



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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31 MARCH 2024**

MM2 ASIA LTD. AND ITS SUBSIDIARIES

Condensed Interim Financial Statements

For The Six Months And Full Financial Year Ended 31 March 2024

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A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group Six Months Period Ended			Group Full Financial Year Ended		
		2H FY2024 (Unaudited) S\$'000	2H FY2023 (Unaudited) S\$'000 (Restated) ⁽¹⁾	Change %	31 Mar 2024 (Unaudited) S\$'000	31 Mar 2023 (Audited) S\$'000 (Restated) ⁽¹⁾	Change %
Continuing operations							
Revenue	4	68,900	80,560	-14.5%	197,634	132,849	48.8%
Cost of sales		(56,067)	(65,697)	-14.7%	(145,524)	(105,175)	38.4%
Gross profit		12,833	14,863	-13.7%	52,110	27,674	88.3%
Other income							
- Interest income		79	32	146.9%	133	67	98.5%
- Others		66	300	-78.0%	527	622	-15.3%
Other gains/(losses) - net							
- Expected credit loss on financial assets, net		(5,851)	(617)	848.3%	(5,847)	(564)	936.7%
- Fair value changes in financial instruments, net		5,190	(24,172)	N.M.	5,190	(24,172)	N.M.
- Others		(238)	(2,053)	-88.4%	(571)	(1,877)	-69.6%
Expenses							
- Administrative		(10,236)	(7,880)	29.9%	(21,858)	(15,215)	43.7%
- Finance		(9,840)	(5,153)	91.0%	(18,306)	(8,780)	108.5%
Share of (losses)/profit of associated companies		(5,865)	127	N.M.	(10,556)	(517)	1941.8%
(Loss)/profit before income tax	6.1	(13,862)	(24,553)	-43.5%	822	(22,762)	N.M.
Income tax (expenses)/credit	7	(13)	217	N.M.	(3,935)	(686)	473.6%
Net loss from continuing operations		(13,875)	(24,336)	-43.0%	(3,113)	(23,448)	-86.7%
Discontinued operations							
Loss from discontinued operations, net of tax	21	-	(123,761)	N.M.	-	(130,820)	N.M.
Gain on deconsolidation of a former subsidiary		-	31,778	N.M.	-	31,778	N.M.
Net loss for the financial period/year		(13,875)	(116,319)	-88.1%	(3,113)	(122,490)	-97.5%
Other comprehensive income, net of tax:							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation							
- Gains		28	751	-96.3%	130	2,086	-93.8%
Items that will not be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation							
- (Loss)/gains		(23)	55	N.M.	36	126	-71.4%
Total comprehensive loss for the financial period/year		(13,870)	(115,513)	-88.0%	(2,947)	(120,278)	-97.5%

A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31 MARCH 2024 (CONTINUED)

Note	Group Six Months Period Ended			Group Full Financial Year Ended		
	2H FY2024 (Unaudited) S\$'000	2H FY2023 (Unaudited) S\$'000 (Restated) ⁽¹⁾	Change %	31 Mar 2024 (Unaudited) S\$'000	31 Mar 2023 (Audited) S\$'000 (Restated) ⁽¹⁾	Change %
(Loss)/earnings attributable to:						
Equity holders of the Company	(9,748)	(115,071)	-91.5%	(6,785)	(120,467)	-94.4%
Non-controlling interests	(4,127)	(1,248)	230.7%	3,672	(2,023)	N.M.
	<u>(13,875)</u>	<u>(116,319)</u>	-88.1%	<u>(3,113)</u>	<u>(122,490)</u>	-97.5%
Loss attributable to equity holders of the Company relates to:						
Loss from continuing operations	(9,748)	(23,088)	-57.8%	(6,785)	(21,425)	-68.3%
Loss from discontinued operations	-	(91,983)	N.M.	-	(99,042)	N.M.
	<u>(9,748)</u>	<u>(115,071)</u>	-91.5%	<u>(6,785)</u>	<u>(120,467)</u>	-94.4%
Total comprehensive (loss)/earnings attributable to:						
Equity holders of the Company	(9,720)	(114,320)	-91.5%	(6,655)	(118,381)	-94.4%
Non-controlling interests	(4,150)	(1,193)	247.9%	3,708	(1,897)	N.M.
	<u>(13,870)</u>	<u>(115,513)</u>	-88.0%	<u>(2,947)</u>	<u>(120,278)</u>	-97.5%
Loss per share attributable to owners of the Company						
Basic loss per share (cents)						
From continuing operations	8(a) (0.32)	(0.83)	-61.4%	(0.22)	(0.77)	-71.4%
From discontinued operations	8(a) -	(3.30)	N.M.	-	(3.55)	N.M.
Diluted loss per share (cents)						
From continuing operations	8(b) (0.16)	(0.64)	-75.0%	(0.08)	(0.59)	-86.4%
From discontinued operations	8(b) -	(3.17)	N.M.	-	(3.41)	N.M.

N.M. - not meaningful

⁽¹⁾ The comparative figures for 2H FY2023 and FY2023 have been restated. Please refer to Note 23 for further details.

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

		Group		
	Note	31 Mar 2024	31 Mar 2023	1 Apr 2022
		(Unaudited)	(Audited)	(Audited)
		S\$'000	S\$'000	S\$'000
			(Restated)⁽¹⁾	(Restated)⁽¹⁾
ASSETS				
Current assets				
Cash and cash equivalents		7,783	9,440	14,571
Trade and other receivables	9	114,053	99,710	104,031
Investment in films and entertainment events, at fair value through profit or loss ("FVPL")	15	5,842	4,504	4,555
Inventories		800	800	1,013
Other current assets	17	128,704	104,598	72,640
Film products and films under production		3,288	3,290	6,004
Income tax receivables		1,101	1,227	1,387
		<u>261,571</u>	<u>223,569</u>	<u>204,201</u>
Non-current asset held for sale		96	-	-
		<u>261,667</u>	<u>223,569</u>	<u>204,201</u>
Non-current assets				
Trade and other receivables	9	-	1,858	19,962
Financial assets, at FVPL	10	1,546	1,649	1,701
Investments in subsidiaries		-	-	-
Investments in associated companies		82,404	92,608	3,196
Property, plant and equipment	11	17,174	15,225	59,817
Intangible assets and goodwill	12	41,648	44,260	235,005
Film rights	13	20,599	23,584	28,678
Film intangibles	14	1,066	1,084	1,122
Investment in films and entertainment events, at FVPL	15	24,794	21,131	21,339
Deferred income tax assets		-	-	23
		<u>189,231</u>	<u>201,399</u>	<u>370,843</u>
Non-current asset held for sale		-	96	-
		<u>189,231</u>	<u>201,495</u>	<u>370,843</u>
TOTAL ASSETS		<u>450,898</u>	<u>425,064</u>	<u>575,044</u>
LIABILITIES				
Current liabilities				
Trade and other payables	16	91,007	70,599	91,723
Contract liabilities	18	9,603	16,503	8,149
Borrowings	19	125,990	117,635	154,394
Lease liabilities		413	317	28,090
Provisions		21	-	-
Derivative financial instruments		-	-	6
Current income tax liabilities		4,046	1,232	2,443
		<u>231,080</u>	<u>206,286</u>	<u>284,805</u>
Non-current liabilities				
Trade and other payables	16	-	13,425	-
Borrowings	19	102,860	113,529	55,366
Lease liabilities		369	381	23,179
Derivative financial instruments		182	-	-
Provisions		144	140	5,886
Deferred income tax liabilities		4,078	3,938	7,524
		<u>107,633</u>	<u>131,413</u>	<u>91,955</u>
TOTAL LIABILITIES		<u>338,713</u>	<u>337,699</u>	<u>376,760</u>
NET ASSETS		<u>112,185</u>	<u>87,365</u>	<u>198,284</u>

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	31 Mar 2024 (Unaudited) S\$'000	Group 31 Mar 2023 (Audited) S\$'000 <i>(Restated)⁽¹⁾</i>	1 Apr 2022 (Audited) S\$'000 <i>(Restated)⁽¹⁾</i>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	20	258,014	230,602	211,102
Reserves		(11,804)	(11,934)	(4,270)
Accumulated losses		(175,581)	(168,796)	(48,329)
		<u>70,629</u>	<u>49,872</u>	<u>158,503</u>
Non-controlling interests		41,556	37,493	39,781
TOTAL EQUITY		<u>112,185</u>	<u>87,365</u>	<u>198,284</u>

⁽¹⁾ The comparative figures 31 March 2023 and 1 April 2022 have been restated. Please refer to Note 23 for further details.

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	31 Mar 2024 (Unaudited) S\$'000	Company 31 Mar 2023 (Audited) S\$'000	1 Apr 2022 (Audited) S\$'000
ASSETS				
Current assets				
Cash and cash equivalents		44	415	9,796
Trade and other receivables		107,197	89,886	262,572
		<u>107,241</u>	<u>90,301</u>	<u>272,368</u>
Non-current asset held for sale		96	-	-
		<u>107,337</u>	<u>90,301</u>	<u>272,368</u>
Non-current assets				
Investments in subsidiaries		68,951	68,951	70,226
Investments in associated companies		81,509	91,754	2,045
Property, plant and equipment		-	22	76
		<u>150,460</u>	<u>160,727</u>	<u>72,347</u>
Non-current asset held for sale		-	96	-
		<u>150,460</u>	<u>160,823</u>	<u>72,347</u>
TOTAL ASSETS		<u>257,797</u>	<u>251,124</u>	<u>344,715</u>
LIABILITIES				
Current liabilities				
Trade and other payables		59,289	35,803	58,562
Borrowings		97,396	84,340	56,820
Lease liabilities		-	23	58
		<u>156,685</u>	<u>120,166</u>	<u>115,440</u>
Non-current liabilities				
Trade and other payables		-	13,425	-
Borrowings		79,392	106,564	38,910
Lease liabilities		-	-	19
		<u>79,392</u>	<u>119,989</u>	<u>38,929</u>
TOTAL LIABILITIES		<u>236,077</u>	<u>240,155</u>	<u>154,369</u>
NET ASSETS		<u>21,720</u>	<u>10,969</u>	<u>190,346</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	20	258,014	230,602	211,102
Reserves		-	-	9,750
Accumulated losses		(236,294)	(219,633)	(30,506)
TOTAL EQUITY		<u>21,720</u>	<u>10,969</u>	<u>190,346</u>

**C CONDENSED INTERIM STATEMENTS OF CHANGES OF EQUITY
FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2024**

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		
As at 1 April 2023 (restated)	230,602	(11,934)	(168,796)	49,872	37,493	87,365
Net (loss)/profit for the financial year	-	-	(6,785)	(6,785)	3,672	(3,113)
Other comprehensive income for the financial year	-	130	-	130	36	166
Total comprehensive income/(loss) for the financial year	-	130	(6,785)	(6,655)	3,708	(2,947)
Issuance of ordinary shares of the Company pursuant to:						
- Rights Issue	27,906	-	-	27,906	-	27,906
Less: Capitalised expenses pertaining to issuance of right issue	(494)	-	-	(494)	-	(494)
	27,412	-	-	27,412	-	27,412
Non-controlling interest arising from incorporation of a subsidiary corporations	-	-	-	-	- *	-
Non-controlling interest arising from acquisition of subsidiary corporations	-	-	-	-	355	355
As at 31 March 2024	258,014	(11,804)	(175,581)	70,629	41,556	112,185
As at 1 April 2022						
As previously reported	211,102	(4,270)	(46,677)	160,155	42,337	202,492
Prior year adjustments	-	-	(1,652)	(1,652)	(2,556)	(4,208)
As restated	211,102	(4,270)	(48,329)	158,503	39,781	198,284
Net loss for the financial year	-	-	(120,467)	(120,467)	(2,023)	(122,490)
Other comprehensive income for the financial year	-	2,086	-	2,086	126	2,212
Total comprehensive income/(loss) for the financial year	-	2,086	(120,467)	(118,381)	(1,897)	(120,278)
Issuance of ordinary shares of the Company pursuant to:						
- Private Placement	19,500	(9,750) ²	-	9,750	-	9,750
Disposal of a non-controlling interest in a subsidiary	-	-	-	-	(391)	(391)
As at 31 March 2023 (restated)	230,602	(11,934)	(168,796)	49,872	37,493	87,365

* Less than S\$1k

**C CONDENSED INTERIM STATEMENTS OF CHANGES OF EQUITY
FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2024**

Company (Unaudited)

	Share capital S\$'000	Reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
As at 1 April 2023	230,602	-	(219,633)	10,969
Net loss for the financial year	-	-	(16,661)	(16,661)
Issuance of ordinary shares of the Company pursuant to:				
- Rights Issue	27,906	-	-	27,906
Less: Capitalised expenses pertaining to issuance of right issue	(494)	-	-	(494)
	27,412	-	-	27,412
As at 31 March 2024	258,014	-	(236,294)	21,720
As at 1 April 2022	211,102	9,750	(30,506)	190,346
Net loss for the financial year	-	-	(189,127)	(189,127)
Issuance of ordinary shares of the Company pursuant to:				
- Private Placement	19,500	(9,750) ²	-	9,750
As at 31 March 2023	230,602	-	(219,633)	10,969

¹ A subsidiary of the Company, Vividthree Holdings Ltd., completed the acquisition of Elliot Communications Pte Ltd on 27 May 2023.

² 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.

**D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2024**

	Group	
	Full Financial Year Ended	
	31 Mar 2024	31 Mar 2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
		(Restated)
Cash flows from operating activities		
Net loss for the financial year	(3,113)	(122,490)
Adjustments for:		
- Income tax expenses	3,935	603
- Interest income	(133)	(67)
- Finance expenses	18,306	15,261
- Amortisation of intangible assets	2,635	1,633
- Amortisation of film rights	2,999	7,764
- Amortisation of film intangibles	1,052	549
- Depreciation of property, plant and equipment	2,472	4,373
- Depreciation of right-of-use assets	435	18,166
- Impairment loss on goodwill	-	117,677
- Impairment loss on intangible assets	405	-
- Witten-off on intangible assets	-	1
- Inventories written off	-	2
- Property, plant and equipment written off	31	95
- Share of losses of associated companies	10,556	517
- Rental concession income	-	(967)
- Expected credit loss on financial assets, net	5,847	531
- Gain on disposal of a subsidiary company	-	(66)
- Gain arising from derecognition of leases	-	(57)
- Gain arising from re-measurement of non-current assets held for sale upon disposal	-	(17)
- Gain on deconsolidation of a subsidiary	-	(31,778)
- Gain on disposal of property, plant and equipment	(32)	(57)
- Loss on fair value changes in financial instruments	2,106	21,618
- Gain on fair value changes in derivative financial instruments, net	(7,296)	(6)
- Loss on fair value changes in investment in films and entertainment events, at FVPL, net	2,461	1,536
- Loss on fair value changes in financial assets, at FVPL, net	62	-
- Loss on unrealised foreign exchange	327	4,326
Operating cash flows before working capital changes	43,055	39,147
Change in working capital:		
- Trade and other receivables	(18,289)	1,227
- Inventories	-	(54)
- Other current assets	(24,922)	(32,807)
- Film intangible	(818)	(200)
- Investment in films and entertainment events	(7,558)	(1,021)
- Trade and other payables	21,865	(6,015)
- Contract liabilities	(7,274)	10,474
Cash generated from operations	6,059	10,751
Income tax paid	(876)	(1,870)
Net cash provided by operating activities	5,183	8,881

**D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FULL FINANCIAL YEAR ENDED 31 MARCH 2024 (CONTINUED)**

	Group	
	Full Financial Year Ended	
	31 Mar 2024 (Unaudited) S\$'000	31 Mar 2023 (Audited) S\$'000 (Restated)
Cash flows from investing activities		
Cash disposed from deconsolidation of subsidiary	-	(751)
Proceeds from disposal of subsidiaries, net of cash disposed	-	235
Acquisition of a subsidiary, net of cash acquired	77	-
Proceeds from disposal of property, plant and equipment	32	83
Additions to property, plant and equipment	(4,359)	(984)
Additions to intangible assets	(29)	(27)
Additions of film rights	(20)	-
Government grants received for development of software	-	155
Interest received	101	35
Net cash used in investing activities	(4,198)	(1,254)
Cash flows from financing activities		
Interest paid	(9,368)	(12,669)
Proceeds from issuance of ordinary shares of the Company pursuant to private placement	-	9,750
Proceeds from issuance of rights shares	27,906	-
Expenses pertaining to issuance of rights shares	(494)	-
Proceeds from issuance of convertible securities	14,000	15,350
Proceeds from issuance of exchangeable bond, net of capitalised transaction cost	-	54,000
Proceeds from borrowings	37,748	30,702
Repayments of borrowings	(71,403)	(85,845)
Repayments of lease liabilities	(504)	(23,566)
Net cash used in financing activities	(2,115)	(12,278)
Net changes in cash and cash equivalents	(1,130)	(4,651)
Cash and cash equivalents		
At beginning of financial year	8,913	13,608
Effects of currency translation on cash and cash equivalents	(70)	(41)
At end of financial year	7,713	8,916
Cash and cash equivalent comprise:		
Cash and bank balances	7,783	9,438
Fixed deposits	-	2
	7,783	9,440
Bank overdraft	(70)	(524)
	7,713	8,916

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 2024 ("**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 year ended 31 March 2024 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.

Despite the Group having incurred a net loss for the year ended 31 March 2024, and the financial metrics of the Group have improved as compared to that of the corresponding year. As at reporting date, the Group's current assets exceeded its current liabilities by S\$30.6 million (31 March 2023: \$17.3 million).

The Group's financial performance and financial position for the year ended 31 March 2024 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) 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.

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 2024 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 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.

E NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Basis of Preparation (continued)

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 2024.

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 and film intangibles

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, 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 year ended 31 March 2024. 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) Valuation of investment in films and entertainment events

Investments in films and entertainment events refer to the Group's participation in the films and entertainment events with an entitlement to share a certain percentage of income generated from the investment in accordance with the terms of the contractual agreement. The Group measured, at initial recognition, the cost of the investment based on the cash considerations for these investments. Their carrying amounts at the end of the reporting period represent the fair values of the estimated net future cash flows from these investments attributable to the Group.

(c) 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 31 March 2024. The carrying amounts of the trade and other receivables are disclosed in Note 9 to the Condensed Interim Financial Statements.

(d) 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 2024.

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 21 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 reportable segment:

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 21 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. 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 Segmental information (continued)

The segment information provided to the CODM for the reportable segments (continuing operations) are as follows:

	Group						Total S\$'000
	For the six months period ended						
	Content Business S\$'000	Digital Entertainment Business S\$'000	Concert and Event Business S\$'000	Others S\$'000	Cinema business S\$'000	Segments elimination S\$'000	
1 October 2023 to 31 March 2024							
(2H FY2024)							
Total segment sales	56,549	4,247	8,077	1,132	-	(1,105)	68,900
Inter-segment sales	(926)	(132)	-	(47)	-	1,105	-
Sales to external parties	55,623	4,115	8,077	1,085	-	-	68,900
Earnings/(loss) before interest, tax, depreciation, amortisation and impairment losses ("EBITDA"/("LBITDA"))	7,730	(507)	(197)	(78)	-	(2,723)	4,225
Share of losses of an associated company							
- Cinema business	-	-	-	-	(7,097)	1,295	(5,802)
Impairment losses	-	-	(405)	-	-	-	(405)
Amortisation	(789)	(57)	(1,129)	(1,001)	-	-	(2,976)
Depreciation	(177)	(120)	(1,158)	(15)	-	-	(1,470)
Finance expenses	(9,182)	(80)	(2,003)	(3)	-	1,428	(9,840)
Loss on fair value changes in financial assets	-	(60)	-	-	-	-	(60)
(Loss)/gain on fair value changes in financial instrument	(2,106)	-	7,296	-	-	-	5,190
(Loss)/gain on fair value changes in investment in films and entertainment events	(893)	13	(1,581)	-	-	-	(2,461)
(Loss)/gain on unrealised foreign exchange	(57)	(15)	(192)	1	-	-	(263)
(Loss)/profit before tax	(5,474)	(826)	631	(1,096)	(7,097)	-	(13,862)
Income tax credit/ (expenses)	245	(10)	(248)	-	-	-	(13)
Net (loss)/profit	(5,229)	(836)	383	(1,096)	(7,097)	-	(13,875)

mm2 Asia Ltd. and its Subsidiaries

Condensed Interim Financial Statements

For The Six Months And Full Financial Year Ended 31 March 2024

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

4 Segmental information (continued)

The segment information provided to the CODM for the reportable segments (continuing operations) are as follows: (continued)

	Group					Total S\$'000
	For the six months period ended					
	Content Business S\$'000	Digital Entertainment Business S\$'000	Concert and Event Business S\$'000	Others S\$'000	Segments elimination S\$'000	
1 October 2022 to 31 March 2023						
(2H FY2023)						
(Restated)						
Total segment sales	56,899	1,083	22,934	2,208	(2,564)	80,560
Inter-segment sales	(2,081)	(390)	(87)	(6)	2,564	-
Sales to external parties	54,818	693	22,847	2,202	-	80,560
Earnings/(loss)						
before interest, tax,						
depreciation, amortisation						
and impairment losses						
("EBITDA"/("LBITDA"))						
	14,672	(1,313)	1,986	(767)	(75)	14,503
Amortisation	(5,638)	(237)	(416)	(237)	-	(6,528)
Depreciation	(210)	(166)	(644)	(36)	-	(1,056)
Finance expenses	(4,416)	(84)	(652)	(1)	-	(5,153)
Loss on fair value changes in financial instrument	(24,172)	-	-	-	-	(24,172)
Loss on fair value changes in investment in films and entertainment events	(1,436)	(100)	-	-	-	(1,536)
(Loss)/gain on unrealised foreign exchange	(124)	(211)	(278)	2	-	(611)
Loss before tax	(21,324)	(2,111)	(4)	(1,039)	(75)	(24,553)
Income tax (expenses)/ credit	(17)	(4)	238	-	-	217
Net (loss)/profit	(21,341)	(2,115)	234	(1,039)	(75)	(24,336)

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

4 Segmental information (continued)

The segment information provided to the CODM for the reportable segments (continuing operations) are as follows:
(continued)

	Group						Total
	For the full year ended						
	Content Business S\$'000	Digital Entertainment Business S\$'000	Concert and Event Business S\$'000	Others S\$'000	Cinema Business S\$'000	Segments elimination S\$'000	S\$'000
1 Apr 2023 to 31 March 2024							
(12M FY2024)							
Total segment sales	115,079	7,078	74,428	2,399	-	(1,350)	197,634
Inter-segment sales	(944)	(190)	(96)	(120)	-	1,350	-
Sales to external parties	114,135	6,888	74,332	2,279	-	-	197,634
Earnings/(loss)							
before interest, tax,							
depreciation, amortisation							
and impairment losses							
("EBITDA"/("LBITDA"))	22,519	(781)	18,678	(482)	-	(2,723)	37,211
Share of losses of an associated company							
- Cinema business	-	-	-	-	(11,720)	1,295	(10,425)
Impairment losses	-	-	(405)	-	-	-	(405)
Amortisation	(2,976)	(232)	(2,258)	(1,220)	-	-	(6,686)
Depreciation	(415)	(243)	(2,213)	(36)	-	-	(2,907)
Finance expenses	(16,633)	(171)	(2,925)	(5)	-	1,428	(18,306)
Loss on fair value changes in financial assets	-	(62)	-	-	-	-	(62)
(Loss)/gain on fair value changes in financial instrument	(2,106)	-	7,296	-	-	-	5,190
(Loss)/gain on fair value changes in investment in films and entertainment events	(893)	13	(1,581)	-	-	-	(2,461)
(Loss)/gain on unrealised foreign exchange	(37)	(146)	(149)	5	-	-	(327)
(Loss)/profit before tax	(541)	(1,622)	16,443	(1,738)	(11,720)	-	822
Income tax (expenses)/credit	(1,150)	(9)	(2,776)	-	-	-	(3,935)
Net (loss)/profit	(1,691)	(1,631)	13,667	(1,738)	(11,720)	-	(3,113)

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

4 Segmental information (continued)

The segment information provided to the CODM for the reportable segments (continuing operations) are as follows:
(continued)

	Group					Total
	For the full year ended					
	Content	Digital	Concert		Segments	
	Business	Entertainment	and Event	Others	elimination	Total
	S\$'000	Business	Business	S\$'000	S\$'000	S\$'000
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 Apr 2022 to 31 March 2023						
(12M FY2023)						
(Restated)						
Total segment sales	99,887	2,914	29,229	4,140	(3,321)	132,849
Inter-segment sales	(2,664)	(390)	(239)	(28)	3,321	-
Sales to external parties	97,223	2,524	28,990	4,112	-	132,849
Earnings/(loss)						
before interest, tax,						
depreciation, amortisation						
and impairment losses						
("EBITDA"/("LBITDA"))	24,238	(1,686)	3,897	(1,688)	16	24,777
Impairment losses	-	-	-	-	-	-
Amortisation	(8,024)	(586)	(832)	(503)	-	(9,945)
Depreciation	(463)	(309)	(1,256)	(92)	-	(2,120)
Finance expenses	(7,507)	(172)	(1,099)	(4)	2	(8,780)
(Loss)/gain on fair value changes in financial instrument	(24,172)	-	6	-	-	(24,166)
Loss on fair value changes in investment in films and entertainment events	(1,436)	(100)	-	-	-	(1,536)
(Loss)/gain on unrealised foreign exchange	(124)	(592)	(278)	2	-	(992)
(Loss)/profit before tax	(17,488)	(3,445)	438	(2,285)	18	(22,762)
Income tax (expenses)/credit	(968)	(4)	286	-	-	(686)
Net (loss)/profit	(18,456)	(3,449)	724	(2,285)	18	(23,448)

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

4 Segmental information (continued)

Revenue by geographical location of customers

	Group Six Months Period Ended		Group Full Financial Year Ended	
	2H FY2024 S\$'000	2H FY2023 S\$'000 (Restated)	31 Mar 2024 S\$'000	31 Mar 2023 S\$'000 (Restated)
Singapore	12,789	21,086	52,630	36,976
Malaysia	968	8,396	34,888	8,723
China	31,475	17,859	51,962	29,791
Taiwan	6,264	21,188	28,264	41,096
Hong Kong	13,826	11,178	23,621	14,510
Others	3,578	853	6,269	1,753
	68,900	80,560	197,634	132,849

Timing of revenue recognition

	2H FY2024 S\$'000	2H FY2023 S\$'000 (Restated)	31 Mar 2024 S\$'000	31 Mar 2023 S\$'000 (Restated)
At point in time	64,197	76,669	190,755	126,281
At over time	4,703	3,891	6,879	6,568
	68,900	80,560	197,634	132,849

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 2024 and 31 March 2023:

	Group		
	31 Mar 2024 S\$'000	31 Mar 2023 S\$'000 (Restated)	31 Mar 2022 S\$'000 (Restated)
Financial assets, at amortised cost	120,624	108,713	136,917
Financial assets, at FVPL	32,182	27,284	27,595
Investment in films and entertainment events, at FVPL	30,636	25,635	25,894
Total	183,442	161,632	190,406
Financial liabilities, at amortised cost	320,639	315,886	352,752
Derivatives financial instruments	182	-	6
Total	320,821	315,886	352,758
	Company		
	31 Mar 2024 S\$'000	31 Mar 2023 S\$'000	31 Mar 2022 S\$'000
Financial assets, at amortised cost	107,337	89,130	272,171
Financial liabilities, at amortised cost	236,077	240,155	154,369

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

6 (Loss)/profit before income tax

6.1 Significant items

	Group Six Months Period Ended		Group Full Financial Year Ended	
	2H FY2024 S\$'000	2H FY2023 S\$'000 (Restated)	31 Mar 2024 S\$'000	31 Mar 2023 S\$'000 (Restated)
(Loss)/profit before income tax is arrived at after (crediting)/charging:				
Continuing operations				
Amortisation of intangible assets	1,282	769	2,635	1,633
Amortisation of film rights	1,217	5,757	2,999	7,764
Amortisation of film intangibles	477	3	1,052	549
Depreciation of property, plant and equipment	1,263	827	2,472	1,645
Depreciation of right-of-use assets	207	231	435	477
Employees compensation	4,982	6,297	13,480	12,481
Expected credit loss on financial assets, net	5,851	541	5,847	531
Interest expenses on:				
- Borrowings	9,836	5,146	18,281	8,758
- Lease liabilities	4	8	25	23
	9,840	5,154	18,306	8,781
Government grants income	(154)	(239)	(376)	(353)
Property, plant and equipment written off	14	34	31	34
Loss/(gain) on fair value changes on:				
- derivative financial instrument, net	(7,296)	-	(7,296)	-
- financial instrument, net	2,106	24,172	2,106	24,172
	(5,190)	24,172	(5,190)	24,172
Loss on fair value changes in financial assets, FVPL	60	-	62	-
Loss on fair value changes in investment in films and entertainment events, FVPL	2,461	1,536	2,461	1,536
Gain on disposal of former subsidiary company	-	(66)	-	(66)
Gain on disposal of property, plant and equipment	-	(65)	(32)	(118)
Gain/(Loss) on foreign exchange, net				
- Realised foreign exchange	(619)	1,474	197	805
- Unrealised foreign exchange	796	582	327	1,097
Discontinued operations				
Depreciation of property, plant and equipment	-	720	-	2,728
Depreciation of right-of-use assets	-	8,228	-	17,689
Employees compensation	-	3,231	-	6,597
Impairment loss on goodwill	-	117,677	-	117,677
Interest expenses on:				
- Borrowings	-	2,453	-	4,713
- Lease liabilities	-	899	-	1,767
Government grants income	-	(197)	-	(241)
Rental concession income	-	(187)	-	(967)
Property, plant and equipment written off	-	61	-	61
Gain arising from re-measurement of financial asset	-	(1,073)	-	(1,073)
Gain on fair value changes in financial instrument, net	-	(2,554)	-	(2,554)
Loss on foreign exchange, net				
- Realised foreign exchange	-	2	-	11
- Unrealised foreign exchange	-	1,269	-	3,101

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

6 (Loss)/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:

	Group Six Months Period Ended		Group Full Financial Year Ended	
	2H FY2024 S\$'000	2H FY2023 S\$'000	31 Mar 2024 S\$'000	31 Mar 2023 S\$'000
<u>Sales of goods and/or services to</u>				
- Associated company	1,671	1,257	2,325	1,522
- Related parties	8	16	8	808
<u>Management services rendered by</u>				
- Associated company	162	317	297	336
<u>Purchase of services from</u>				
- Associated company	132	23	244	42
- Related parties	94	3	94	225

Outstanding balances as at 31 March 2024 and 31 March 2023, arising from sales/purchase of services, are unsecured and receivable/payable within 12 months from reporting date.

7 Income tax (expenses)/credit

The Group calculates the period/year 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 Six Months Period Ended		Group Full Financial Year Ended	
	2H FY2024 S\$'000	2H FY2023 S\$'000 (Restated)	31 Mar 2024 S\$'000	31 Mar 2023 S\$'000 (Restated)
Current income tax				
- Current financial period/year	112	(1)	4,076	950
- Prior financial period/year	20	4	26	4
	<u>132</u>	<u>3</u>	<u>4,102</u>	<u>954</u>
Deferred tax				
- Current financial period/year	(66)	(336)	(114)	(384)
- Prior financial period/year	(53)	116	(53)	116
	<u>(119)</u>	<u>(220)</u>	<u>(167)</u>	<u>(268)</u>
Income tax expense	<u>13</u>	<u>(217)</u>	<u>3,935</u>	<u>686</u>

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

8 Loss per share

(a) Basic loss per share

Basic 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/year.

Six Months Period Ended (2H)

	<u>Continuing operation</u>		<u>Discontinued operation</u>		<u>Total</u>	
	<u>2H FY2024</u>	<u>2H FY2023</u> <i>(Restated)</i>	<u>2H FY2024</u>	<u>2H FY2023</u> <i>(Restated)</i>	<u>2H FY2024</u>	<u>2H FY2023</u> <i>(Restated)</i>
Loss attributable to equity holders of the Company (S\$'000)	<u>(9,748)</u>	<u>(23,088)</u>	<u>-</u>	<u>(91,983)</u>	<u>(9,748)</u>	<u>(115,071)</u>
Weighted average number of ordinary share issued ('000)	<u>3,042,911</u>	<u>2,787,404</u>	<u>-</u>	<u>2,787,404</u>	<u>3,042,911</u>	<u>2,787,404</u>
Basic loss per share (cents)	<u>(0.32)</u>	<u>(0.83)</u>	<u>-</u>	<u>(3.30)</u>	<u>(0.32)</u>	<u>(4.13)</u>

Full Financial Year Ended (12M)

	<u>Continuing operation</u>		<u>Discontinued operation</u>		<u>Total</u>	
	<u>31 Mar 2024</u>	<u>31 Mar 2023</u> <i>(Restated)</i>	<u>31 Mar 2024</u>	<u>31 Mar 2023</u> <i>(Restated)</i>	<u>31 Mar 2024</u>	<u>31 Mar 2023</u> <i>(Restated)</i>
Loss attributable to equity holders of the Company (S\$'000)	<u>(6,785)</u>	<u>(21,425)</u>	<u>-</u>	<u>(99,042)</u>	<u>(6,785)</u>	<u>(120,467)</u>
Weighted average number of ordinary share issued ('000)	<u>3,042,911</u>	<u>2,787,404</u>	<u>-</u>	<u>2,787,404</u>	<u>3,042,911</u>	<u>2,787,404</u>
Basic loss per share (cents)	<u>(0.22)</u>	<u>(0.77)</u>	<u>-</u>	<u>(3.55)</u>	<u>(0.22)</u>	<u>(4.32)</u>

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

8 Loss per share (continued)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, the loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding is 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 loss per share has been retrospectively adjusted.

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

Six Months Period Ended (2H)

	<u>Continuing operation</u>		<u>Discontinued operation</u>		<u>Total</u>	
	<u>2H FY2024</u>	<u>2H FY2023</u> <i>(Restated)</i>	<u>2H FY2024</u>	<u>2H FY2023</u> <i>(Restated)</i>	<u>2H FY2024</u>	<u>2H FY2023</u> <i>(Restated)</i>
Loss attributable to equity holders of the Company (\$'000)	(9,748)	(23,088)	-	(91,983)	(9,748)	(115,071)
<i>Add back:</i>						
Interest expense on convertible securities, net of tax (\$'000)	3,537	460	-	-	3,537	460
Loss used to determine diluted loss per share (\$'000)	<u>(6,211)</u>	<u>(22,628)</u>	<u>-</u>	<u>(91,983)</u>	<u>(6,211)</u>	<u>(114,611)</u>
Weighted average number of ordinary share issued ('000)	3,042,911	2,787,404	-	2,787,404	3,042,911	2,787,404
Effect of conversion of securities convertible ('000)	614,040	511,700	-	113,222	614,040	624,922
Effect of conversion of detachable warrants ('000)	296,875	250,000	-	-	296,875	250,000
	<u>3,953,826</u>	<u>3,549,104</u>	<u>-</u>	<u>2,900,626</u>	<u>3,953,826</u>	<u>3,662,326</u>
Diluted loss per share (cents)	<u>(0.16)</u>	<u>(0.64)</u>	<u>-</u>	<u>(3.17)</u>	<u>(0.16)</u>	<u>(3.13)</u>

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

8 Loss per share (continued)

(b) Diluted loss per share (continued)

Full Financial Year Ended (12M)

	Continuing operation		Discontinued operation		Total	
	31 Mar 2024	31 Mar 2023 (Restated)	31 Mar 2024	31 Mar 2023 (Restated)	31 Mar 2024	31 Mar 2023 (Restated)
Loss attributable to equity holders of the Company (S\$'000)	(6,785)	(21,425)	-	(99,042)	(6,785)	(120,467)
<i>Add back:</i>						
Interest expense on convertible securities, net of tax (\$'000)	3,537	460	-	-	3,537	460
Loss used to determine diluted loss per share (\$'000)	<u>(3,248)</u>	<u>(20,965)</u>	<u>-</u>	<u>(99,042)</u>	<u>(3,248)</u>	<u>(120,007)</u>
Weighted average number of ordinary share issued ('000)	3,042,911	2,787,404	-	2,787,404	3,042,911	2,787,404
Effect of conversion of securities convertible ('000)	614,040	511,700	-	113,222	614,040	624,922
Effect of conversion of detachable warrants ('000)	296,875	250,000	-	-	296,875	250,000
	<u>3,953,826</u>	<u>3,549,104</u>	<u>-</u>	<u>2,900,626</u>	<u>3,953,826</u>	<u>3,662,326</u>
Diluted loss per share (cents)	<u>(0.08)</u>	<u>(0.59)</u>	<u>-</u>	<u>(3.41)</u>	<u>(0.08)</u>	<u>(3.28)</u>

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

9 Trade and other receivables

	Group		
	31 Mar 2024	31 Mar 2023	1 Apr 2022
	S\$'000	S\$'000	S\$'000
Current			
Trade receivables:			
- Non-related parties	90,366	79,443	73,735
- Related parties	95	108	701
- Associated companies	1,727	759	1,199
	<u>92,188</u>	<u>80,310</u>	<u>75,635</u>
Less: Expected credit loss allowance - Non-related parties	(8,938)	(7,126)	(6,990)
Trade receivables - net (Note 9(a))	<u>83,250</u>	<u>73,184</u>	<u>68,645</u>
Other receivables			
- Non-related parties	7,424	4,927	6,959
- Related parties	1,155	18	13
- Associated companies	6,813	461	216
- Former joint venture	-	-	9
	<u>15,392</u>	<u>5,406</u>	<u>7,197</u>
Less: Expected credit loss allowance - Non-related parties	(3,685)	(774)	(524)
	<u>11,707</u>	<u>4,632</u>	<u>6,673</u>
Deposits (Note 9(b))	16,472	17,786	22,998
Less: Expected credit loss allowance - Non-related parties	(155)	(156)	(157)
	<u>16,317</u>	<u>17,630</u>	<u>22,841</u>
Prepayments	741	2,295	1,647
Accrued income	2,038	1,969	4,225
	<u>114,053</u>	<u>99,710</u>	<u>104,031</u>
Non-current			
Other receivables - Non-related parties	-	1,858	18,524
Less: Expected credit loss allowance - Non-related parties	-	-	(2,062)
	<u>-</u>	<u>1,858</u>	<u>16,462</u>
Deposits (Note 9(b))	-	-	3,500
	<u>-</u>	<u>1,858</u>	<u>19,962</u>
(a) Trade receivables aging			
Current			
Below 3 months	50,892	27,735	26,439
3 - 6 months	18,261	22,050	8,908
Above 6 months	23,035	30,525	40,288
	<u>92,188</u>	<u>80,310</u>	<u>75,635</u>
Expected credit loss allowance ("ECL")	(8,938)	(7,126)	(6,990)
	<u>83,250</u>	<u>73,184</u>	<u>68,645</u>

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

- (i) Content business amounted to S\$15,100,000 (31 March 2023: S\$18,514,000); and
- (ii) Concert and Event business/ Unusual Limited group amounted S\$7,901,000 that are past due more than 12 months as at 31 March 2024 (31 March 2023: S\$11,850,000).

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 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 year.

- (b) 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.

10 Financial assets, at fair value through profit or loss

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

	Group	
	31 Mar 2024	31 Mar 2023
	S\$'000	S\$'000
		(Restated)
Beginning of financial year	1,649	1,701
Loss on fair value changes - net	(62)	-
Currency translation differences	(41)	(52)
End of financial year	<u>1,546</u>	<u>1,649</u>
Represented by:		
Unquoted securities	150	200
Unquoted convertible loans	<u>1,396</u>	<u>1,449</u>
	<u>1,546</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)).

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

11 Property, plant and equipment

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

	Group	
	31 Mar 2024	31 Mar 2023
	S\$'000	S\$'000
Beginning of financial year	15,225	59,817
Depreciation:		
- property, plant and equipment	(2,472)	(4,373)
- right-of-use assets	(435)	(18,166)
Additions	4,359	3,098
Acquisition of a subsidiary	112	-
Disposal	-	(26)
Disposal of subsidiary	-	(146)
Deconsolidation of a subsidiary	-	(41,832)
Lease modification	474	18,529
Written off	(31)	(95)
Derecognition of right-of-use assets	(2)	(547)
Currency translation differences	(56)	(1,034)
End of financial year	<u>17,174</u>	<u>15,225</u>
Represented by		
Property, plant and equipment	16,520	14,638
Right-of-use assets	654	587
	<u>17,174</u>	<u>15,225</u>

The total depreciation charge for the year is included in cost of sales and administrative expenses amounting to S\$2,174,000 (31 March 2023: S\$2,120,000) and S\$733,000 (31 March 2023: S\$20,419,000) 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 2024					
Cost					
Beginning of financial year	22,165	-	8,423	20,283	50,871
Currency translation differences	-	-	-	(158)	(158)
Additions	-	-	-	29	29
Acquisition of a subsidiary (Note 12(a))	545	-	-	-	545
End of financial year	<u>22,710</u>	<u>-</u>	<u>8,423</u>	<u>20,154</u>	<u>51,287</u>
Accumulated amortisation					
Beginning of financial year	-	-	3,745	2,866	6,611
Currency translation differences	-	-	-	(12)	(12)
Amortisation charge for the year	-	-	560	2,075	2,635
End of financial year	<u>-</u>	<u>-</u>	<u>4,305</u>	<u>4,929</u>	<u>9,234</u>
Accumulated impairment					
Beginning of financial year	-	-	-	-	-
Impairment during the year	-	-	-	405	405
End of financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>405</u>	<u>405</u>
Carrying amount					
End of financial year	<u>22,710</u>	<u>-</u>	<u>4,118</u>	<u>14,820</u>	<u>41,648</u>
31 Mar 2023					
Cost					
Beginning of financial year (<i>restated</i>)	258,727	17,969	8,423	8,106	293,225
Currency translation differences	(1,392)	-	-	(82)	(1,474)
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 (<i>restated</i>)	<u>22,165</u>	<u>-</u>	<u>8,423</u>	<u>20,283</u>	<u>50,871</u>
Accumulated amortisation					
Beginning of financial year (<i>restated</i>)	-	-	3,183	2,489	5,672
Currency translation differences	-	-	-	(14)	(14)
Amortisation charge for the year	-	-	562	1,071	1,633
Disposal of a subsidiary	-	-	-	(658)	(658)
Deconsolidation of a subsidiary	-	-	-	(22)	(22)
End of financial year (<i>restated</i>)	<u>-</u>	<u>-</u>	<u>3,745</u>	<u>2,866</u>	<u>6,611</u>
Accumulated impairment					
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>
Carrying amount					
End of financial year (<i>restated</i>)	<u>22,165</u>	<u>-</u>	<u>4,678</u>	<u>17,417</u>	<u>44,260</u>

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

12 Intangible assets and goodwill (continued)

- (a) On 27 May 2023, Vividthree Holdings Ltd, a subsidiary of the Company, completed the acquisition of a new subsidiary, namely Elliot Communications Pte. Ltd. Upon the completion of the acquisition, a provisional of goodwill of S\$0.5 million has been recognised in the Condensed Interim Statements of Financial Position as at 31 March 2024.
- (b) Other intangible assets include content development cost, acquired rights, software and others.
- (c) The amortisation charge for the year is included in cost of sales and administrative expenses amounting to S\$283,000 (31 March 2023: S\$627,000) and S\$2,352,000 (31 March 2023: S\$1,006,000) 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 31 March 2024.

13 Film rights

The breakdown of film rights is presented below:

	Group	
	31 Mar 2024	31 Mar 2023
	S\$'000	S\$'000
Beginning of financial year	23,584	28,678
Transfer from film products	20	2,734
Transfer to work-in-progress	-	(51)
Amortisation charge for the year	(2,999)	(7,764)
Effect of foreign currency exchange differences	(6)	(13)
End of financial year	<u>20,599</u>	<u>23,584</u>

The amortisation charge for the year is included in cost of sales and administrative expenses amounting to S\$1,874,000 (31 March 2023: S\$7,423,000) and S\$1,125,000 (31 March 2023: S\$341,000) respectively.

Film rights encompass films and dramas produced and commercially released by the Group, as well as other film rights acquired by the Group. These rights include those for films, dramas, and additional film-related content. The category of other film rights includes intellectual property rights ("IP"), adaptation rights, and short-form video content.

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

14 Film intangibles

The film intangibles movement are presented below:

	Group	
	31 Mar 2024	31 Mar 2023
	S\$'000	S\$'000
		(Restated)
Beginning of financial year	1,084	1,122
Additions	1,051	536
Amortisation charge for the year	(1,052)	(549)
Effect of foreign currency exchange differences	(17)	(25)
End of financial year	<u>1,066</u>	<u>1,084</u>

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

Film intangibles represents films/drama acquired by the Group for distribution over a definitive license period. The Group intends to exploit the distribution rights through its own distribution channels.

15 Investment in films and entertainment events, at FVPL

The movement of investment in films and entertainment events designated at FVPL:

	Group	
	31 Mar 2024	31 Mar 2023
	S\$'000	S\$'000
		(Restated)
Current		
Beginning of financial year	4,504	4,555
Additions	3,210	-
Loss on fair value changes - net	(1,581)	-
Income from the investment	(275)	-
Effect of foreign currency exchange differences	(16)	(51)
End of financial year	<u>5,842</u>	<u>4,504</u>
Non-current		
Beginning of financial year	21,131	21,339
Additions	5,135	2,881
Disposal	(514)	(1,251)
Gain/(loss) on fair value changes - net	(880)	(1,536)
Income from the investment	-	(88)
Effect of foreign currency exchange differences	(78)	(214)
End of financial year	<u>24,794</u>	<u>21,131</u>

The Group's investment in films and entertainment events as at 31 March 2024, 31 March 2023 and 1 April 2022 are classified as investment in films and entertainment events at FVPL as their contractual cash flows are not solely payments of principle and interest.

Investment in films and entertainment events refers to the Group's participation in the films and entertainment events with an entitlement to share a certain percentage of income generated from the investment in accordance with the terms of the contractual agreement. The Group measured, at initial recognition, the cost of the investment based on the cash consideration for these investments. Their carrying amounts at the end of the reporting period represent the fair values of the estimated net future cash flows from these investments attributable to the Group.

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

16 Trade and other payables

	Group		
	31 Mar 2024	31 Mar 2023	1 Apr 2022
	S\$'000	S\$'000	S\$'000
Current			
Trade payables			
- Non-related parties	40,424	26,720	41,260
- Related parties	98	6	-
- Associated companies	-	482	434
- Former joint venture	448	-	5
	<u>40,970</u>	<u>27,208</u>	<u>41,699</u>
Other payables			
- Non-related parties	7,364	6,010	11,349
- Related parties	919	1,953	1,635
- Associated companies	1,197	1,145	1,236
- Director	73	64	58
- Financial guarantee	-	1,101	-
	<u>9,553</u>	<u>10,273</u>	<u>14,278</u>
Accruals	10,478	7,699	11,924
Deposit received	27,227	22,640	21,022
Withholding tax	2,779	2,779	2,800
	<u>91,007</u>	<u>70,599</u>	<u>91,723</u>
Non-Current			
Other payables			
- Financial guarantee	-	13,425	-

17 Other current assets

Costs incurred to fulfil revenue contracts relate to direct costs incurred for revenue contracts in progress as at 31 March 2024, 31 March 2023 and 1 April 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.

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

19 Borrowings

	Group		
	31 Mar 2024	31 Mar 2023	1 Apr 2022
	S\$'000	S\$'000	S\$'000
Current	125,990	117,635	154,394
Non-current	102,860	113,529	55,366
	<u>228,850</u>	<u>231,164</u>	<u>209,760</u>
Secured borrowing			
Amount repayable in one year or less	124,740	113,121	148,250
Amount repayable after one year	102,485	112,404	52,553
	<u>227,225</u>	<u>225,525</u>	<u>200,803</u>
Unsecured borrowing			
Amount repayable in one year or less	1,250	4,514	6,144
Amount repayable after one year	375	1,125	2,813
	<u>1,625</u>	<u>5,639</u>	<u>8,957</u>

The Group's issuance of convertible and exchangeable securities amounted to S\$133,303,000 (31 March 2023: S\$106,564,000 and 1 April 2022: S\$Nil) 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.

20 Share capital

	Number of shares '000	Issued and paid-up share capital S\$'000
Ordinary shares of the Company		
31 Mar 2024		
Beginning and end of the financial year	2,790,610	230,602
Issuance of right shares	1,395,304	27,412
End of financial year	<u>4,185,914</u>	<u>258,014</u>
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	<u>2,790,610</u>	<u>230,602</u>

The Company did not have any treasury shares as at 31 March 2024 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)

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

FY2023

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.

22 Net asset value

	Group		
	31 Mar 2024	31 Mar 2023	1 Apr 2022
Net asset value attributable to equity holders of the Company (S\$'000)	70,629	49,872	158,503
Number of ordinary shares issued (' 000)	4,185,914	2,790,610	2,400,610
Net asset value per ordinary share (cents)	1.69	1.79	6.60
	Company		
	31 Mar 2024	31 Mar 2023	1 Apr 2022
Net asset value attributable to equity holders of the Company (S\$'000)	21,720	10,969	190,346
Number of ordinary shares issued (' 000)	4,185,914	2,790,610	2,400,610
Net asset value per ordinary share (cents)	0.52	0.39	7.93

23 Comparative figures

During the financial year, the Group reviewed and reassessed the following:

- (a) Classification of investment in films and entertainment events for the financial year ended 31 March 2024.

Investments in films and entertainment events refer to the Group's participation in the films and entertainment events with an entitlement to share a certain percentage of income generated from the investment in accordance with the terms of the contractual agreement. The Group measured, at initial recognition, the cost of the investment based on the cash considerations for these investments. Their carrying amounts at the end of the reporting period represent the fair values of the estimated net future cash flows from this investment in films and entertainment events since there are contractual cash flows to receive cash from non-related parties. However, the contractual cash flows from these investments do not meet criteria for solely payment of principal and interest in accordance with SFRS(I) 9 Financial Instruments. Therefore, this investment will be classified as investment in films and entertainment events at fair value through profit or loss ("FVPL").

- (b) A previous project cost of S\$5.8 million pertaining to acquired performance rights (the "Project Cost") was recorded as other current assets. After a review and reassessment, it was determined that the S\$5.8 million should be charged in the statement of other comprehensive income. Therefore, the project cost of S\$5.8 million will be adjusted in the retained earnings as at 1 April 2022.

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

23 Comparative figures (continued)

As a result of the reassessment, certain comparative figures for the financial years ended 31 March 2023 and 31 March 2022 have been restated and adjusted to improve the clarity of the nature of the underlying assets and conform to the current year's presentation.

The effect of the abovementioned adjustments to the consolidated statement of financial position as at 31 March 2023 and 1 April 2022, consolidated statement of comprehensive income and consolidated statements of cash flows for the financial year ended 31 March 2023 as follows:

Group	As previously reported S\$	Adjustment S\$	As restated S\$
1 April 2022			
<u>Consolidation statement of financial position</u>			
Current assets			
Trade and other receivables	102,894	1,137	104,031
Investments in films and entertainment events, fair value through profit or loss ("FVPL")	-	4,555	4,555
Other current assets	83,459	(10,819)	72,640
Income tax receivables	407	980	1,387
Non-current assets			
Intangible assets and goodwill	237,086	(2,081)	235,005
Film intangibles and film inventories	20,277	(20,277)	-
Film intangibles	-	1,122	1,122
Investments in films and entertainment events, fair value through profit or loss ("FVPL")	-	21,339	21,339
Current liabilities			
Current income tax liabilities	2,279	164	2,443
Equity			
Accumulated losses	(46,677)	(1,652)	(48,329)
Non-controlling interests	42,337	(2,556)	39,781

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

23 Comparative figures (continued)

	As previously reported S\$	Adjustment S\$	As restated S\$
Group			
31 March 2023			
<u>Consolidation statement of financial position</u>			
Current assets			
Trade and other receivables	98,573	1,137	99,710
Investments in films and entertainment events, fair value through profit or loss ("FVPL")	-	4,504	4,504
Other current assets	115,357	(10,759)	104,598
Income tax receivables	247	980	1,227
Non-current assets			
Intangible assets and goodwill	46,147	(1,887)	44,260
Film intangibles and film inventories	20,267	(20,267)	-
Film intangibles	-	1,084	1,084
Investments in films and entertainment events, fair value through profit or loss ("FVPL")	-	21,131	21,131
Current liabilities			
Current income tax liabilities	1,068	164	1,232
Equity			
Reserves	(11,935)	1	(11,934)
Accumulated losses	(167,131)	(1,665)	(168,796)
Non-controlling interests	40,070	(2,577)	37,493
<u>Consolidation statement of comprehensive income</u>			
Revenue	134,285	(1,436)	132,849
Cost of sales	(106,611)	1,436	(105,175)
Other income			
- Other	666	(44)	622
Other (losses)/gains - net			
- Other	(1,835)	(42)	(1,877)
Administrative expenses	(15,324)	109	(15,215)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising from consolidation - gains	2,085	1	2,086
Items that will not be reclassified subsequently to profit or loss:			
- Currency translation differences arising from consolidation - gains	125	1	126

24 Subsequent events

Subsequent to 31 March 2024, 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 31 March 2024 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)

FY2024 vs FY2023

Revenue

The Group's revenue grew by approximately S\$64.8 million or 48.8%, from S\$132.8 million in FY2023 to S\$197.6 million in FY2024. It was mainly attributed to the gradual recovery of the Group's businesses from the adverse impacts of the COVID-19 pandemic. Further insights into the revenue performance of each segment are as follows:

Revenue from the Content business rose by approximately S\$15.2 million or 15.2%, from S\$99.9 million in FY2023 to S\$115.1 million FY2024. The increase was mainly attributable from:

- (i) higher revenue from production by S\$12.5 million or 13.8% as the segment completed more projects as compared to last financial year;
- (ii) higher distribution income by S\$3.4 million or 41.0% due to the higher cinema attendance following the easing of restrictions and higher revenue from drama production services sold to streaming platforms; and

partially offset by:

- (iii) a loss of approximately S\$0.9 million, arising from fair value loss on investment in films and entertainment events at FVPL.

Revenue from the Digital Entertainment business increased by approximately S\$4.2 million or 144.8%, from S\$2.9 million in FY2023 to S\$7.1 million in FY2024. The growth was mainly due to better performance from Digital and Live Experience Production up by S\$1.5 million and the remaining revenue from the consolidation of a newly acquired subsidiary.

Revenue from the Concert and Event business increased significantly by approximately S\$45.2 million or 154.8%, from S\$29.2 million in FY2023 to S\$74.4 million in FY2024 and partially offset by a fair value loss of approximately S\$1.6 million on investment in entertainment events at FVPL. The increase was due to the higher number of projects completed for the Promotion and Production business. 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\$1.7 million or 41.5%, from S\$4.1 million in FY2023 to S\$2.4 million in 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.

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 S\$40.3 million or 38.3%, from S\$105.2 million in FY2023 to S\$145.5 million in 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.

Gross profit

Gross profit increased by approximately S\$24.4 million, from S\$27.7 million in FY2023 to S\$52.1 million in 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 20.8% to 26.4%.

Other income

Other income in FY2024 remained fairly consistent as compared to FY2023. The other income was primarily attributable to government grants and interest income.

Other gains/losses - net

The Group recorded net other losses of approximately S\$1.2 million in FY2024, a significant improvement compared to the S\$26.6 million in losses from the previous year. This reduction in net losses was primarily due to fair value changes on financial instruments, which resulted in S\$5.2 million in gains, compared to S\$24.2 million in losses in the previous year.

Administrative expenses

Administrative expenses consist of the following:

	FY2024	FY2023
	S\$'000	S\$'000
Staff costs (excluding cost classified in cost of sales)	10,509	7,509
Professional fees	3,007	2,730
Depreciation and amortisation (including depreciation on rights-of-use)	4,242	2,218
Others	4,100	2,758
	<u>21,858</u>	<u>15,215</u>

The Group's administrative expenses increased by approximately S\$6.7 million or 44.1% from S\$15.2 million in FY2023 to S\$21.9 million in FY2024. The increase was attributed to:

- (a) an increase in staff cost by approximately a total of S\$3.0 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\$2.0 million, from S\$2.2 million in FY2023 to S\$4.2 million in FY2024, was mainly contributed by Concert and Event business.

Finance expenses

In the current reporting year, finance expenses are primarily comprising interest expenses on borrowings of S\$17.5 million (previous corresponding year: S\$8.5 million), an increase of S\$9.0 million or 105.9%, 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\$9.5 million or 108.0%, from S\$8.8 million in FY2023 to S\$18.3 million in 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\$10.1 million from S\$0.5 million in FY2023 to S\$10.6 million in FY2024. It was mainly attributable to 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:

	FY2024 S\$'000	FY2023 S\$'000
mm Connect Pte. Ltd. /Cinema Business ⁽¹⁾	(10,425)	-
Other immaterial associated companies	<u>(131)</u>	<u>(517)</u>
	<u><u>(10,556)</u></u>	<u><u>(517)</u></u>

⁽¹⁾ 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 21 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.

	FY2024 S\$'000	FY2023 S\$'000
Revenue	37,513	47,738
Expenses include,		
- Depreciation of plant and equipment and right-of-use assets	(13,801)	(17,890)
- Impairment on goodwill	-	(117,677)
- (Loss)/gain on fair value of convertible securities	(2,554)	2,554
- Loss on foreign exchange, net	(384)	(3,113)
Net loss for the financial year	<u><u>(10,425)</u></u>	<u><u>(130,820)</u></u>

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

Pro forma net loss for the financial year (after excluded impairment, fair value on convertible securities and loss on unrealised foreign exchange)	<u><u>(7,487)</u></u>	<u><u>(12,584)</u></u>
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Cinema business revenue decreased by approximately S\$10.2 million or 21.4%, from S\$47.7 million in FY2023 to S\$37.5 million in FY2024, mainly due to the closure of three (3) cinema outlets in Singapore and lower admission. With the closure of three (3) cinema outlets, the net loss for the financial year has reduced from S\$12.6 million to S\$7.5 million.

Loss before income tax

As a result of the aforementioned, the Group's financial performance improved significantly, shifting from a pre-tax loss of S\$22.8 million to a pre-tax profit of S\$0.8 million. The improvement was primarily driven by the enhanced performance of all business segments, particularly the Concert and Event business.

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)

31 March 2024 vs 31 March 2023

Current assets

Current assets increased by S\$38.1 million or 17.0%, from S\$223.6 million to S\$261.7 million contributed by:

- (i) a net increase in trade and other receivables by approximately S\$14.4 million or 14.4% from S\$99.7 million to S\$114.1 million mainly attributable to the Content business;
- (ii) 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\$24.1 million or 23.0%, from S\$104.6 million to S\$128.7 million due to an increase of number of ongoing projects. These project costs will be recognised as the cost of sales upon completion; and

partially offset by:

- (iii) a decrease in cash and cash equivalents by approximately S\$1.6 million or 17.0%, from S\$9.4 million to S\$7.8 million, mainly due to cash provided by operating activities of S\$5.2 million, cash utilised in investing activities and financing activities for S\$4.2 million and S\$2.1 million respectively (refer to Review of Cash Position for details).

Non-current assets

Non-current assets decreased by S\$12.3 million or 6.1%, from S\$201.5 million to S\$189.2 million contributed by:

- (i) an increase in property, plant and equipment (including right-of-use assets) by approximately S\$2.0 million or 13.2% was mainly due to the Concert and Event business;
- (ii) an increase in investment in films and entertainment events, at FVPL by approximately S\$3.7 million or 17.5% was mainly due to the Content business;

partially offset by:

- (iii) a decrease in investments in associated companies by S\$10.2 million or 11.0% mainly due to the share of losses of associated companies, particularly mm Connect Pte. Ltd.; and
- (iv) a decrease in film rights by approximately S\$3.0 million or 12.7% was mainly due to amortisation expenses of S\$3.0 million.

Current liabilities

Current liabilities increased by S\$24.8 million or 12.0%, from S\$206.3 million to S\$231.1 million contributed by:

- (i) a net increase in trade and other payable by S\$20.4 million or 28.9%, mainly attributed by Content business;
- (ii) short-term borrowings increased by approximately S\$8.4 million or 7.1%, from S\$117.6 million to S\$126.0 million. This increase was primarily due to the reclassification of convertible securities of S\$25.1 million from non-current liabilities to current liabilities during the current reporting year; and

partially offset by:

- (iii) repayment of bank borrowings approximately S\$33.7 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$23.8 million or 18.1%, from S\$131.4 million to S\$107.6 million mainly due to (i) higher borrowings from the issuance of Convertible securities amounted to S\$14.0 million by a subsidiary, mmLive Pte. Ltd.; partially offset by (ii) a reduction S\$13.0 million 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; and (iii) the reclassification of convertible securities of S\$25.1 million from non-current liabilities to current liabilities during the current reporting 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 Cash Position (Consolidated Statement of Cash Flow)

31 March 2024 vs 31 March 2023

As at 31 March 2024, the Group's cash and cash equivalents, net of bank overdraft, amounted to approximately S\$7.7 million, as compared to S\$8.9 million in the corresponding year. The decrease in cash and cash equivalents mainly arose from:

(a) Net cash provided by operating activities

In current reporting year, 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\$10.6 million;
- (ii) expected credit loss on financial assets, net of S\$5.8 million;
- (iii) loss on fair value changes in investment in films and entertainment events, at FVPL, net of S\$2.1 million; and

partially offset by:

- (iii) gain on fair value changes in derivative financial instruments of S\$7.3 million.

Accordingly, the Group generated approximately S\$43.1 million net cash inflow from operating activities before net working capital changes as compared to S\$39.1 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 S\$5.2 million (previous corresponding year: S\$8.9 million). The net working capital changes are derived from:

- (i) a net increase in trade and other receivables of S\$18.3 million mainly attributed by Content business;
- (ii) a net increase in other current assets of S\$24.9 million due to higher project costs incurred and a higher number of projects;
- (iii) a net increase in investment in films and entertainment events of S\$7.6 million;
- (iv) a net increase in trade and other payables of S\$21.9 million was mainly due higher business activities;
- (v) a net decrease in contract liabilities of S\$7.3 million due to higher completion of projects; and
- (vi) corporate tax payments of S\$0.1 million during the year are mainly from Content business.

(b) Net cash used in investing activities

In current reporting year, net cash outflows from investing activities amounted to approximately S\$4.2 million as compared to S\$1.3 million outflows in the previous corresponding year, was mainly contributed by:-

- (i) addition of property, plant and equipment of S\$4.4 million; contributed by Concert and Event business.

(c) Net cash generated from financing activities

In current reporting year, net cash outflows from financing activities amounted to approximately S\$2.1 million (previous corresponding year: S\$12.3 million), mainly contributed by:

- (i) proceeds from the issuance of rights shares of approximately S\$27.9 million;
- (ii) proceeds from bank borrowings approximately S\$37.7 million mainly derived from the Content business;
- (iii) proceeds from the issuance of new convertible securities for S\$14.0 million by the mmLive Pte. Ltd.;
- (iv) repayment of borrowings for S\$71.4 million was mainly derived from the Content and Concert and Event business;
- (v) repayment of lease liabilities of S\$0.5 million was mainly contributed by the Content and Digital Entertainment business; and
- (vi) interest payments of S\$9.4 million (comprising interest on borrowings of S\$9.3 million and interest on lease liabilities of S\$0.1 million).

As a result, the Group recorded a net cash decrease of approximately S\$1.1 million in the current reporting year, as compared to a net cash decrease of approximately S\$4.7 million in the previous corresponding year.

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.

Storytelling 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 in the region and beyond.

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 year 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 period under review.

8 Update on Use of proceeds

Issuance of Rights Shares

On 26 January 2024, the Company successfully raised 1,395,304,000 Rights shares with aggregated gross proceeds of S\$27.9 million. All of the Rights Shares are fully subscribed and paid for.

As at the date of this announcement, the status of proceeds in Singapore dollar is as follows:

	Intended Use of Net Proceeds	Amount Allocated S\$'000	Amount Utilised S\$'000	Balance of Net Proceeds S\$'000
(a)	Repayment of borrowings	15,590	15,590	-
(b)	Expenses incurred in relation to Rights Issues ⁽¹⁾	434	434	-
(c)	General working capital	11,882	11,882	-
		27,906	27,906	-

(1) Expenses incurred in relation to the Private Placement relate to Professional Fees, Underwritten Commissions and Manager fees.

(2) General working capital includes payment to suppliers in connection with productions projects and other operating costs. The \$11.9 million has been applied towards general working capital for project related expenses of approximately \$5.2 million and for cinema business of approximately \$6.7 million.

9 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 2024 to be false or misleading, in any material aspect.

10 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).

11 Disclosure pursuant to Rule 706A of the Listing Manual

On 18 December 2023, mm2 Entertainment Sdn. Bhd. ("mm2 Entertainment"), a wholly-owned subsidiary of the Company, incorporated a new subsidiary in Malaysia named Komet Studios Sdn. Bhd., in which it holds a 51% stake. The principal activity of this new entity is the production and distribution of movies, television, and music investments.

12 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 2024