (31 March 2023: S\$11,740,000).

## 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 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 Content business for approximately S\$6.0 million. These are (i) advance project cost billing from supplier that will be reclassified to "Other current assets"/work in progress upon project commencement as it was delayed due to COVID-19 previously; and (ii) refundable amount pending completion of a project.

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 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.

**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:

	<b>Group</b>	
	<b>30 Sep 2023</b>	<b>31 Mar 2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of financial period/year	1,649	1,701
Loss on fair value changes - net	(2)	-
Currency translation differences	12	(52)
End of financial period/year	<u>1,659</u>	<u>1,649</u>
<b>Represented by:</b>		
Unquoted securities	200	200
Unquoted convertible loans	1,459	1,449
	<u>1,659</u>	<u>1,649</u>

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:

	<b>Group</b>	
	<b>30 Sep 2023</b>	<b>31 Mar 2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of financial period/year	15,225	59,817
Depreciation:		
- property, plant and equipment	(1,209)	(4,373)
- right-of-use assets	(228)	(18,166)
Additions	3,593	3,098
Acquisition of a subsidiary	110	-
Disposal	32	(26)
Disposal of subsidiary	-	(146)
Deconsolidation of a subsidiary	-	(41,832)
Lease modification	19	18,529
Written off	(17)	(95)
Derecognition of right-of-use assets	-	(547)
Currency translation differences	20	(1,034)
End of financial period/year	<u>17,545</u>	<u>15,225</u>
<b>Represented by</b>		
Property, plant and equipment	17,070	14,631
Right-of-use assets	475	594
	<u>17,545</u>	<u>15,225</u>

The total depreciation charge for the period is included in cost of sales and administrative expenses amounting to S\$1,017,000 (6 months ended 30 September 2022: S\$593,000) and S\$420,000 (6 months ended 30 September 2022: S\$471,000) 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
<b>30 Sep 2023</b>					
<b>Cost</b>					
Beginning of financial period	22,165	-	8,423	26,027	56,615
Currency translation differences	-	-	-	(63)	(63)
Additions	-	-	-	56	56
Acquisition of a subsidiary (Note 12(a))	468	-	-	-	468
End of financial period	<u>22,633</u>	<u>-</u>	<u>8,423</u>	<u>26,020</u>	<u>57,076</u>
<b>Accumulated amortisation</b>					
Beginning of financial period	-	-	3,745	6,723	10,468
Currency translation differences	-	-	-	(6)	(6)
Amortisation charge for the period	-	-	281	1,072	1,353
End of financial period	<u>-</u>	<u>-</u>	<u>4,026</u>	<u>7,789</u>	<u>11,815</u>
<b>Carrying amount</b>					
End of financial period	<u>22,633</u>	<u>-</u>	<u>4,397</u>	<u>18,231</u>	<u>45,261</u>
<b>31 Mar 2023</b>					
<b>Cost</b>					
Beginning of financial year	258,727	17,969	8,423	13,986	299,105
Currency translation differences	(1,392)	-	-	(218)	(1,610)
Additions	-	-	-	14,415	14,415
Disposal of a subsidiary	-	-	-	(934)	(934)
Deconsolidation of a subsidiary	(235,170)	(17,969)	-	(1,066)	(254,205)
Government grants received for development of software	-	-	-	(155)	(155)
Written off	-	-	-	(1)	(1)
End of financial year	<u>22,165</u>	<u>-</u>	<u>8,423</u>	<u>26,027</u>	<u>56,615</u>
<b>Accumulated amortisation</b>					
Beginning of financial year	-	-	3,183	6,288	9,471
Currency translation differences	-	-	-	(14)	(14)
Amortisation charge for the year	-	-	562	1,129	1,691
Disposal of a subsidiary	-	-	-	(658)	(658)
Deconsolidation of a subsidiary	-	-	-	(22)	(22)
End of financial year	<u>-</u>	<u>-</u>	<u>3,745</u>	<u>6,723</u>	<u>10,468</u>
<b>Accumulated impairment</b>					
Beginning of financial year	51,503	-	-	1,045	52,548
Currency translation differences	(120)	-	-	-	(120)
Impairment during the year	117,677	-	-	(1,045)	116,632
Deconsolidation of a subsidiary	(169,060)	-	-	-	(169,060)
End of financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Carrying amount</b>					
End of financial year	<u>22,165</u>	<u>-</u>	<u>4,678</u>	<u>19,304</u>	<u>46,147</u>

- (a) On 27 May 2023, Vividthree Holdings Ltd, a subsidiary of the Company, acquired a new subsidiary, namely Elliot Communications Pte. Ltd. As a result of the acquisition, a provisional of goodwill of S\$0.47 million has been recognised in the Condensed Interim Statements of Financial Position as at 30 September 2023. The initial purchase price allocation ("PPA") to identifiable net assets acquired is being assessed and expected to be finalised within 12 months from the date of acquisition, hence this goodwill has not been allocated to the relevant cash-generating unit ("CGU"). The Group has not performed any impairment assessment on this acquisition as the initial allocation of goodwill has not completed yet.

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

### 12 Intangible assets and goodwill (continued)

- (b) Other intangible assets include content development cost, acquired rights, software and others.
- (c) The amortisation charge for the period is included in cost of sales and administrative expenses amounting to S\$141,000 (6 months ended 30 September 2022: S\$275,000) and S\$1,212,000 (6 months ended 30 September 2022: S\$588,000) respectively.

#### 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 and is of the view that there is no impairment of goodwill is necessary as at 30 September 2023.

### 13 Film rights

The breakdown of film rights is presented below:

	<b>Group</b>	
	<b>30 Sep 2023</b>	<b>31 Mar 2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of financial period/year	23,584	28,678
Transfer from film products	20	2,734
Transfer to work-in-progress	-	(51)
Amortisation charge for the period/year	(1,782)	(7,764)
Effect of foreign currency exchange differences	(3)	(13)
End of financial period/year	<u>21,818</u>	<u>23,584</u>

The amortisation charge for the period is included in cost of sales and administrative expenses amounting to S\$1,612,000 (6 months ended 30 September 2022: S\$1,838,000) and S\$170,000 (6 months ended 30 September 2022: S\$169,000) respectively.

### 14 Film intangibles and film inventories

The film intangibles and film inventories movement are presented below:

	<b>Group</b>	
	<b>30 Sep 2023</b>	<b>00 Jan 1900</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of financial period/year		
Additions	20,267	20,277
Amortisation charge for the period/year	3,778	2,051
Effect of foreign currency exchange differences	(575)	(2,036)
End of financial period/year	<u>(11)</u>	<u>(25)</u>
	<u>23,459</u>	<u>20,267</u>

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

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**15 Trade and other payables**

	Group	
	30 Sep 2023 S\$'000	31 Mar 2023 S\$'000
<b>Current</b>		
Trade payables		
- Non-related parties	39,596	26,720
- Related parties	6	6
- Associated companies	472	482
	40,074	27,208
Other payables		
- Non-related parties	7,689	6,010
- Related parties	791	1,953
- Associated companies	1,883	1,145
- Director	19	64
- Financial guarantee	-	1,101
	10,382	10,273
Accruals	18,488	7,699
Deposit received	34,512	22,640
Withholding tax	2,779	2,779
	106,235	70,599
<b>Non-Current</b>		
Other payables		
- Financial guarantee	-	13,425
	-	13,425

**16 Other current assets**

Costs incurred to fulfil revenue contracts relate to direct costs incurred for revenue contracts in progress as at 30 September 2023 and 31 March 2023. The Group expects the capitalised costs to be completely recovered, hence no impairment loss has been recognised.

**17 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.



**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**18 Borrowings**

	Group	
	30 Sep 2023 S\$'000	31 Mar 2023 S\$'000
Current	109,819	117,635
Non-current	128,851	113,529
	238,670	231,164
<b>Secured borrowing</b>		
Amount repayable in one year or less	109,042	113,121
Amount repayable after one year	128,075	112,404
	237,117	225,525
<b>Unsecured borrowing</b>		
Amount repayable in one year or less	777	4,514
Amount repayable after one year	776	1,125
	1,553	5,639

The Group's issuance of convertible and exchangeable securities amounted to S\$125,528,000 (31 March 2023: S\$106,564,000) are included in the secured borrowings & repayable after one year.

**Details of any collateral**

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.

**19 Share capital**

	Number of shares '000	Issued and paid-up share capital S\$'000
<b>Ordinary shares of the Company</b>		
<b>30 Sep 2023</b>		
Beginning and end of the financial period	2,790,610	230,602
<b>31 Mar 2023</b>		
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

The Company did not have any treasury shares as at 30 September 2023 and 31 March 2023.

- (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 S\$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.

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**20 Discontinued operation and deconsolidation of a subsidiary in the previous financial year**

On 30 December 2022, the Group had entered into an Exchangeable Bond Subscription Agreement for an issuance of Exchangeable Bonds ("EB") for \$54 million coupled with 250 million free detachable warrants at an exercise price of \$0.065 per share issued by the Company. This agreement also, inter alia, allows the holders of the EB the right to have 60% of mm Connect Pte. Ltd.'s board representation in mm Connect Pte. Ltd. and its subsidiaries ("mm Connect Group").

The settlement agreement was executed on 24 March 2023 and consequently, the Exchangeable Bond Subscription Agreement was also completed on 24 March 2023. On completion of the Exchangeable Bond Subscription, the Bondholder had exercised their rights and appointed their representatives as directors of mm Connect Group.

Due to the bondholder having 60% of mm Connect Pte. Ltd.'s board representation, in accordance with SFRS(I) 10 - Consolidated Financial Statements, management had assessed and determined that the Group and the Company had lost control of mm Connect Pte. Ltd. and is required to deconsolidate mm Connect Group and had accordingly, reclassified mm Connect Pte. Ltd. as an associated company of the Group and of the Company.

In compliance with SFRS(I) 5 Non-current Assets Held-for-Sale and Discontinued Operations, mm Connect Group's financial results have been presented as "Discontinued Operations" as of 31 March 2023 and its prior financial year's financial results have been restated to reflect this change in presentation in the Consolidated Statement of Comprehensive Income.

The prior financial period's cinema business's financial results have been restated as "Discontinued Operations" for the financial period ended 30 September 2022 in the Consolidated Statement of Comprehensive Income is as follows:

	<b>S\$'000</b> <b>(Restated)</b>
Revenue	26,724
Cost of sales	(14,267)
Gross profit	<u>12,457</u>
Other income	826
Other gains - net	(1,778)
Administrative expenses	(15,519)
Finance expenses	(3,128)
Loss before income tax from discontinued operations	<u>(7,142)</u>
Income tax expense	83
Loss after tax from discontinued operations	<u><u>(7,059)</u></u>

**21 Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2023</b>	<b>31 Mar 2023</b>	<b>30 Sep 2023</b>	<b>31 Mar 2023</b>
Net asset value attributable to equity holders of the Company (S\$'000)	54,601	51,536	8,342	10,969
Number of ordinary shares issued (' 000)	2,790,610	2,790,610	2,790,610	2,790,610
Net asset value per ordinary share (S\$)	<u>0.02</u>	<u>0.02</u>	<u>-</u>	<u>-</u>

**22 Subsequent events**

Subsequent to 30 September 2023, there have been no known events that may have an effect on the condensed interim consolidated financial statements of the Group.

**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 30 September 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)**

**1H FY2024 vs 1H FY2023**

**Continuing operations**

**Revenue**

The Group's revenue grew by approximately S\$76.4 million or 146.1%, from S\$52.3 million in 1H FY2023 to S\$128.7 million in 1H FY2024. It was mainly attributed to the gradual recovery of the Group's businesses from the adverse impacts of the COVID-19 pandemic, coupled with the easing of government restrictions that commenced in April 2022. Further insights into the revenue performance of each segment are as follows:

Revenue from the Content business rose by approximately S\$15.5 million or 36.0%, from S\$43.0 million in 1H FY2023 to S\$58.5 million in 1H FY2024. The increase was mainly attributable from film/drama productions by S\$17.4 million or 46.1% as the segment completed more projects as compared to last financial period.

Revenue from the Digital Entertainment business increased by approximately S\$1.0 million or 55.6%, from S\$1.8 million in 1H FY2023 to S\$2.8 million in 1H FY2024. This was mainly due to the consolidation of a newly acquired subsidiary, namely Elliot Communications Pte. Ltd. (the "Public Relations" business) from 27 May 2023, which contributed S\$1.09 million to the Digital Entertainment revenue in the current financial period;

Revenue from the Concert and Event business increased significantly by approximately S\$60.1 million or 954.0%, from S\$6.3 million in 1H FY2023 to S\$66.4 million in 1H FY2024. The increase was due to the higher number of projects completed for the Promotion and Production business with revenue contribution of approximately S\$59.1 million or 1,096.1%, S\$1.0 million or 136.9% respectively. Additionally, the increase in revenue was mainly a result of robust demand for tickets and an overwhelming attendance at various shows.

Other segment consists of media advertising activities, news agency activities, brand consulting services, streaming digital films and short video content. Revenue of this segment decreased by S\$0.6 million or 31.6%, from S\$1.9 million in 1H FY2023 to S\$1.3 million in 1H FY2024. This was mainly due to the Group no longer consolidating AsiaOne Online Pte. Ltd. ("AsiaOne") (a formerly subsidiary with the business activity of news agency) from 1 January 2023 onwards following the sale of the 41% equity interest in AsiaOne on 31 December 2022.

**Cost of sales**

Cost of sales increased by approximately S\$50.0 million or 126.6%, from S\$39.5 million in 1H FY2023 to S\$89.5 million in 1H FY2024. The increase in the cost of sales was in line with the increase in revenue from respective business, particularly, the Content and Concert and Event business.

**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)**

**Gross profit**

Gross profit increased by approximately S\$26.5 million, from S\$12.8 million in 1H FY2023 to S\$39.3 million in 1H FY2024, and the increase was mainly contributed by better performances from Content and Concert and Event business. Overall, the gross profit margin of the Group has improved from 24.5% to 30.5%.

**Other income**

Other income increased by approximately S\$0.2 million, from S\$0.3 million in 1H FY2023 to S\$0.5 million in 1H FY2024, mainly due to higher government grant received of approximately S\$0.1 million as compared to the last corresponding period.

**Other gains/losses - net**

The Group recorded net other losses approximately of S\$0.4 million in 1H FY2024 as compared to net other gains of S\$0.2 million in the previous corresponding period. The net losses in 1H FY2024 were mainly contributed by unrealised and realised foreign exchange losses of S\$0.3 million (1H FY2023: unrealised foreign exchange gain of S\$0.6 million) and S\$0.1 million (1H FY2023: S\$0.5 million) respectively.

**Administrative expenses**

Administrative expenses consist of the following

	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Staff costs (excluding cost classified in cost of sales)	7,035	3,513
Professional fees	1,139	1,181
Depreciation and amortisation (including depreciation on rights-of-use)	1,828	1,254
Others	1,620	1,387
	<u>11,622</u>	<u>7,335</u>

The Group's administrative expenses increased by approximately S\$4.3 million or 58.9% from S\$7.3 million in 1H FY2023 to S\$11.6 million in 1H FY2024. The increase was attributed to:

- (a) an increase in staff cost by approximately a total of S\$3.5 million mainly contributed by the Concert and Event business due to an increase in its business activities; and
- (b) an increase in amortisation by approximately S\$0.6 million, from S\$0.8 million in 1H FY2023 to S\$1.4 million in 1H FY2024, was mainly contributed by Concert and Event business.

**Finance expenses**

In the current reporting period, finance expenses are primarily comprising interest expenses on borrowings of S\$8.2 million (previous corresponding period: S\$3.5 million), an increase of S\$4.7 million or 134.3%, was mainly due to an increase in interest rates and higher borrowings arising from the issuance of exchangeable bonds and convertible securities.

Overall, the Group's finance expenses increased by S\$4.9 million or 136.1%, from S\$3.6 million in 1H FY2023 to S\$8.5 million in 1H FY2024.

**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)**

**Share of losses of associated companies**

The share of losses of associated companies increased by S\$4.1 million or 683.3%, from S\$0.6 million in 1H FY2023 to S\$4.7 million in 1H FY2024. It was mainly attributable by the mm Connect Pte. Ltd., an associated company and a former subsidiary of the Company, which operates the cinema business. The share of losses of associated companies are summarised below:

	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
mm Connect Pte. Ltd. /Cinema Business <sup>(1)</sup>	(4,623)	-
Other immaterial associated companies	<u>(68)</u>	<u>(644)</u>
	<u><u>(4,691)</u></u>	<u><u>(644)</u></u>

<sup>(1)</sup> The "Cinema business" refers to mm Connect Pte. Ltd., an associated company of the Company which in turn the Company holds 100% of the equity stakes in mm Connect Pte. Ltd., after the Company lost its majority control in the board of mm Connect Pte. Ltd. in the last financial year. Please refer Note 20 for further details.

Set out below are the extracts of financial information of the Group's and the Company's material associated companies, mm Connect Pte. Ltd.

	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Revenue	23,643	26,724
Expenses include,		
- Depreciation of plant and equipment	(335)	(2,008)
- Loss on fair value of convertible securities	(2,554)	-
- Loss on foreign exchange, net	(370)	(1,841)
Net loss for the financial period	<u><u>(4,623)</u></u>	<u><u>(7,059)</u></u>

*Pro Forma net Loss and EBITDA (pre-SFRS16) for the financial period as follows:*

Pro forma net loss for the financial period (after excluded loss fair value on convertible securities and loss on unrealised foreign exchange)	(1,699)	(5,218)
Pro forma EBITDA loss (after excluded pre-SFRS16 effects, loss on fair value on convertible securities and loss on unrealised foreign exchange)	<u><u>(814)</u></u>	<u><u>(1,453)</u></u>

Cinema business revenue decreased by approximately S\$3.1 million or 11.6%, from S\$26.7 million in 1H FY2023 to S\$23.6 million in 1H FY2024, was mainly due to the closure of three (3) cinema outlets in Singapore. With the closure of three (3) cinema outlets, the net loss for the financial period has reduced from S\$7.1 million to S\$4.6 million. The pro forma net loss has narrowed by approximately S\$3.5 million or 67.3%, from pro forma net loss of S\$5.2 million in 1H FY2023 to pro forma net loss of S\$1.7 million in 1H FY2024, after the savings in high operating costs from the closure of these 3 outlets. Consequently, the Cinema business' pro forma EBITDA has also improved from EBITDA loss of S\$1.5 million in 1H FY23 to EBITDA loss of S\$0.8 million, an improvement of S\$0.7 million or 46.7%.

**Loss before income tax**

As a result of the aforementioned, the Group's profit before income tax has increased by approximately S\$12.9 million or 716.7%, from S\$1.8 million in 1H FY2023 to S\$14.7 million in 1H FY2024. The improvement of the performance was mainly attributed from all the Group's business segments, particularly the Concert and Event business's financial performance.

*There is no pro forma net profit and EBITDA of the Group are presented as there were no material variances between pre-SFRS16 and Post-SFRS 16 effects. Please refer to Note 4 to the Condensed Interim Financial Statements for further breakdown.*

**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)**

**30 September 2023 vs 31 March 2023**

**Current assets**

Current assets increased by S\$42.7 million or 18.8%, from S\$227.7 million to S\$270.4 million contributed by:

- (i) a net increase in trade and other receivables by approximately S\$21.7 million or 22.0% from S\$98.6 million to S\$120.3 million mainly attributable to the Content business;
- (ii) an increase in cash and cash equivalents by approximately S\$8.5 million or 90.4%, from S\$9.4 million to S\$17.9 million, mainly due to cash provided by operating activities of S\$24.3 million, cash utilised in investing activities and financing activities for S\$3.5 million and S\$12.0 million respectively (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 S\$12.6 million or 10.9%, from S\$115.4 million to S\$128.0 million due to an increase of number of ongoing projects. These project costs will be recognised as the cost of sales upon completion.

**Non-current assets**

Non-current assets increased by S\$0.7 million or 0.3%, from S\$201.4 million to S\$202.1 million contributed by:

- (i) an increase in property, plant and equipment (including right-of-use assets) by approximately S\$2.3 million or 15.1% was mainly due to the Concert and Event business;
- (ii) an increase in film intangibles and film inventories by approximately S\$3.2 million or 15.8% was mainly due to the Content business;

partially offset by:

- (i) a decrease in investments in associated companies by S\$3.0 million or 3.2% mainly due to the share of losses of associated companies, particularly mm Connect Pte. Ltd.; and
- (ii) a decrease in film rights by approximately S\$1.8 million or 7.6% was mainly due to amortisation expenses of S\$1.8 million;

**Current liabilities**

Current liabilities increased by S\$31.1 million or 15.1%, from S\$206.1 million to S\$237.2 million contributed by:

- (i) a net increase in trade and other payable by S\$35.6 million or 50.4%, mainly attributed by Content business; and
- (ii) a decrease in short-term borrowings by approximately S\$7.8 million or 6.6%, from S\$117.6 million to S\$109.8 million mainly due to repayment of bank borrowings.

**Non-current liabilities**

Non-current liabilities increased by approximately S\$1.7 million or 1.3%, from S\$131.4 million to S\$133.1 million mainly due to (i) higher borrowings from the issuance of Convertible securities amounted to S\$12.0 million by a subsidiary, mmLive Pte. Ltd.; and partially offset (ii) reduction of last financial year's long-term trade payable/financial guarantee for mm Connect Pte. Ltd. due to the settlement of mm Connect securities bonds.

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

**30 September 2023 vs 30 September 2022**

As at 30 September 2023, the Group's cash and cash equivalents, net of bank overdraft, amounted to approximately S\$17.6 million, as compared to S\$4.3 million in the corresponding period. The increase 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) share of losses of associated companies of S\$4.7 million; and
- (ii) loss on unrealised foreign exchange of S\$0.4 million.

Accordingly, the Group generated approximately S\$33.3 million net cash inflow from operating activities before net working capital changes as compared to S\$19.3 million net cash inflow from operating activities before net working capital changes in the previous corresponding period.

After applying net working capital changes, it generated net cash inflows of approximately S\$24.3 million (previous corresponding period: net cash outflows S\$4.5 million). The net working capital changes are derived from:

- (i) a net increase in trade and other receivables of S\$22.2 million mainly attributed by Content business;
- (ii) a net increase in other current assets of S\$13.4 million due to higher project costs incurred and a higher number of projects;
- (iii) a net increase in film intangible and film inventories of S\$3.8 million;
- (iv) a net increase in trade and other payables of S\$31.3 million was mainly due higher business activities;
- (v) a net decrease in contract liabilities of S\$0.8 million due to higher completion of projects; and
- (vi) corporate tax payments of S\$0.2 million during the period is mainly from Content business.

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

In current reporting period, net cash outflows from investing activities amounted to approximately S\$3.5 million as compared to S\$0.2 million outflows in the previous corresponding period, was mainly contributed by:-

- (i) addition of property, plant and equipment of S\$3.6 million; contributed by Concert and Event business.

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

In current reporting period, net cash outflows from financing activities amounted to approximately S\$12.0 million (previous corresponding period: net cash outflows S\$4.7 million), mainly contributed by:

- (i) proceeds from bank borrowings approximately S\$14.3 million mainly derived from the Content business;
- (ii) proceeds from the issuance of new convertible securities for S\$12.0 million by the mmLive Pte. Ltd.;
- (iii) repayment of borrowings for S\$34.3 million was mainly derived from the Content and Concert and Event business;
- (iv) repayment of lease liabilities of S\$0.3 million was mainly contributed by the Content and Digital Entertainment business; and
- (v) interest payments of S\$3.8 million (comprising interest on borrowings of S\$3.7 million and interest on lease liabilities of S\$0.1 million).

As a result, the Group recorded a net cash increase of approximately S\$8.8 million in the current reporting period, as compared to a net cash decrease of approximately S\$9.3 million in previous corresponding period.

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

**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.**

The Asian media and entertainment industry is in the midst of a dynamic transformation, propelled by evolving consumer preferences and fierce competition among content providers vying for the attention of Asian audiences. Despite the uncertainties from the pandemic and economic instability, media and entertainment remain the most accessible and affordable form of leisure for the masses in Asia, presenting a compelling opportunity for growth in the years to come.

Content creation is still key to this industry's success. The ability to produce and distribute captivating entertainment content and information will continue to generate significant value for our partners throughout the value creation chain. Our strong position in the industry enables us to collaborate effectively with a diverse range of partners, fostering mutually beneficial partnerships.

**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.**

No dividend is declared or recommended for the half-year ended 30 September 2023 as the Group intends to conserve cash for working capital.

**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 period 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 period ended 30 September 2023 to be false or misleading, in any material aspect.



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

**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

14 November 2023