MM2 ASIA LTD.

ANNUAL REPORT 2019

INFINITE POSSIBILITIES

Infinite Possibilities

The transmission of the very first colour televisions was a result of the skillful layering of three spirals of apertures, each with a filter of a different primary colour, and three light sources to illuminate the display. This ingenious usage of the three primary colours created a dynamic array of images with infinite possibilities. A palette of merely three colours served as the bedrock of our first colour displays, presenting the world in its complex hues to an increasingly curious audience.

Therein lies the spirit of creativity and innovation. If these visionaries had not possessed the creativity to see beyond the confines of black and white imagery, we would not have had the tools to tell our stories visually through high resolution displays of today.

The theme for our annual report this year models that of the test card used in the first colour televisions, reflecting the spirit of how we are able to generate infinitely exciting and creative content with the simplest of themes.

CONTENTS

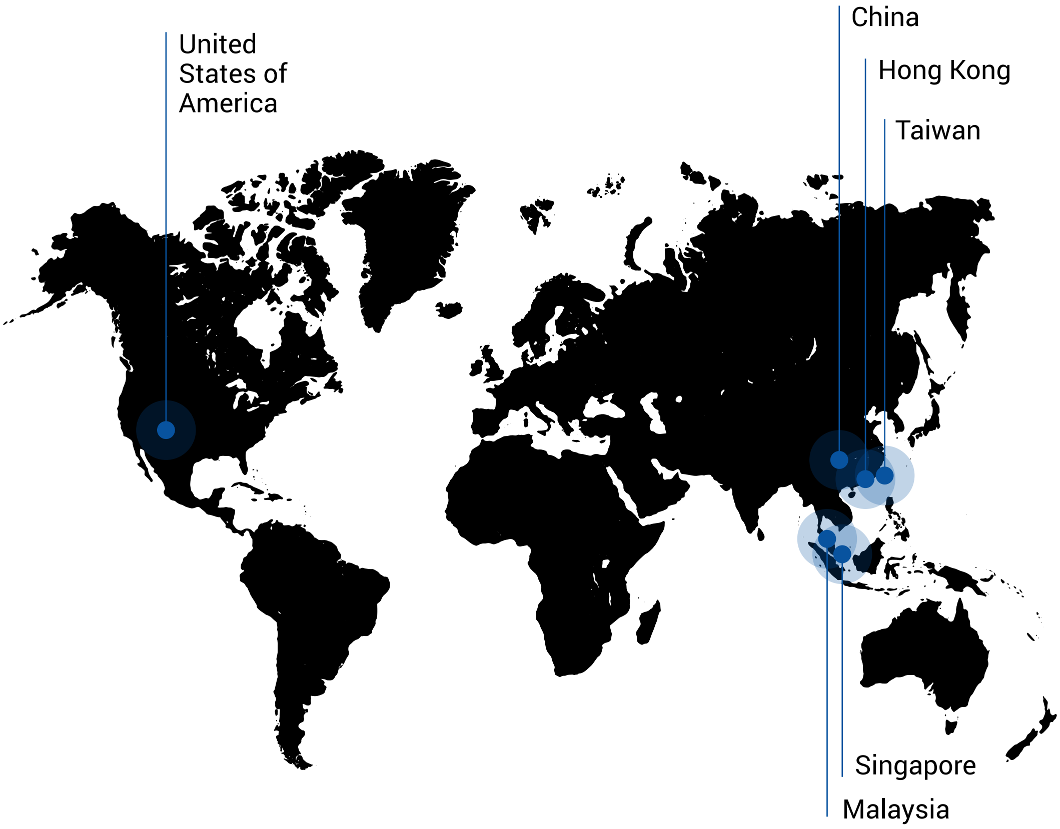
CORPORATE PROFILE

Headquartered in Singapore, mm2 Asia Ltd. ("mm2 Asia", or the "Group") champions "Content and Media for Asia", with integrated businesses across the content, immersive media, cinema, event and concert industries in Singapore, Malaysia, Hong Kong, Taiwan, China and the United States of America.

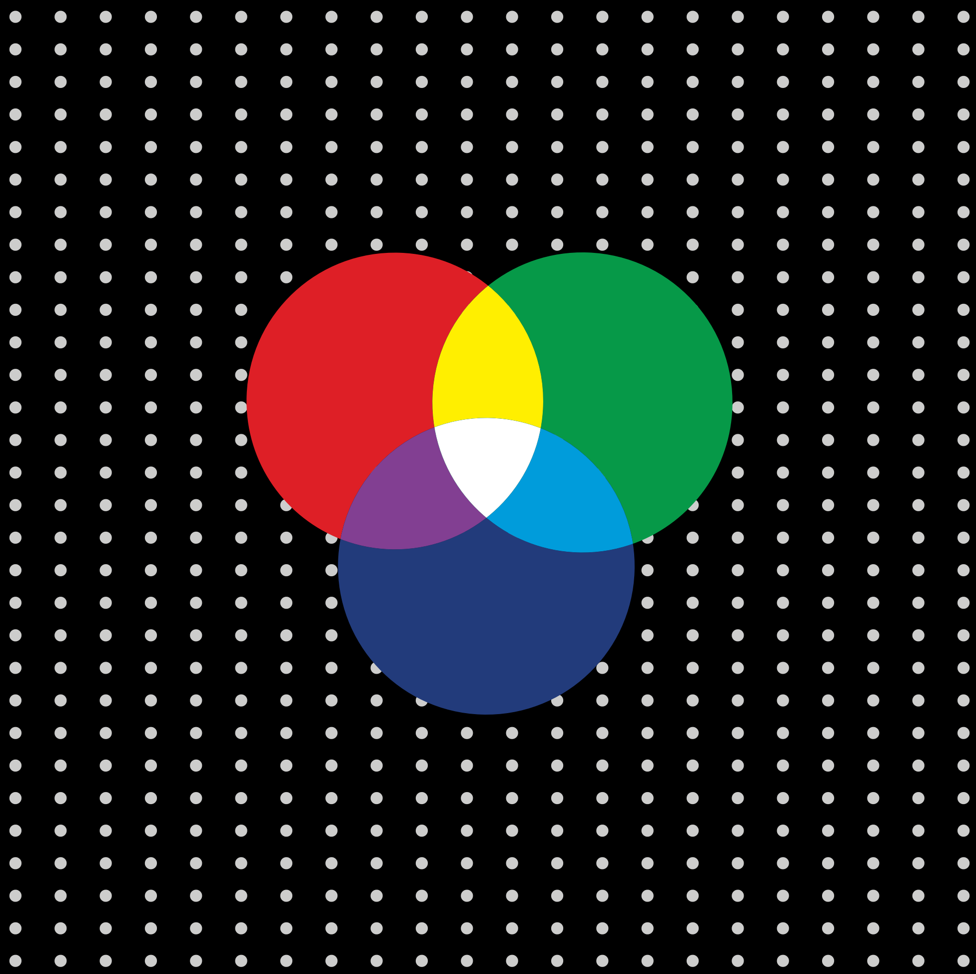
Since our listing on the Catalist Board of SGX-ST in December 2014, and the successful transfer to the Mainboard of SGX-ST in August 2017, mm2 Asia has strengthened its competitive advantage through its acquisitions of a majority stake in an award-winning virtual reality, visual effects and computer-generated imagery studio, Vividthree Holdings Ltd. (SGX Stock Code: OMK), and an event production and concert promotion company, UnUsUaL Limited (SGX Stock Code: 1D1). With the establishment of mmCineplexes and the acquisition of Cathay Cineplexes Pte. Ltd., mm2 Asia is currently one of the key cinema operators in Malaysia and Singapore.

The Group's primary business activities are:

1. Core Business – Content Production, Distribution and Sponsorship
2. Post-Production and Content Production ("Post and Content Production")
3. Cinema Operations ("Cinema Business")
4. Event Production and Concert Promotion ("Concert and Event")

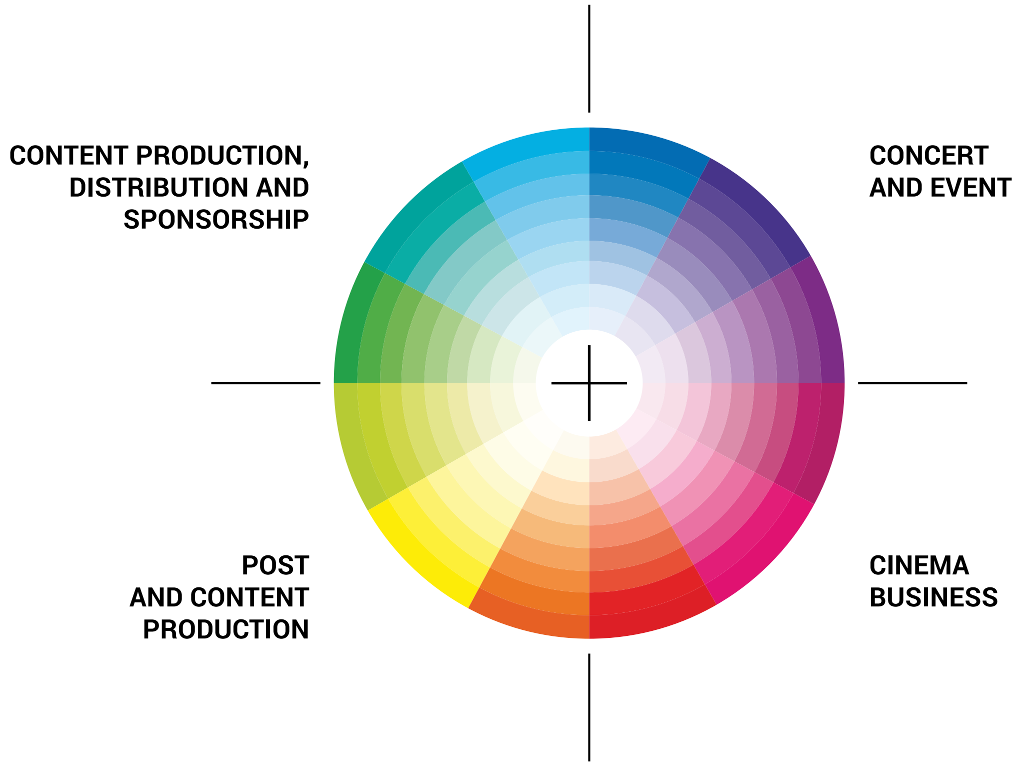


OUR
VALUES



ACCOUNTABILITY • BOLDNESS • COLLABORATION

OUR BUSINESS



CONTENT PRODUCTION, DISTRIBUTION AND SPONSORSHIP

The Group's core business lies in film, TV and online content production, distribution and sponsorship. As a producer, mm2 Asia provides services across the entire content value chain, allowing us to derive revenue from all relevant stages of the filmmaking process – from inception to exhibition.

Production Income
The Group derives production income from producer and consultancy fees, producer's bonuses, government subsidies, script development, exploitation of copyrights, pre-production, principal photography and other contributions.

Distribution Income
Distribution income is derived through the distribution of content produced by the Group or third parties across various platforms – cinemas, Pay TV, Free TV, online, DVD, airlines and others. For films mm2 Asia has a stake in, we are entitled to a percentage of net receipts from the films distributed across these platforms. The Group also receives commissions from script licensing and other post-release licensing agreements such as adaptation and sequel rights.

Sponsorship Income
The Group derives sponsorship income through offering content and platform solutions to advertisers to promote their products and services.

POST AND CONTENT PRODUCTION

vividthree

The Group offers post and content production services and immersive experiences through Vividthree Holdings Ltd. and its subsidiaries ("Vividthree"). Vividthree is a virtual reality ("VR"), visual effects ("VFX") and computer-generated imagery ("CGI") studio that develops and creates digital intellectual property assets that primarily consist of storylines with accompanying characters and visual elements. Vividthree develops and acquires digital intellectual property assets to produce VR products, such as thematic tour shows. Vividthree also provides post-production services mainly in VFX, CGI and other post-production services for clients, such as film producers, corporate clients and advertising agencies.

VIVIDTHREE HOLDINGS LTD. WAS SUCCESSFULLY LISTED ON THE CATALIST BOARD OF SGX-ST (STOCK CODE: OMK) ON 25 SEPTEMBER 2018.

Notable Post-Production Works

CINEMA BUSINESS

CATHAY CINEPLEXES

mmCINEPLEXES

The Group is currently the only player managing and operating cinemas in both Malaysia and Singapore. Following our acquisitions of cinema businesses in Malaysia, the Group now operates 142 screens across 19 locations in Malaysia under the brand "**mmCineplexes**". In Singapore, we completed our acquisition of Cathay Cineplexes Pte. Ltd. in the previous financial year. As the second-largest cinema operator in Singapore, we operate 64 screens across 8 locations under the brand "**Cathay Cineplexes**".

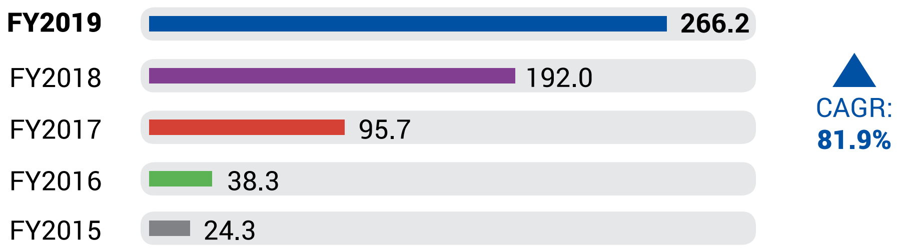
CONCERT AND EVENT

UnUsUaL™ 飛凡有限公司 LIMITED

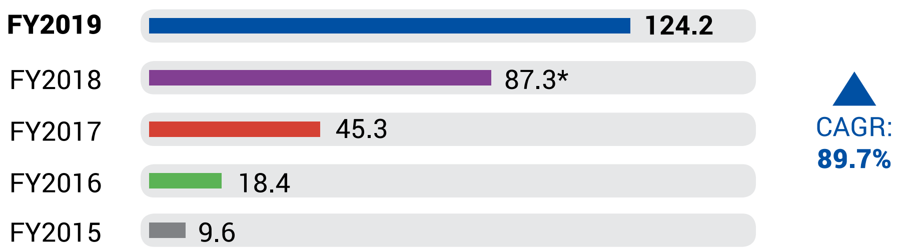
UnUsUaL Limited ("UnUsUaL"), is listed on the Catalist Board of SGX-ST (Stock Code: 1D1) and is the Group's event production and concert promotion's arm. UnUsUaL produces and promotes large-scale events and concerts for renowned artistes and showrunners, offering comprehensive creative and technical solutions for events and concerts in Singapore and beyond.

FINANCIAL HIGHLIGHTS

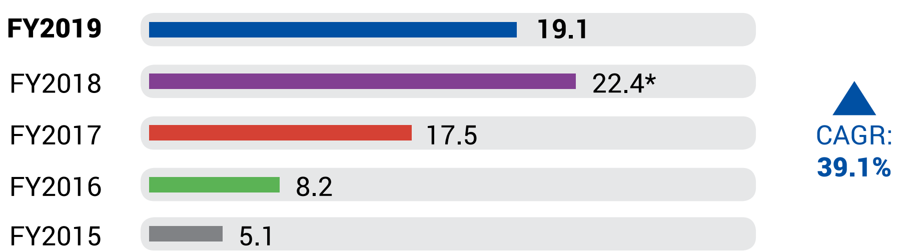
REVENUE
($ MILLION)



GROSS PROFIT
($ MILLION)

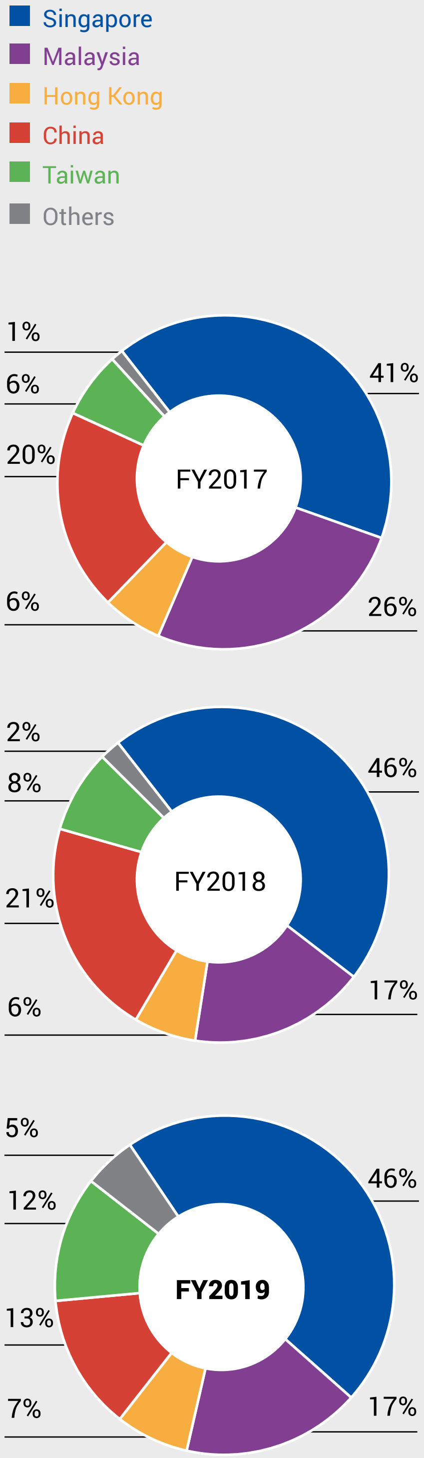


NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS
($ MILLION)



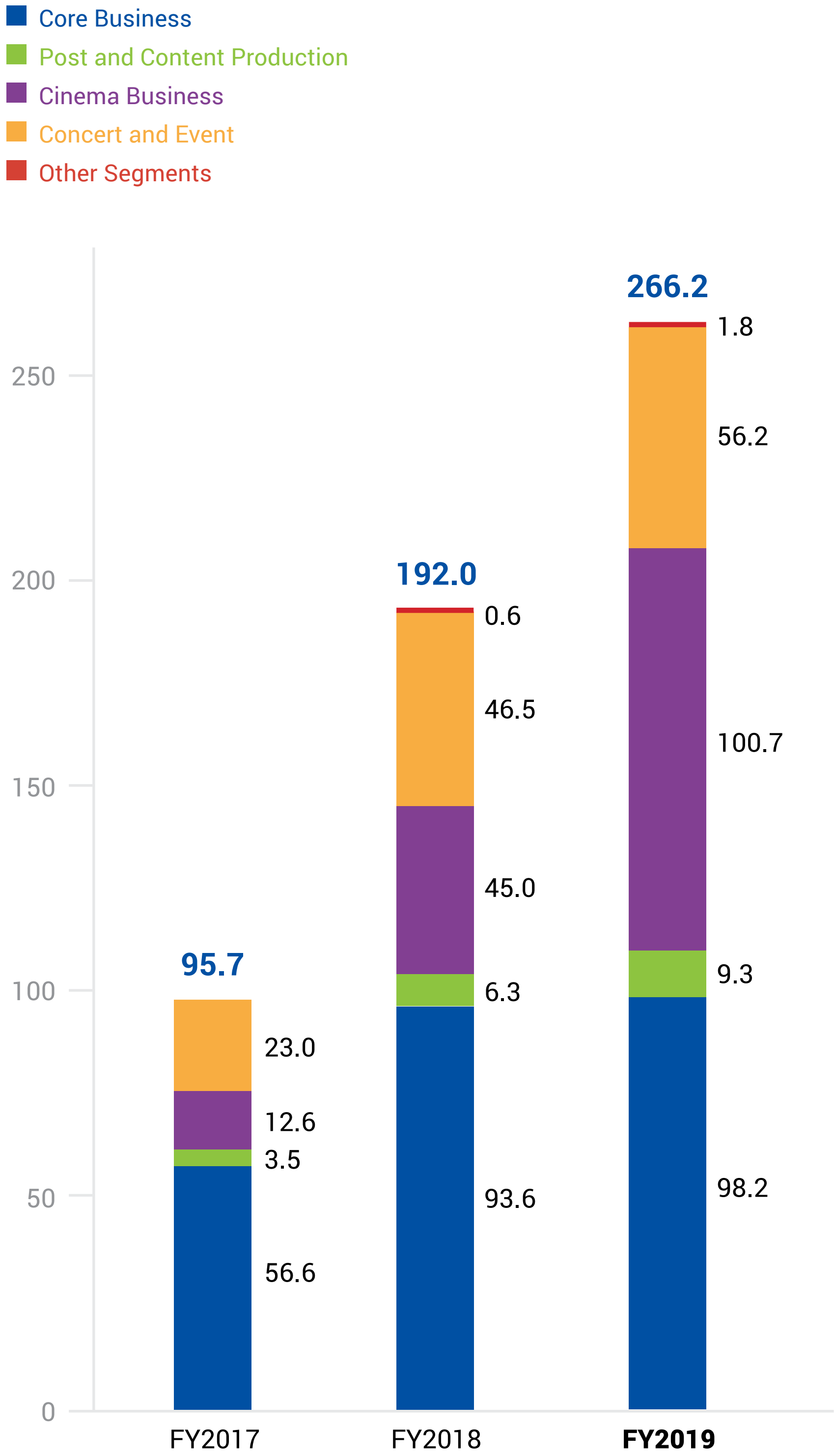
** As restated*

REVENUE BREAKDOWN BY GEOGRAPHICAL LOCATION



REVENUE BREAKDOWN BY BUSINESS SEGMENTS

($ MILLION)



OUR FINANCIAL & OPERATIONS REVIEW

THE GROUP RECORDED REVENUE OF $266.2 MILLION, AN INCREASE OF $74.2 MILLION OR 38.6% FROM $192.0 MILLION IN THE FINANCIAL YEAR ENDED 31 MARCH 2018.

REVIEW OF FINANCIAL PERFORMANCE

Revenue

In the financial year ended 31 March 2019 ("FY2019"), the Group recorded revenue of $266.2 million, an increase of $74.2 million or 38.6% from $192.0 million in the financial year ended 31 March 2018 ("FY2018"). The increase was mainly contributed by our cinema operations segment, which recorded an increase of $55.7 million as, in FY2019, the Group consolidated full 12-month financial results of the previous financial year's acquisitions of subsidiary, Cathay Cineplexes Pte. Ltd.'s ("CCPL"), and cinema business assets in Malaysia as opposed to 4 months and 6 months respectively in FY2018. Apart from that, the increase in revenue was also contributed by our event production and concert promotion segment, UnUsUaL Limited, and post and content production segment, Vividthree Holdings Ltd., which recorded increases of $9.7 million and $3.0 million respectively. The Group's core business segment grew by $4.6 million, from $93.6 million in FY2018 to $98.2 million in FY2019.

Cost of Sales

Cost of sales increased by $37.3 million, or 35.6%, from $104.7 million in FY2018 to $142.0 million in FY2019. The increase was in tandem with the increase in revenue from each of the segments. However, the increase was mainly contributed by cinema operations as, in FY2019, the Group consolidated the full-year financial results of the previous financial year's acquisitions as mentioned above.

Gross Profit

The Group's gross profit was uplifted approximately by $36.9 million or 42.3%, from $87.3 million in FY2018 to $124.2 million in FY2019. The increase corresponded to the revenue growth in all Group's segments. The Group's gross profit margin in FY2019 was approximately at 46.7% as compared to FY2018 with marginal increase.

Other Income

Other income increased by $3.6 million or 400.0%, from $0.9 million in FY2018 to $4.5 million in FY2019. The increase was mainly due to recognition of gains on fair value changes in deferred consideration amounting to $3.6 million during FY2019.

Other (Losses)/Gains-Net

The other (losses)/gains-net were mainly arising from recognition of expected credit loss on financial assets amounting to $2.1 million in FY2019.

Administrative Expenses

Administrative expenses increased by $22.9 million or 48.7%, from $47.0 million in FY2018 to $69.9 million in FY2019. The increase in administrative expenses was mainly due to, in FY2019, the Group's consolidation of the full 12-month financial results of the previous financial year's acquisitions. The increase in administrative expenses was also due to the expansion of post and content production segment since the listing of Vividthree Holdings Ltd.. Overall, the increase was generally due to the Group's expansion of its businesses and operations.

Finance Expenses

Finance expenses increased by $13.0 million or 265.3%, from $4.9 million in FY2018 to $17.9 million in FY2019. The increase was due to finance expenses arising from the issuance of convertible bonds and notes in last quarter of FY2018, issuance of medium term note programme ("MTN") and drawdown of bank borrowings during the FY2019.

Share of Profits of Associated Companies and Joint Venture

The share of profits of associated companies and joint venture decreased by $90,000 or 80.4%, from $112,000 in FY2018 to $22,000 in FY2019. The decrease was mainly due to lower profits generated by our associated companies in FY2019 as compared to FY2018.

Profit Before Income Tax

As a result of the above-mentioned, the Group achieved profit before income tax of $39.8 million in FY2019 from $36.6 million in FY2018, an increase of $3.2 million or 8.7%.

REVIEW OF FINANCIAL POSITION

As at 31 March 2019, the Group maintained a healthy financial position. Total assets amounted to $665.7 million, an increase of $83.5 million from as at 31 March 2018, while total liabilities amounted to $399.1 million, from $373.7 million as at 31 March 2018.

Current assets increased by $51.3 million or 21.7%, from $236.3 million as at 31 March 2018 to $287.6 million as at 31 March 2019, representing 43.2% of the Group's total assets. Trade and other receivables increased by $72.8 million, mainly contributed by segments from core business and event production and concert promotion, and post and content production. Moreover, other current assets increased by $52.1 million, mainly contributed by the core business segment. Apart from that, cash and cash equivalents decreased by $74.6 million as a result of repayment of the deferred purchase consideration for the acquisition of CCPL.

THE GROUP ACHIEVED PROFIT BEFORE INCOME TAX OF $39.8 MILLION IN FY2019 FROM $36.6 MILLION IN FY2018, AN INCREASE OF $3.2 MILLION OR 8.7%.

TOTAL ASSETS
$665.7 million

TOTAL LIABILITIES
$399.1 million

TOTAL EQUITY
$266.6 million

HEALTHY FINANCIAL POSITION

OUR FINANCIAL & OPERATIONS REVIEW

Non-current assets increased by $32.2 million or 9.3%, from $345.9 million as at 31 March 2018 to $378.1 million as at 31 March 2019, representing 56.8% of the Group's total assets. The increase in non-current assets was largely due to the increase of $24.5 million in film rights and $10.3 million in film intangibles and film inventories, contributed by the core business segment. Included in non-current asset as at 31 March 2019 are the long-term trade and other receivables of $3.5 million which comprise deposits. The increase in non-current assets was offset with the decrease in property, plant and equipment by $5.7 million largely due to depreciation charges in FY2019.

Current liabilities decreased by $95.4 million or 32.8% from $291.0 million as at 31 March 2018 to $195.6 million as at 31 March 2019, representing 49.0% of the Group's total liabilities. This was mainly due to repayment of the deferred purchase consideration for the acquisition of CCPL that amounted to $215.0 million, but was offset with the increase in trade and other payable of $73.3 million (excluding the repayment of the deferred consideration), contract liabilities of $13.3 million, and borrowings of $31.8 million.

Non-current liabilities increased by $120.8 million or 146.1%, from $82.7 million as at 31 March 2018 to $203.5 million as at 31 March 2019, representing 51.0% of the Group's total liabilities. This was mainly due to the issuance of MTN and drawdown of bank loans during FY2019.

REVIEW OF STATEMENT OF CASH FLOWS

As at 31 March 2019, the Group's cash and cash equivalents amounted to $18.6 million as compared to $92.2 million as at 31 March 2018.

Net Cash Generated from Operating Activities

In FY2019, the Group generated net cash inflow of $76.9 million from operating activities before net working capital changes of $62.5 million in cash outflows. The Group's net working capital outflow was mainly attributable to the segments of core business, event production and concert promotion and post and content production.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to $238.3 million, of which $215.0 million was utilised for repayment of the deferred purchase consideration for the acquisition of CCPL, $29.8 million to acquire film rights, $4.6 million to purchase property, plant and equipment and $13.8 million of deposit paid for acquisition of intangible assets. The cash outflows in investing activities were offset with proceeds of $25.8 million from the disposal of partial investment of the Group's stake in a subsidiary.

Net Cash Generated from Financing Activities

Net cash of $150.3 million generated from financing activities was mainly due to cash inflows of $233.4 million arising from the drawdown of bank borrowings, including issuance of MTN and loan notes. In additions, there was cash inflow of $11.5 million pursuant to the issuance of shares by a subsidiary, Vividthree Holdings Ltd. through an initial public offering. The cash generated from financing activities was offset against cash outflows from repayment of borrowings of $133.8 million, interest payments of $8.8 million and dividend paid by a subsidiary to non-controlling interest of $10.0 million.

FUTURE OUTLOOK

In FY2019, the Group will maintain its focus on Asian entertainment and media, specifically in the following three areas:

Regional Expansion

The Group continues to enter into slate deals to co-produce high-quality digital and live content with international content distributors. North Asia, in particular China, Taiwan and Hong Kong, contributed 32% of the Group's revenue in FY2019, and remains a region brimming with growth opportunities. In December 2018, a regional Chinese movie channel announced their intention to invest in, and co-produce a slate of four feature films developed by our subsidiary, mm2 Entertainment Pte. Ltd. Previously, in May 2018, mm2 Asia formed a slate financing partnership with South Korea's major content player whereby mm2 Asia would co-finance six Southeast Asian films, over a 3 year period. In April 2018, UnUsUaL also welcomed strategic participation from influential regional investors, which will give UnUsUaL enhanced access to business networks in the region. The Group aims to further enhance its corporate profile, branding and market awareness in the North Asian markets where it currently operates; and to explore the possibility of seeking a foreign listing of some of the Group's key assets and businesses, which may include the Cinema business, to further enhance shareholder value.

Synergised Content and Platform Business

The Group sees great potential in developing strategic platforms and capabilities to deliver our content to urbanising Asian audiences, primarily through cinemas, concerts, virtual reality tour shows and digital platforms. In September 2018, our subsidiary, Vividthree was successfully listed on the Catalist board of SGX-ST (Stock Code: OMK). Notably, Vividthree has completed the production of Train to Busan Virtual Reality Tour Show in Beijing during FY2019 and the tour show will be travelling to Xiamen, China in the next financial year. The Group's newly invested 51%-owned subsidiary, AsiaOne Online Pte. Ltd., with equity participation by Singapore Press Holdings Limited, will also be promoting entertainment-focused content to increasingly digitally apt content consumers. In July 2018, the Group took up a minority stake in a performing arts school, Académie of Stars Pte. Ltd., to enhance our ability to scout and groom budding talents.

Content Creation Capabilities

The Group continues to create content for cinema, TV and other formats. In FY2019, the Group has won several awards for our films. Among our productions, Singapore film "A Land Imagined" won the Golden Leopard at the 71st Locarno Film Festival, and Malaysian film "Guang" was nominated for Best Film, Best Director, Best Actor and Best Actress in the Asian New Talent Award category at the 21st Shanghai International Film Festival. The Group will continue to invest in talent development and high-quality, regionally appealing content to strengthen our value proposition as a content creator for Asia. In August 2018, UnUsUaL Limited entered into a binding Heads of Agreement ("HOA") with an American production partner to develop and produce APOLLO, a show that celebrates the 50th anniversary of man's first steps on the moon. UnUsUaL is moving up the supply chain to become an intellectual property owner.

CORPORATE MILESTONES

2014

Listing on the Catalist Board of SGX-ST

2015

Acquisition of 51% issued share capital in Vividthree Productions Pte. Ltd.

First acquisition of cinema business in Malaysia

Acquisition of 70% issued share capital in mm2View Pte. Ltd.

2016

Second acquisition of cinema business in Malaysia

Acquisition of 51% issued share capital in UnUsUaL Pte. Ltd. (now known as UnUsUaL Limited)

2018

Issuance of $47.85 million convertible bonds and notes by a subsidiary, mm Connect Pte. Ltd. in February 2018

Establishment of US$300 million Guaranteed Multicurrency Medium Term Note Programme (“MTN”), listed and quoted in Bond Market in April 2018

Joint operation of a newly incorporated subsidiary, AsiaOne Online Pte. Ltd., (“AsiaOne”) with Singapore Press Holding Limited (“SPH”). mm2 Asia owns 51% of AsiaOne’s issued share capital

Joint venture business of performing arts school with Academie of Stars Pte. Ltd. (“Académie”). mm2 Asia owns 19% of Académie’s issued share capital

Listing of our subsidiary, Vividthree Holdings Ltd., on Catalist Board of SGX-ST on 25 September 2018

2017

Listing of our subsidiary, UnUsUaL Limited, on Catalist Board of SGX-ST

Successfully transferred from Catalist Board to Mainboard of SGX-ST

Third acquisition of cinema business in Malaysia

Acquisition of 100% issued share capital in Cathay Cineplexes Pte. Ltd.

GROUP STRUCTURE

As at 31 March 2019

mm2 Asia Ltd.

- 51% **UnUsUaL Management Pte. Ltd.**
  - 76.88% UnUsUaL Limited*
    - 100% UnUsUaL Entertainment International Limted
    - 100% UnUsUaL Development Pte. Ltd.
    - 100% UnUsUaL Productions (M) Sdn. Bhd.
    - 100% UnUsUaL Productions Pte. Ltd.
    - 100% UnUsUaL Culture Development Co., Ltd. 三优文化发展（上海）有限公司
    - 100% UnUsUaL Entertainment Pte. Ltd.
      - 100% Mercury Rights Pte. Ltd.
- 100% **mm Connect Pte. Ltd.**
  - 100% mm2 Screen Management Sdn. Bhd.
    - 100% mm2 Star Screen Sdn. Bhd.
    - 30% River Front Mega Cineplex Sdn. Bhd.**
  - 100% mm Plus Pte. Ltd.
    - 100% Cathay Cineplexes Pte. Ltd.
- 100% **mm2 Entertainment Pte. Ltd.**
  - 100% mm2 Entertainment USA, Inc
  - 100% mm2 International Co., Ltd. 满满哆文化传媒（上海）有限公司
  - 100% 2mm Pte. Ltd.
  - 100% mm2 Entertainment Hong Kong Limited
- 41.53% **Vividthree Holdings Ltd.***
  - 100% Vividthree Co., Ltd. 蔚视丰隆文化发展（上海）有限公司
  - 100% Vividthree Productions Pte. Ltd.
    - 100% Vividthree Productions Sdn. Bhd.
- 100% **mm2 Entertainment Sdn. Bhd.**
  - 45% Dreamteam Studio Sdn. Bhd.***
  - 49% mm2 Film Distribution Sdn. Bhd.***
- 15% **RINGS.TV Pte. Ltd.*****
- 51% **Dick Lee Asia Pte. Ltd.**
- 70% **mm2view Pte. Ltd.**
- 51% **AsiaOne Online Pte. Ltd.**
- 19% **Academie of Stars Pte. Ltd.*****

* *Listed on Catalist Board of SGX-ST*
** *Joint venture company*
*** *Associated company*

HAPPINESS

IN THE WORK THAT YOU DO

TRANSLATES TO

LOVE

FOR THE PEOPLE WHO WORK WITH YOU

WHICH TRANSCENDS TO

EFFORT

FOR THE BETTERMENT OF OUR INDUSTRY

EXECUTIVE CHAIRMAN'S STATEMENT

Dear Shareholders,

I share with you, with great joy, that throughout FY2019, we kept building upon our fundamentals and consequently, charted encouraging performance. We have continually established ourselves as a leading media and content company in Asia and we hope that our sustained performance would continue to instil confidence in our endeared shareholders.

Our resolve to be among the best media and entertainment companies against the backdrop of an ever-changing industry landscape has never wavered. One of the biggest highlights of FY2019 was the successful listing of Vividthree Holdings Ltd. on the SGX Catalist Board. We also took significant steps to embrace digital media as a relevant medium of content creation and distribution, as evidenced by our collaborations on content creation with many established content delivery platforms from across the region. On the digital front, we are ready to gear AsiaOne, our partnership with Singapore Press Holdings, to move into full swing, as well as to explore other online platforms to provide lifestyle and entertainment content to audiences in the region.

With respect to our values, we hold ourselves accountable, increasing the vibrancy of our media ecosystem. We continue to identify good talents and IPs to create and distribute greater content, tapping, with boldness, into our network across the Chinese-speaking markets in Asia. We have also strengthened our collaborations with Southeast Asian partners, taking meaningful steps towards producing non-Chinese language content for consumers in this region.

In the coming years, we stand firm in our position to become a dominant media and entertainment company in Asia. As long as Asian consumers continue to demand high-quality content, we will continue to seize the opportunities to invest in, and develop businesses in content creation and delivery.

On behalf of the Group, I would like to thank all our shareholders and business partners, my fellow Board members, all management and staff of the group for their continued support.

MELVIN ANG
Founder and Executive Chairman

CEO'S STATEMENT

Dear Shareholders,

FY2019 was a year of many 'firsts' for us. We had our first remake of a movie that smashed box office records across key markets in Asia. We won our first Golden Leopard at the 71st Locarno Film Festival. We had our first foray into immersive virtual reality in China. We had our first full year of operating cinemas in Singapore. Just to mention a few notable ones.

The stories behind our 'firsts' reflect the common theme of our growth narrative, of staying true to our fundamentals in driving IP creation and content production, in expanding geographically, and in delivering platform experiences. This unwavering focus has reaped us ample rewards. Against a challenging economic backdrop with threatening headwinds on several fronts, we are happy to have delivered positive results for all our business segments in the year.

We are especially heartened by the performance of our cinema operations. The benefit from the synergy of our production, distribution and exhibition businesses is massive. We will continue to work on unleashing the full value of our cinema operations, leveraging the collective capabilities and strengths across the Group.

Moving forward, our 3 key growth drivers of IP creation and content production, strategic geographical expansion, and delivery of platform experiences will continue to be our key areas of focus. For content, in addition to a strong pipeline of movie productions, we expect to see significant growth in digital content production, fueled by the growing demands of Over-the-Top (OTT) players and commercial clients. Geographically, growing North Asia remains our top priority. Southeast Asia ("SEA") will be an important market as we step up our collaborations with more co-production partners.

The Cinema business and Concert and Event business will continue to lead our delivery of platform experiences. We see tremendous growth opportunities in the digital space for our platform business. AsiaOne is our first digital asset that aims to be the 'go-to' destination for trending news and lifestyle/entertainment content.

I would like to express my heartfelt gratitude to our shareholders and stakeholders for the year's remarkable achievements. Further, I would like to extend my appreciation to our dedicated management and staff's efforts and resilience in responding to the market challenges. With your support, we are confident that the best is yet to come.

CHANG LONG JONG
Group CEO

BOARD OF DIRECTORS

MELVIN ANG
Founder, Executive Chairman

Melvin Ang is the Founder and Executive Chairman of mm2 Asia, responsible for supervising the overall business operations and management of the Group, as well as business planning and providing executive leadership and supervision to the Group's senior management team.

Mr Ang graduated from Macquarie University with a Master of Business Administration in 1996. In August 1997, he was employed by the Television Corporation of Singapore as Vice President, Business Development. Mr Ang was subsequently employed by SPH MediaWorks Ltd the Chief Operating Officer of its Media Business Group between November 2000 and April 2003.

Between July 2003 and March 2007, Mr Ang was employed as Managing Director of Mediacorp Studios. Before setting up mm2 Malaysia and mm2 Singapore in January 2009, he served as Media Prima Berhad's ("Media Prima") Executive Advisor between July 2007 and December 2008.

TAN LIANG PHENG
Lead Independent Director

Tan Liang Pheng is the Group's Lead Independent Director and Chairman of the Remuneration Committee. He worked for 35 years in two multinational corporations, responsible for their accounting, treasury and financial functions. He later sat on the Board of Directors of Tetra Pak Group of Companies in Singapore. In 2009, Mr Tan was appointed as General Manager of Iviria Pte. Ltd. and was subsequently promoted to Executive Director in 2010. Mr Tan served as Executive Director of Iviria Pte. Ltd. until November 2012.

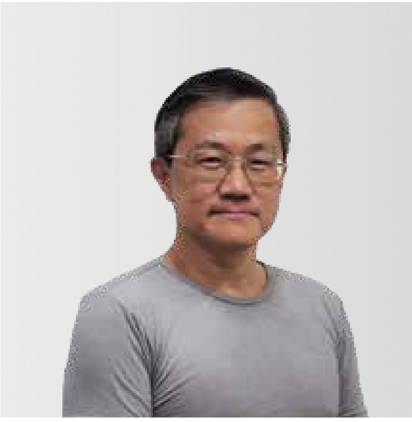
Mr Tan was admitted as a Fellow member of the Association of Chartered Certified Accountants (UK) in 2003. He is a member of the Institute of Singapore Chartered Accountants.

JACK CHIA
Independent Director

Jack Chia is an Independent Director and the Chairman of the Audit Committee. He graduated from the National University of Singapore with a degree in Accountancy and from the International University of Japan with a Master of Arts in International Relations. Mr Chia is qualified as a Fellow of the Institute of Singapore Chartered Accountants and has also completed the General Manager Program at Harvard Business School.

After twenty years in both the private and public sectors, substantially in Japan and China, with Arthur Andersen, Singapore Technologies, Government of Singapore Investment Corporation and the Enterprise Singapore Board, Mr Chia decided to embark on a career as a professional director, specializing in corporate governance.

Mr Chia's present directorships include Combine Will International Holdings Limited, Debao Property Development Limited, Dukang Distillers Holdings Limited and Ying Li International Real Estate Limited.



THOMAS LEI

Independent Director

Thomas Lei is an Independent Director and the Chairman of the Nominating Committee. He was admitted to the Singapore Bar in 1989 and has been in active practice ever since, primarily advising on commercial law and litigation matters. Mr Lei was a director of, and is currently, a consultant with Lawrence Chua Practice LLC, a law firm based in Singapore. Mr Lei started his career at Chor Pee & Co (later Chor Pee and Partners) and subsequently joined the firm of Engelin Teh & Partners in April 2000. Mr Lei read law at the National University of Singapore where he obtained a LL.B. and is a member of the Law Society of Singapore.

TERRY MAK

Non-Executive Director

Terry Mak is a Non-Executive Director. He is the founder of Media Station Ltd which has been providing consultancy services to clients in Information, Media and Technology sectors since 2010. In 1991, he joined TVB International Ltd as Divisional Manager (Southeast Asia) and, in 2001, was promoted to Assistant General Manager to oversee its worldwide content distribution business. After working at TVB for 14 years, Mr Mak left TVB in 2005, to work for Celestial Pictures Ltd, as its Executive Vice President, where he was responsible for managing Celestial's film library and movie channel network. Mr Mak held the position of Chief Operating Officer at MyChinaChannel Pte. Ltd. between 1 June 2012 and 31 July 2014.

He graduated from Hong Kong Baptist University with a Bachelor of Science in Chemistry in 1979 and from University of Connecticut in 1981 with an MBA.

DENNIS CHIA

Non-Executive Director

Dennis Chia was appointed as Non-Executive Director of mm2 Asia Ltd on 31 August 2017. Mr Chia is currently the Chief Financial Officer of StarHub Ltd. In his prior roles, he was the Senior Vice President and Chief Financial Officer of STATS ChipPAC (Worldwide), a leading provider of advanced semiconductor packaging and test services; Vice President of Finance, Asia Pacific Operations (APO) of Lear Corporation; and the Chief Financial Officer of Behringer Corporation and Frontline Technologies Corporation, where he led their successful listings on the Singapore Exchange. Dennis is a Chartered Accountant and currently a council member with the Institute of Singapore Chartered Accountants. He has a Bachelor's (Honours) degree in Accountancy from the National University of Singapore and also holds a Master's degree in Business Administration from University of Hull, United Kingdom.

OUR TEAM

CHANG LONG JONG
Group CEO

Chang Long Jong is our Group CEO and is responsible for overseeing and managing the Group's business operations, especially the production division, as well as sourcing new business opportunities for the Group. Prior to joining the Group in April 2017, Mr Chang was Deputy CEO and Chief Customer Officer of Mediacorp Pte. Ltd. ("Mediacorp"), overseeing all of Mediacorp's major media assets including TV, Radio, Newspaper, Magazines and Over-the-Top (OTT) service Toggle. He has a 30-year career in the business with invaluable experience in channel management, content development and production, content licensing and distribution, media business development and talent management.

CHONG HOW KIAT
Chief Financial Officer

With close to 20 years of financial experience in property management and development, construction and media industries, Chong How Kiat is responsible for all finance related matters of the Group.

HOCK ONG
Chief Corporate Development Officer
Chief Executive Officer of Cinema Business

Hock Ong has extensive debt and capital markets experience spanning Hong Kong, Malaysia, Thailand, Vietnam and China, and has played key roles in several multi-million dollar transactions in different markets. He oversees the Group's cinema business and is responsible for all corporate finance matters related to the Group.

NG SAY YONG
Chief Content Officer
Managing Director, mm2 Singapore

Ng Say Yong previously held management positions at Mediacorp TV and has produced and directed numerous highly-successful TV dramas and films. He is responsible for the overall creative content development of the Group's productions.

LESLIE ONG
Chief Executive Officer and Executive Director, UnUsUaL

With over 20 years of extensive experience in concert and evenet production and promotion, Leslie Ong is responsible for UnUsUaL's overall management operations, strategic planning and business development.

TOONG SOO WEI
General Manager, mm2 Singapore

Previously holding management positions at J Team Productions, Neo Studios and Homerun Asia, Toong Soo Wei has produced over 25 films since 2008 and is responsible for the overall operations of mm2 Singapore.

GARY GOH
General Manager, mm2 Singapore

Gary heads the New Business Department to drive the commercial short form content business. He is also responsible for developing movie projects in new markets such as Thailand, Indonesia and USA, forming business partnerships and spearheading market development for the Group.

ANGELIN ONG
General Manager, mm2 Malaysia / North Asia
Chief Operating Officer of Cinema Business

Angelin Ong is vastly experienced in operations management, initiating new business ideas, brand management and content acquisition and distribution across various platforms. She is responsible for the overall operations of the Group's cinema business and operations in mm2 Malaysia and North Asia markets.

LAI CHEAH YEE
General Manager, mm2 Malaysia

Having held management positions at Media Prima, Lai Cheah Yee is experienced in brand management, programming and content acquisition. She is responsible for the operations in mm2 Malaysia.

HA YU

Executive Director, mm2 Hong Kong

A veteran actor with over 50 years of experience acting, directing and producing films, Ha Yu is responsible for the overall strategy of the mm2 Hong Kong office.

CHARLES YEO

Managing Director, Vividthree

Charles Yeo is responsible for business development and strategy, and raising investments for projects for Vividthree. He also provides creative direction and input for Vividthree's projects. He has accumulated 14 years of experience in the production and post-production industry, with a special focus on visual effects, since 2003 when he first ventured into the industry with Vividthree.

JED MOK

Chief Executive Officer, Vividthree

Jed Mok is responsible for the overall day-to-day management of Vividthree. He has over 20 years of experience in the media industry. Prior to that, from 2013 to March 2018, Jed Mok was General Manager for creative and strategy with Pico Art International Pte. Ltd.

SUZIE WANG

Chief Executive Officer, AsiaOne

Suzie Wang is responsible for the overall day-to-day management of AsiaOne, with over 17 years of experience in digital media, content production, marketing, advertising sales, social media, product development, portal management, D2C and overall strategy. Her last role was Head of Content Distribution at Mediacorp Pte. Ltd., handling content syndication and regional co-productions.

ANDREW CHENG

Director, Dick Lee Asia
Creative Consultant, mm2 Singapore

Andrew Cheng has over 40 years of television experience in Hong Kong and Singapore, holding senior positions at Rediffusion Television and Mediacorp. He is responsible for the overall operations of Dick Lee Asia, and also assists the Group's Chief Content Officer in content development.

DICK LEE

Chief Creative Officer, Dick Lee Asia

With a music career spanning over 40 years, Dick Lee is an established performer and composer. His multiple accolades include receiving the Cultural Medallion as well as being the two-time recipient of the Hong Kong Film Awards for Best Original Movie Theme Song. He is responsible for all creative matters of Dick Lee Asia.

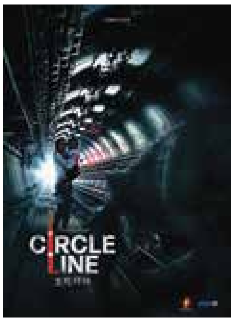
MIZUSHIMA EMI

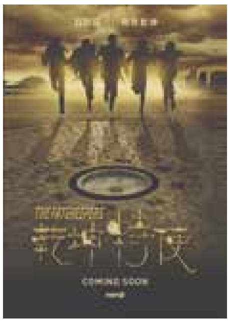
Manager, Sales and Sponsorship, Cathay Cineplexes

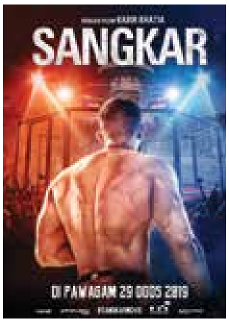
With prior experience in sales and marketing spanning across various industries, Mizushima Emi's primary role is to lead the sales team in achieving revenue-driven business goals. These include increasing revenue streams and securing strategic collaborations in Singapore for the cinema business.

ORDER BOOK

SINGAPORE / MALAYSIA







TV / ONLINE SERIES

NORTH ASIA






CORPORATE INFORMATION

BOARD OF DIRECTORS

Melvin Ang Wee Chye
(Executive Chairman and Executive Director)

Tan Liang Pheng
(Lead Independent Director)

Chia Seng Hee, Jack
(Independent Director)

Lei Chee Kong, Thomas
(Independent Director)

Mak Chi Hoo, Terry
(Non-Executive Director)

Chia Choon Hwee, Dennis
(Non-Executive Director)

AUDIT COMMITTEE

Chia Seng Hee, Jack (Chairman)
Tan Liang Pheng
Lei Chee Kong, Thomas

REMUNERATION COMMITTEE

Tan Liang Pheng (Chairman)
Mak Chi Hoo, Terry
Lei Chee Kong, Thomas

NOMINATING COMMITTEE

Lei Chee Kong, Thomas (Chairman)
Melvin Ang Wee Chye
Tan Liang Pheng

COMPANY SECRETARY

Lissa Siau Kuei Lian (ACIS)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

1002 Jalan Bukit Merah
#07-11 Redhill Industrial Estate
Singapore 159456

PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

B-06-03, B-09-01, B-15-3A,
Menara Bata PJ Trade Centre
No. 8 Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya, Selangor, Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop No. 1
2nd Floor International Plaza
No. 20 Sheung Yuet Road Kowloon Bay
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN CHINA

Room 1602
No. 150 Hui Xin International Building
Pu Hui Tang Road
Shanghai, China 200030

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
100 Beach Road
#30-00 Shaw Tower
Singapore 189702

Engagement director: Low See Lien
(Appointed with effect from financial year
ended 31 March 2019)

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

Hongkong and Shanghai Banking Corporation
21 Collyer Quay
HSBC Building
Singapore 049320

COMPANY WEBSITE

www.mm2asia.com

STOCK CODE

1B0

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of mm2 Asia Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") are firmly committed to set in place corporate governance practices to provide the structure through which the objectives of protection of shareholders' interests and enhancement of long-term sustainability of the Group's business and performance are met.

The revised Code of Corporate Governance was recently issued on 6 August 2018 (the "**2018 Code**"), with the aim to enhance board quality by strengthening board independence and diversity and encourage better engagement between companies and all stakeholders. The 2018 Code is effective for annual reports covering financial years commencing from 1 January 2019. In this regard, the Company will endeavour to comply with 2018 Code once it is effective.

This report outlines the Group's main corporate governance structures and practices that were in place throughout and/or during the financial year ended 31 March 2019 ("**FY2019**") or which will be implemented and where appropriate, with specific reference made to the Code of Corporate Governance 2012 (the "**Code**") issued in May 2012 and the Disclosure Guide on Compliance with the Code developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015, which forms part of the continuing obligations of the Listing Manual of the SGX-ST ("**Listing Manual**"). The Company has provided explanations for deviation from the Code.

BOARD MATTERS

Board's Conduct Of Its Affairs

Principle 1: Every Company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board's primary role is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises management ("**Management**"). To fulfil this role, the Board sets the Group's strategic direction, establishes goals for the Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group.

The principal functions of the Board, apart from its statutory responsibilities, include:

(1) providing entrepreneurial leadership and setting the overall strategy and direction of the Group, consider sustainability's issues, e.g. environmental and social factors as part of its strategic formulation;

(2) reviewing and overseeing the Management of the Group's business affairs, financial controls, performance and resource allocation;

(3) approving the Group's strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions and major corporate policies;

(4) overseeing the processes of risk management, financial reporting and compliance and evaluating the adequacy of internal controls and safeguarding the shareholders' interests and the Group's assets;

(5) approving the release of the Group's quarterly and full-year financial results, related party transactions of material nature and the submission of the relevant checklists to the SGX-ST;

(6) appointing Directors and Key Management Personnel, including the review of performance and remuneration packages; and

(7) assuming the responsibilities for corporate governance.

All Directors objectively discharge their duties and responsibilities at all times and make objective decisions in the interests of the Company.

CORPORATE GOVERNANCE REPORT

To assist in the execution of its responsibilities, the Board is supported by three Board Committees, namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively the "**Board Committees**"). These Board Committees operate within clearly defined terms of reference and they play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed on a regular basis to ensure their continued relevance.

The Board holds regular scheduled meetings to review the Group's key activities, business strategies, funding decisions, financial performance and to approve the release of the results of the Group. Ad-hoc meetings are convened when circumstances require. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction. Meetings via telephone or video conference are permitted by the Company's Constitution.

Directors' attendance at the meetings of the Board and the Board Committees' meetings during the FY2019 are set out as follows:

	Board	**AC**	**NC**	**RC**
Number of meetings held in FY2019	**4**	**4**	**1**	**1**
Name of Directors	**No. of meetings attended in FY2019**			
Melvin Ang Wee Chye ("**Melvin Ang**")	4	4*	1	1*
Chia Seng Hee, Jack ("**Jack Chia**")	4	4	N.A.	1*
Tan Liang Pheng	4	4	1	1
Lei Chee Kong Thomas ("**Thomas Lei**")	4	4	1	1
Mak Chi Hoo ("**Terry Mak**")	4	1*	N.A.	N.A.
Dennis Chia Choon Hwee ("**Dennis Chia**")	4	1*	N.A.	N.A.

Note:

* By invitation

The Group has adopted a set of internal guidelines setting forth the financial authorisation and approval limits for investments, acquisitions and disposals. Transactions falling outside the ordinary course of business and where the value of a transaction exceeds these limits have to be approved by the Board.

Matters requiring the Board's decision and approval include the following:

(1) Approval of the Group's major investments/divestments and funding decisions;

(2) Approval of the Group's quarterly financial updates, quarterly and full-year financial result announcements for release to the SGX-ST;

(3) Approval of any agreement which is not in the ordinary course of business;

(4) Approval of any major borrowings or corporate guarantees in relation to borrowings;

(5) Entering into any profit-sharing arrangement;

(6) Incorporation or dissolution of any subsidiary;

(7) Issuance of shares or declaration of dividends;

(8) Approval of the annual report and audited financial statements;

(9) Convening of general meetings;

(10) Approval of corporate strategies;

(11) Approval of material acquisitions and disposal of assets; and

(12) Approval of announcements or press releases concerning the Group for release via the SGXNET.

The Directors are also updated regularly with changes to the SGX-ST Mainboard Listing Rules, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or members of the Board Committees.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. The Company Secretary informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the Independent Auditors update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of their Directors' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the SGX-ST Mainboard Listing Rules that affect the Company and/or the Directors in discharging their duties.

Newly appointed Directors receive appropriate training, if required. The Group provides background information about its history, mission and values to its Directors. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Company during Board meetings. Directors will also be given opportunities to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business.

Formal letters of appointment were furnished to every newly appointed Director upon their appointment explaining, among other matters, their roles, obligations, duties and responsibilities as a member of the Board.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Presently, the Board comprises one Executive Director, two Non-Executive Directors and three Independent Directors, as follows:

Name of Directors	Date of first Appointment	Date of Last Re-election	Board	AC	NC	RC
Melvin Ang	20 August 2014	27 July 2017	Executive Chairman	–	Member	–
Tan Liang Pheng	4 November 2014	20 July 2016	Lead Independent Director	Member	Member	Chairman
Jack Chia	4 November 2014	27 July 2017	Independent Director	Chairman	–	–
Thomas Lei	4 November 2014	31 July 2018	Independent Director	Member	Chairman	Member
Terry Mak	4 November 2014	31 July 2018	Non-Executive Director	–	–	Member
Dennis Chia	31 August 2017	31 July 2018	Non-Executive Director	–	–	–

Mr. Melvin Ang is the Executive Chairman of the Company. In accordance to Guideline 2.2 of the Code, Independent Directors should made up half of the Board, inter alia, where the Chairman is part of the Management team. Presently, the Board consists of six Directors, three out of the six Directors are Independent Directors ("**IDs**") of which one is Lead Independent Director. As such, the Company is complied with Guideline 2.2 of the Code.

Independent Directors

The NC considers an "independent" Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The NC shall review the independence of each Independent Director annually. All of the IDs had submitted their Confirmation of Independence at the last NC meeting held on 30 May 2019 and the NC had reviewed and was of the view that IDs are independent.

The NC also further noted that the Board does not have Independent Director who has served on the Board beyond nine years from the date of his first appointment.

The NC reviews the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment. They were satisfied that the current size and composition of the Board is appropriate and provides it with adequate ability to meet the existing scope of needs and the nature of operations of the Company, which facilitates effective decision-making.

The Board is made up of Directors who are qualified and experienced in various fields including business administration, strategic planning, business management, legal, accounting and finance. Accordingly, the current Board comprises persons who as a group, have core competencies necessary to lead and manage the Group's businesses and operations.

CORPORATE GOVERNANCE REPORT

The Non-Executive Directors ("**NEDs**"), Mr. Terry Mak and Mr. Dennis Chia and the IDs, Mr. Tan Liang Pheng, Mr. Jack Chia and Mr. Thomas Lei, exercise no management functions in the Group. Although all the Directors have equal responsibility for the performance of the Group, the roles of the NEDs and IDs are particularly important in ensuring that the strategies proposed by Management are fully discussed, rigorously examined and take into account the long-term interests of shareholders and other stakeholders as well, e.g. the employees, customers, suppliers and the communities in which the Group conducts its business. They also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of their performance. The NC considers its NEDs and IDs to be of sufficient calibre and size, and their views to be of sufficient weight such that no individual or small group of individuals dominates the Board's decision-making process.

The Company conducts and/or facilitates informal meeting sessions for the NEDs and IDs to meet as needed without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors.

The profile of each Director is set out on pages 18 and 19 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

The Company practices a clear division of responsibilities between the Chairman and Chief Executive Officer ("**CEO**") to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The roles of the Chairman and CEO are separate.

Mr. Melvin Ang is the Executive Chairman of the Company.

Mr. Chang Long Jong is the CEO of the Company. The Executive Chairman and the CEO are not related.

The Executive Chairman ensures effective and comprehensive Board discussion on matters brought to the Board including strategic issues. The Executive Chairman supervises the overall business operations and management of the Group as well as business planning and provides executive leadership and supervision to the CEO and Key Management Personnel(s) of the Company and the Group.

The responsibilities of the Executive Chairman include:

(1) Scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;

(2) Ensuring that Directors receive accurate, timely and clear information, and ensuring effective communication with shareholders;

(3) Ensuring the Group's compliance with the Code; and

(4) Acting in the best interest of the Group and of the shareholders.

The Company Secretary may be called to assist the Executive Chairman in any of the above.

The role of the CEO includes overseeing and managing the business operations especially the production division as well as sourcing new business opportunities for the Group. The CEO would report to the Executive Chairman.

All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

CORPORATE GOVERNANCE REPORT

Mr. Melvin Ang is the Executive Chairman and thus the Chairman is part of the Management team. In compliance with the Guideline 3.3 of the Code, the Company appointed Mr. Tan Liang Pheng as the Lead Independent Director to lead the IDs, to provide independent view and foster constructive discussion. He also acts as the main liaison on Board issues and will serve as an alternative channel to address shareholders' concerns.

The IDs, led by Mr. Tan Liang Pheng, meet amongst themselves without the presence of the other Directors and Management where necessary, and Mr. Tan Liang Pheng will provide feedback to the Executive Chairman after such meetings.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The NC currently comprises one Executive Director and two Independent Directors, a majority of whom are independent, including the NC Chairman.

<u>Nominating Committee</u>

Mr. Thomas Lei (Chairman)
Mr. Tan Liang Pheng
Mr. Melvin Ang

The NC has its terms of reference which sets out their duties and responsibilities. It includes the following:

(a) to make recommendations to the Board on all Board appointments, including re-nominations, having regarded the Director's contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, as an Independent Director. All Directors should be required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years;

(b) to determine annually whether a Director is independent;

(c) in respect of a Director who has multiple Board representations on various companies, to decide whether or not such a Director is able to and has been adequately carrying out his/her duties as Director, with regards to the competing time commitments that are faced when serving on multiple boards;

(d) to review and approve any new employment of related persons and the proposed terms of their employment; and

(e) to decide how the Board's performance is to be evaluated and to propose objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long term shareholder value. The Board will also implement a process to be proposed by the NC for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board (if applicable).

The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting potential new Directors, the NC will seek to identify the competencies required as well as evaluate the profession, knowledge and experience of the candidate to enable the Board to fulfil its responsibilities.

The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage other independent experts, as it considers necessary to carry out its duties and responsibilities. Recommendations for new Directors are put to the Board for its consideration and/or approval.

CORPORATE GOVERNANCE REPORT

The NC makes recommendations to the Board on re-appointment of Directors based on, among others, the Director's attendance of, Board and Board Committees' meetings, participation at meetings and contributions to the Group's business and affairs.

The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business.

Regulation 107 of the Company's Constitution requires one-third of the Board to retire by rotation at every Annual General Meeting ("**AGM**"). Each Director shall retire from office once every three years. Pursuant to Regulation 117 of the Company's Constitution, Directors of the Company who were newly-appointed by the Board since the last AGM will have to retire at the forthcoming AGM. A retiring Director shall be eligible for re-election at the meeting at which he retires. Each of the retiring Directors shall abstain from all discussions and recommendations in respect of their own re-election.

The NC has recommended to the Board that Mr. Tan Liang Peng and Mr. Jack Chia ("**Retiring Directors**"), who are subject to retiring pursuant to Regulation 107 of the Company's Constitution, be nominated for re-election at the forthcoming AGM. The Board has accepted the NC's recommendation. The details of Directors seeking for re-election are found in Table A set out on pages 46 to 49 of this Annual Report.

The Board has accepted the NC's nominations of the Retiring Directors who have given their consents for re-election at the forthcoming AGM of the Company. The Retiring Directors, who will retire pursuant to Regulation 107 of the Constitution of the Company. A Retiring Director is eligible for re-election by the shareholders of the Company at the AGM, and prior to nominating a Retiring Director for re-election, the NC will evaluate the Director's contribution and performance taking into consideration factors such as attendance, preparedness, participation and any other factors as may be determined by the NC.

For the financial year under review, the NC is of the view that the Independent Directors of the Company are independent (as defined in the Code) and able to exercise judgment on the corporate affairs of the Group independent of the Management.

Despite some Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deems fit.

There are no alternate Directors being appointed to the Board.

The key information regarding Directors, such as academic and professional qualifications, Board Committees served, directorships, chairmanships or as a member both present and past held over the preceding three years in other listed companies and other major appointments or its related corporations, whether the appointment is executive or non-executive are set out in pages 44 and 49 of the Annual Report.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

In line with the principles of good corporate governance, the Board has implemented a process to evaluate its performance as a whole. The performance criteria include financial targets, the contribution by Directors, their expertise, their independence and their industry knowledge. This encourages constructive feedback from the Board and leads to an enhancement of its performance over time. The Board has met to discuss the evaluation of the Board's performance and has adopted a formal evaluation process to assess the effectiveness of the Board as a whole, its Board Committees and Individual Directors.

CORPORATE GOVERNANCE REPORT

The results of the evaluation exercise will be collated by the Company Secretary for the NC's review and consideration, which then makes recommendations to the Board on enhancements to improve the effectiveness of the Board, as a whole, and its Board Committees. The NC, having reviewed the overall performance of the Board, Board Committees and Individual Directors based on the evaluation criteria setting out in the formal evaluation form for the Board as a whole, Board Committees and Individual Directors for FY2019, is of the view that the performance of the Board as a whole, Board Committees and Individual Directors have been satisfactory. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors. No external facilitator was used in the evaluation process.

The performance of the Directors is evaluated using agreed criteria, aligned as far as possible with appropriate corporate objectives. The criteria includes short-term and long-term measures and cover financial and non-financial performance indicators such as the strength of his experience and stature and his contribution to the proper guidance of the Group and its businesses.

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To enable the Board to fulfil its responsibilities, the Management strives to provide Board members with adequate and timely information for Board and Board Committees' meetings on an on-going basis. The Board and Board Committees' meeting materials are prepared for each meeting and are disseminated to the members before the meetings. The Board and Board Committees' meeting materials include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees' meetings. Directors are given separate and independent access to the Group's Management and Company Secretary to address any enquiries.

The Directors have separate and independent access to the Company's Management and the Company Secretary at all times to address any enquiries. Should the Directors, whether as a group or individually, require independent professional advice, such professionals (who will be selected with the concurrence of the Chairman or the Chairmen of the Board Committees requiring such advice) will be appointed at the Company's expense.

The Company Secretary or her representative administers, attends and prepares minutes of all Board and Board Committees' meetings and assists the Chairman of the Board and/or the Board Committees in ensuring that proper procedures at such meetings are followed and reviewed so that the Board and the Board Committees function effectively. The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Directors, either individually or as a group have the right to seek independent professional advice, if necessary, in furthering their duties. The costs of such services will be borne by the Company.

REMUNERATION MATTERS

Procedures For Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of Individual Directors. No Director should be involved in deciding his own remuneration.

The RC currently comprises one Non-Executive Director and two Independent Directors, majority of whom are independent, including the RC Chairman.

Remuneration Committee

Mr. Tan Liang Pheng (Chairman)
Mr. Thomas Lei
Mr. Terry Mak

The RC has its terms of reference, setting out their duties and responsibilities, which include the following:

(a) to recommend to the Board a framework of remuneration for the Directors and Executive Officers, and to determine specific remuneration packages for each Executive Director and any CEO (or executive of equivalent rank) and Key Management Personnel if such CEO and Key Management Personnel is not an Executive Director, such recommendations are to be submitted for endorsement by the entire Board and should cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits in kind;

(b) in the case of service contracts (if any) for any Director or Executive Officer, to consider what compensation commitments the Directors' or Executive Officers' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance; and

(c) in respect of any long-term incentive schemes, including share schemes, as may be implemented, to consider whether any Director should be eligible for benefits under such long-term incentive schemes.

No Director will be involved in determining his own remuneration. The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company.

The RC recommended, and the Board had approved, an aggregate amount of $275,000 Directors' fees for the year ending 31 March 2020 for Non-Executive Directors and the IDs subject to the approval from shareholders.

There were no remuneration consultants engaged by the Company in FY2019.

In reviewing the service agreements of the Company's Executive Directors and Key Management Personnel, the RC will review the Company's obligations in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

BOARD PERFORMANCE

Level And Mix Of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company and (b) Key Management Personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages.

The remuneration for the Executive Director(s) and certain Key Management Personnel comprise a fixed and variable component. The variable component is performance related and is linked to the Group's performance as well as the performance of each individual Executive Director(s) and Key Management Personnel.

The Company has entered into a service agreement with Mr. Melvin Ang for an initial period of three years with effect from 9 December 2014, and shall automatically be renewed on the terms and subject to the conditions to be agreed between the Executive Director and the Company.

The Company has adopted the mm2 Performance Share Plan ("**mm2 PSP**"). The Group's Executive Directors and NEDs (including IDs), controlling shareholders or associates of a controlling shareholder are eligible to participate in the mm2 PSP in accordance with the rules of the mm2 PSP.

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The IDs and NEDs receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The IDs and NEDs shall not be overcompensated to the extent that their independence may be compromised. There are no share-based compensation schemes in place for IDs and NEDs.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Director(s) and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director(s) owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Director(s) in the event of a breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the Company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and Key Management Personnel, and performance.

The details of the level and mix of remuneration of the Directors of the Group for the services rendered during FY2019 are as follows:

Remuneration Band and Name of Directors	Salary (%)	Bonus (%)	Other Benefits [1] (%)	Share Options (%)	Directors' Fees (%)	Total (%)
Between \$3,500,000 and \$3,750,000						
Melvin Ang	7	92	1	–	–	100
Below \$250,000						
Tan Liang Pheng	–	–	–	–	100	100
Jack Chia	–	–	–	–	100	100
Thomas Lei	–	–	–	–	100	100
Terry Mak	–	–	–	–	100	100
Dennis Chia	–	–	–	–	100	100

The details of the remuneration of relevant Key Management Personnel of the Group for services rendered during FY2019 are as follows:

Name of Key Management Personnel	Salary (%)	Bonus (%)	Other Benefits [1] (%)	Share Options (%)	Total (%)
Below \$750,000 and \$1,000,000					
Chang Long Jong	62	36	1	–	100
Below \$250,000					
Ong Hock Seng	92	–	8	–	100
Chong How Kiat	100	–	–	–	100
Angelin Ong	97	–	3	–	100
Ng Say Yong	92	–	8	–	100

Note:

(1) Other benefit refers to employer's contribution to the Central Provident Fund and other allowances.

For FY2019, the aggregate total remuneration paid to the Key Management Personnel (who are not Directors or the CEO) amounted to $756,074.

(a) For FY2019, there were no terminations, retirement or post-employment benefits granted to Directors and relevant Key Management Personnel other than the standard contractual notice period termination payment in lieu of service.

(b) There were no employees who were immediate family members of a Director or CEO whose remuneration exceeds $50,000 in the Group's employment during the financial year under review.

In view of confidentiality of remuneration matters, the Board is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration of Directors and Key Management Personnel in the Annual Report and that the disclosure based on the above remuneration bands is appropriate.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board understands its accountability to the shareholders on the Group's position, performance and progress. The objectives of the presentation of the annual audited financial statements, full-year and quarterly results are to provide the shareholders with a balanced and understandable analysis and explanation of the Group's financial performance, position and prospects.

The Management understands its role to provide all members of the Board with a balanced and understandable assessment of the Group's performance, position and prospects. The Management provides the Board with appropriately detailed information on the Company's performance, position and prospects on a quarterly basis and when deemed appropriate.

The Board will take adequate steps to ensure compliance with legislative and regulatory requirements. In line with the SGX-ST Mainboard Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statement.

The Management is accountable to the Board and maintains regular contact and communication with the Board including preparation and circulation to the Board of quarterly and full-year financial statements of the Group. These enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Risk Management And Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the Company's assets, should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges its responsibility for the governance of risk and ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard the shareholders' investment and the Company's assets. However, the Board also acknowledges that no cost-effective internal control system will preclude all errors and irregularities. The system is designed to manage rather than eliminate risks of failure to achieve business objectives, can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational, compliance and information technology risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss, there are maintenance of proper accounting records, financial information is reliable, and assets are safeguarded.

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The Management is responsible for designing, implementing and monitoring the risk management and internal control systems within the Group. The Management regularly reviews the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Any significant matters are highlighted to the Board and the AC for their deliberation. To further review the adequacy and effectiveness of internal controls, the AC is assisted by various independent professional service providers. The assistance of the Internal Auditors enabled the AC to carry out assessments of the effectiveness of key internal controls during the year. Material non-compliance or weaknesses in internal controls or recommendations from the Internal Auditors and Independent Auditors to further improve the internal controls were reported to the AC, including the Management action plans to be undertaken to address the recommendations.

The AC also follows up on the actions taken by the Management on the recommendations made by the Internal Auditors and Independent Auditors arising from their work performed. Based on the reports submitted by the internal and Independent Auditors received by the AC and the Board, nothing material has come to the attention of the AC and the Board to cause the AC and the Board to believe that the internal controls are not satisfactory, based on the current size and nature of the Company's business.

To further enhance the risk management procedures in place, the Group has engaged its Internal Auditors, BDO LLP, to establish a structured Enterprise Risk Management ("**ERM**") framework which provides documented guidance on the process for identifying and assessing risks, the adequacy of countermeasures and the manner in which risks are reported to the Board and the AC.

The pilot ERM programme covers the following areas:

(1) ERM Policies And Procedures

An overall framework for risk management has been documented in a manual to be disseminated to personnel responsible for oversight of risks and operations of risk countermeasures. This ERM manual includes the terms of reference of the Committee and the various personnel responsible for monitoring and managing risks in the Group. The ERM process will also require ongoing identification of key risks to the Company and reporting these risks to the Board to better determine whether appropriate measures have been taken to address relevant risks. Risk workshops attended by Key Management Personnel will be conducted to provide a structured approach of identification and assessment of risks.

(2) Risk Appetite of the Company

The risk appetite of the Group in managing risks was discussed during the ERM project. Generally, the Group will rely on Management to monitor day to day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses to the approval of the Board. The Company's performance is monitored closely by the Board periodically and any significant matters that might have an impact on the operating results are required to be brought to the immediate attention of the Board.

The Company has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group. Active efforts are also in place to manage risks within impact such as transferring them to third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits will be regularly conducted to assess the ongoing compliance with the established controls to address key risk areas where applicable.

(3) Risk Assessment And Monitoring

Based on the ERM framework, the nature and extent of risks to the Company will be assessed regularly and risk reports covering top risks to the Group will be submitted periodically to the Board. A set of risk registers to document risks arising from this ERM exercise has also been established to document key risks and the corresponding countermeasures.

CORPORATE GOVERNANCE REPORT

The Directors have received and considered the representation letters from the CEO and the CFO in relation to the financial information for the year. Associates and joint ventures which the Company does not control are not dealt with for the purposes of this statement. The CEO and the CFO have assured the Board that:

(a) The financial records have been properly maintained and the financial statements for the FY2019 give a true and fair view in all material aspects, of the Group's operations and finances; and

(b) The Group's risk management and internal control systems are operating effectively in all material aspects given its current business environment.

Based on the internal controls and risk management systems established and maintained by the Group, work performed by the Internal Auditors and Independent Auditors, reviews performed by the Management and the controls and processes which are currently in place, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group for FY2019.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC currently comprises of three members, all of whom (including the Chairman of the AC) are Independent Directors.

Audit Committee

Mr. Jack Chia (Chairman)
Mr. Tan Liang Pheng
Mr. Thomas Lei

The Board is of the view that the AC members possess experience in finance, legal and business management which are appropriately qualified, having the relevant accounting or related financial management expertise to discharge their responsibilities.

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records, and develop and maintain effective systems of internal control. The AC has full access to and the co-operation of Management and the full discretion to invite any Director or Executive Officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly. The Independent Auditors have unrestricted access to the AC.

The AC has its terms of reference, setting out their duties and responsibilities, which include the following:

(a) review with the Independent Auditors the audit plan, their audit report, their management letter and our Management's response;

(b) review with the Internal Auditors the internal audit plan and evaluate the adequacy of the Group's internal control and accounting system;

(c) review the financial statements before submission to the Board for approval;

(d) review the internal control and procedures, ensure co-ordination between the Independent Auditors and the Management, review the assistance given by the Management to the Auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our Management where necessary);

CORPORATE GOVERNANCE REPORT

(e) review any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(f) review, where applicable, the role and effectiveness of the internal audit procedures;

(g) review and approve interested person transactions and review procedures thereof;

(h) consider the appointment or re-appointment of the Independent Auditors and matters relating to the resignation or dismissal of the Independent Auditors and the head of the internal audit department;

(i) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Mainboard Listing Rules, including such amendments made thereto from time to time;

(j) undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(k) review at least annually the Group's key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the Annual Reports of the Company or, where the findings are material, to announce such material findings immediately via SGXNET; and

(l) generally to undertake such other functions and duties as may be required by statute or the Mainboard Listing Rules, and by such amendments made thereto from time to time.

Apart from the duties listed above, the AC is given the task of commissioning investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position, and to review its findings.

In July 2010, SGX-ST and ACRA launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by Independent Auditors" ("**Guidance**") which aims to facilitate the AC in evaluating the Independent Auditors. Accordingly, the AC evaluated the performance of the Independent Auditors based on the key indicators of audit quality and guidance, where relevant, as set out in the Guidance.

The AC recommends to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the Independent Auditors and approving the remuneration of the Independent Auditors. The AC has recommended to the Board that the nomination of Nexia TS Public Accounting Corporation for re-appointment as Independent Auditors of the Company at the forthcoming AGM. The Company confirms that Rule 712, Rule 715 and Rule 716 of the Mainboard Listing Rules have been complied with.

Annually, the AC conducts a review of all non-audit services provided by the Independent Auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the Independent Auditors. The AC received an audit report from the Independent Auditors setting out the non-audit services provided and the fees charged for FY2019. The aggregate amount paid to the Independent Auditors for audit and non-audit services for FY2019 are as follows:

	$'000
Audit Fees	388
Non-audit Fees	
- Tax services	41
- Reporting Accountant	90
- Others	17
	536

The AC will meet with the Independent Auditors and Internal Auditors without the presence of the Management, as and when necessary, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the Independent Auditors.

For FY2019, the AC agreed with Independent Auditor that revenue recognition, carrying value of goodwill and recoverability of trade receivables were the key audit matters and is pleased to report that AC is satisfied with audit process undertaken by the Independent Auditors and their findings therefrom.

Fraud And Whistle-blowing Policy

The Group has implemented a whistle-blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

(1) independent investigations are carried out in an appropriate and timely manner

(2) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(3) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

To date, there were no reports received through the whistle-blowing mechanism.

The AC is updated annually or from time to time on any changes to the Accounting and Financial Reporting Standards by the Independent Auditors. No former partner or director of the Company's existing auditing firm has acted as a member of the AC.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function is currently outsourced to BDO LLP ("**BDO**"), a member firm of the international BDO network of auditing firms, and they report directly to the AC on audit matters, and the CEO on administrative matters. BDO performs their work in accordance with the BDO Global Internal Audit Methodology which is consistent with the Standards for the Professional Practice of Internal Auditing established by The Institute of Internal Auditors.

The AC approves the hiring, removal, evaluation and compensation of the internal audit function. The Internal Auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The annual internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. In accordance with the internal audit plan, the internal auditors conduct internal audit reviews over the effectiveness of internal controls over the key business processes in the Group including those that address applicable financial, operational, compliance and information technology control risks. Findings and recommendations arising from the internal audits are agreed with the Management and presented to the AC. The internal auditors also assist the AC in overseeing and monitoring the subsequent implementation of recommendations on internal controls weaknesses identified.

The AC reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. Following the review of BDO's internal audit plan and their evaluation of the internal control system, the AC is satisfied that the internal audit is effective, adequately resourced and has appropriate standing within the Group.

The AC would annually review the adequacy and effectiveness of the internal audit function of the Group.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

In line with the continuous obligations of the Company under the SGX-ST Mainboard Listing Rules and the relevant rules and regulations, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNET.

Shareholders are informed of the general meetings through the announcement released to the SGXNET and notices contained in the Annual Report or circulars sent to all shareholders. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in and vote at the general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through a proxy form sent in advance. The Company's Constitution does not include the nominee or custodial services to appoint more than two proxies.

On 3 January 2016, the legislation was amended, among other things, to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors, as defined in Section 181(6) of the Companies Act. 50 of Singapore, may appoint more than two proxies to attend, speak and vote at general meetings.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its shareholders the relevant information on a timely basis through SGXNET. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. Communication is made through:

(1) Annual Reports that are prepared and sent to all shareholders. The Board ensures that the Annual Report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant manual and regulations;

(2) Quarterly announcements containing a summary of the financial information and affairs of the Group for that period;

(3) Notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("**EGM**"). The notice of AGM and EGM are also advertised in a national newspaper; and

(4) News releases on major developments of the Company and the Group.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company has engaged an investor relations firm which focuses on facilitating communications with all stakeholders, shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investing public apprised of the Group's corporate developments and financial performance.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released through SGXNET, before the Company meets with any investors or analysts. All shareholders of the Company will receive the Annual Report with notice of AGM by post and published in the newspapers within the mandatory period, which is held within four months after the end of the financial year.

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The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, the Group's development plans and other factors as the Board may deem appropriate. As a growing company, the Group is preserving its funds for future expansions. Therefore, no dividends will be paid in respect of FY2019.

CONDUCT OF SHAREHOLDERS' MEETING

Principle 16: Companies should encourage greater shareholder participation at general meeting of shareholders, allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to be updated on the Group's strategies and goals. Notice of the general meeting is dispatched to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the AGM.

Each item of special business included in the notice of the general meetings will be accompanied by an explanation of the effects of a proposed resolution. All resolutions at the general meetings are single item resolutions.

The Chairman of the Board Committees are normally present and available to address questions relating to the work of their respective Board Committees at general meetings. Furthermore, the Independent Auditors are present to assist the Board in addressing any relevant queries by the shareholders. The Company will make available minutes of general meetings to shareholders upon their requests.

The Company acknowledges that voting by poll in all its general meeting is integral to the enhancement of corporate governance. The Company adheres to the requirements of the Mainboard Listing Rules and the Code, all resolutions at the Company's general meetings held on or after 1 August 2015, if any, are put to vote by poll. For cost effectiveness, the voting of the resolutions at the general meetings is conducted by manual polling. The detailed results of each resolution are announced via SGXNET after the general meetings.

RISK MANAGEMENT

The Company is continually reviewing and improving the business and operational activities to take risk management into account. This includes reviewing management and manpower resources, updating workflows, processes and procedures to meet the current and future market conditions. All the significant controls, policies and procedures and all significant matters are highlighted to the AC and the Board. The significant risk management policies are disclosed in the audited financial statements of this Annual Report.

MATERIAL CONTRACTS

There were no material contracts of the Company or its subsidiaries involving the interest of the Non-Executive Chairman, or any Director or controlling shareholder subsisting at the end of the financial year.

INTERESTED PERSON TRANSACTIONS

The Company has established guideline and review procedures for the ongoing and future interested persons transactions ("**IPTs**"). The IPTs are subject to review by AC to ensure that they are on normal commercial terms and on an arm's length basis, that is, the transactions are transacted in terms and prices not more favourable to the interested persons than if they were transacted with a third party and are not prejudicial to the interested of the Group or our minority shareholders in any way.

The AC has reviewed the Interested Person Transactions ("**IPTs**") for financial year ended 31 March 2019 and noted that the transactions were on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

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The following is the aggregate value of all transactions with interested persons (as defined in Chapter 9 of the Listing Manual of the SGX-ST) for financial year ended 31 March 2019:

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	$'000	$'000
MCC International Pte. Ltd. (formerly known as MyChinaChannel Pte. Ltd.)	197	–

DEALINGS IN SECURITIES

The Company has adopted its own internal Code of Best Practices to provide guidance to all officers and employees of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1207(19) of the Mainboard Listing Manual of the SGX-ST. The Company and its officers are prohibited from dealing in the Company's securities during the periods commencing two weeks immediately preceding the announcement of the Company's quarterly financial results and one month immediately preceding the announcement of the full-year financial results and ending on the date of the announcement of such results on the SGXNET.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or while they are in possession of unpublished price-sensitive information of the Group. They are not to deal in the Company's securities on short-term considerations.

UPDATE ON USE OF PROCEEDS

(a) Placement of shares – Financial Institutions

The aggregated gross proceeds received in advance which amounted to $50.0 million raised from the placement of shares pursuant to the share placement agreements with financial institutions on 15 June 2017 and the issuance of shares only take place in July 2017.

As at the date of this Annual Report, the status of the use of proceeds is as follows:

	Financial Institutions (i)	Utilised	Unutilised
	$'000	$'000	$'000
Acquisition/joint ventures/strategic alliances	34,311	(34,311) (ii)	–
Investment in production/acquisition of movie rights	14,705	(14,705) (iii)	–
General working capital	1,000	(1,000) (iv)	–
	50,016	(50,016)	–

Set out below is a summary of uses of proceeds since the receipt of the proceeds:

(i) As per the announcement on 15 June 2017, the Group intend to use 70% and 30% of the net proceeds of the placement of shares to finance acquisitions and for general working capital purposes respectively, where investment in production/acquisition of movie rights also form part of the general working capital of the Group.

(ii) An amount of $34.3 million had been used in merger and acquisition activities, which includes $8.9 million for the acquisition of new cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd, $20.0 million of deferred consideration for the acquisition of UnUsUaL Limited, $0.9 million for the investment in associates, $0.4 million for the investment in available-for-sale financial asset, $0.1 million for the acquisition of a joint venture and $4.0 million for the acquisition of Cathay Cineplexes Pte. Ltd.

(iii) An aggregate amount of $14.7 million had been used in investment in productions/acquisition of movie rights and details are set below:

	The Group ($'000)
Acquisition of film intangibles for distribution	1,321
Additions in film products	1,346
Additions in investment in movie productions – third party	612
Additions in films under production	11,426
	14,705

(iv) An amount of $1.0 million had been used for fees and expenses in relation to the placement of shares above.

(b) Placement of shares – StarHub Ltd

The aggregated gross proceeds amounted to $15.0 million raised from the placement of shares pursuant to the share placement agreements with StarHub Ltd on 29 June 2017 and the issuance of shares took place in July 2017.

As at the date of this Annual Report, the status of the use of proceeds is as follows:

	StarHub Ltd (i) $'000	**Utilised $'000**	**Unutilised $'000**
Acquisition/joint ventures/strategic alliances	14,960	(14,960)	–
General working capital	40	(40)	–
	15,000	(15,000)	–

Set out below is a summary of uses of proceeds since the receipt of the proceeds:

(i) As per the announcement on 29 June 2017, the Group intended to use the net proceeds to finance the proposed acquisition of a stake in the Golden Village Cinema Business in Singapore and new productions while the balance of the net proceeds will be utilised for general working capital purposes.

(ii) The proposed acquisition of a stake in the Golden Village Cinema Business did not occur as announced on 10 August 2017. The unutilised portion of the net proceeds was used to finance the acquisition of Cathay Cineplexes Pte. Ltd.

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PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE 2012

Name of Director	Academic/Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member as at the Date of This Annual Report	Date of Directorship First Appointed	Date of Last Re-election	Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Over the Preceding 3 Years	Other Principal Commitments
Melvin Ang	• Master of Business Administration from Macquarie University	Executive Chairman	Board Chairman and member of NC	20 August 2014	27 July 2017	• UnUsUaL Limited	–	–
Tan Liang Pheng	• A member of the Institute of Singapore Chartered Accountants; and • Fellow Member of Association of Chartered Certified Accountants (UK)	Lead Independent Director	Board Member, Chairman of RC and member of AC and NC	4 November 2014	20 July 2016	–	–	–
Jack Chia	• Degree in Accountancy from National University of Singapore; • Master of Arts in International Relations from International University of Japan; • Fellow member of the Institute of Certified Public Accountants; and • Completed a General Manager Program at Harvard Business School	Independent Director	Board Member and Chairman of AC	4 November 2014	27 July 2017	• Combine Will International Holdings Limited • Debao Property Development Limited • Dukang Distillers Holdings Ltd • Ying Li International Real Estate Ltd.	• Sunray Holdings Limited • China Hongcheng International Holdings Limited • AGV Group Ltd • Shanghai Turbo Enterprises Limited • Lifebrandz Limited	–
Thomas Lei	• Bachelor of Laws from National University of Singapore; and • Member of the Law Society of Singapore	Independent Director	Board Member, Chairman of NC and Member of AC and RC	4 November 2014	31 July 2018	–	–	–

Name of Director	Academic/Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member as at the Date of This Annual Report	Date of Directorship First Appointed	Date of Last Re-election	Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Over the Preceding 3 Years	Other Principal Commitments
Terry Mak	• Master of Business Administration from University of Connecticut; and • Bachelor of Science in Chemistry from Hong Kong Baptist University	Non-Executive Director	Board Member and Member of RC	4 November 2014	31 July 2018	–	–	–
Chia Choon Hwee Dennis	• Bachelor's (Honours) degree in Accountancy from the National University of Singapore; and • Master's degree in Business Administration from University of Hull, United Kingdom	Non-Executive Director	Board Member	31 August 2017	31 July 2018	• Bloomeria Limited • StarHub (Hong Kong) Limited • StarHub Cable Vision Ltd • StarHub (Mauritius) Ltd	• Lear Automotive Corporation Singapore Pte. Ltd.	• Chief Financial Officer of StarHub Ltd

CORPORATE GOVERNANCE REPORT

Table A		
Name of Director	**Jack Chia**	**Tan Liang Pheng**
Date of first appointment	4 November 2014	4 November 2014
Date of last election	27 July 2017	20 July 2016
Age	58	70
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process)	The Board has accepted the NC's recommendation, which has reviewed and considered Mr. Jack Chia's performance as an Independent Director	The Board has accepted the NC's recommendation, which has reviewed and considered Mr. Tan Liang Pheng's performance as Independent Director
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of AC	Lead Independent Director, Chairman of RC, Member of AC and NC.
Professional qualification	• Degree in Accountancy from National University of Singapore; • Master of Arts in International Relations from International University of Japan; • Fellow member of the Institute of Certified Public Accountants; and • Completed the General Manager Program at Harvard Business School	• A member of the Institute of Singapore Chartered Accountants; and • Fellow Member of Association of Chartered Certified Accountants (UK)
Working experience and occupation(s) during the past 10 years	Professional director, specializing in corporate governance including private and public companies	Executive Director of Ivira Pte. Ltd. and Director of Tetra Group of Companies
Shareholding interest in the listed issuer and its subsidiaries	85,700 ordinary shares interest in the Company	85,700 ordinary shares interest in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	–	–
Conflict of interest (including any competing business)	–	–
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		

Table A		
Name of Director	**Jack Chia**	**Tan Liang Pheng**
Past (for the last 5 years)	• Director of AGV Group Ltd; • Director of Shanghai Turbo Enterprises Limited; • Director of Lifebrandz Limited; • Director of Sunray Holdings Limited; and • Director of China Hongcheng International Holdings Limited	–
Present	• Director of Combine Will International Limited; • Director of Debao Property Development Limited; • Director of Dukang Distillers Holdings Ltd.; and • Director of Ying Li International Real Estate Ltd.	• Director of Kimeda Pte. Ltd.

The general statutory disclosures of the Retiring Directors are as follows:			
	Question	**Jack Chia**	**Tan Liang Pheng**
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

CORPORATE GOVERNANCE REPORT

The general statutory disclosures of the Retiring Directors are as follows:			
	Question	Jack Chia	Tan Liang Pheng
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No

CORPORATE GOVERNANCE REPORT

The general statutory disclosures of the Retiring Directors are as follows:			
	Question	**Jack Chia**	**Tan Liang Pheng**
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
	Any prior experience as a director of an issuer listed on the Exchange?	Yes	No
	If yes, please provide details of prior experience.	• Shanghai Turbo Enterprise Limited • AGV Group Ltd • Lifebrandz Limited • Combine Will International Limited • Debao Property Development Limited • Dukang Distillers Holdings Ltd. • Ying Li International Real Estate Ltd	
	If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	–	Attended Singapore Institute of Director Course

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2019 and the statement of financial position of the Company as at 31 March 2019.

In the opinion of the directors,

(i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 61 to 162 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2019, and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Ang Wee Chye
Tan Liang Pheng
Chia Seng Hee, Jack
Lei Chee Kong, Thomas
Mak Chi Hoo
Chia Choon Hwee, Dennis

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the other director holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
	At 21.04.2019	At 31.03.2019	At 31.03.2018	At 21.04.2019	At 31.03.2019	At 31.03.2018
Company						
(No. of ordinary shares)						
Ang Wee Chye	21,425,400	21,425,400	101,725,400	421,710,000	421,710,000	341,410,000
Lei Chee Kong, Thomas	485,700	485,700	485,700	–	–	–
Mak Chi Hoo	85,700	85,700	85,700	–	–	–
Tan Liang Pheng	85,700	85,700	85,700	–	–	–
Chia Seng Hee, Jack	85,700	85,700	85,700	–	–	–

By virtue of section 7 of the Singapore Companies Act, Chapter 50, Mr. Ang Wee Chye is deemed to have an interest in the shares of all the Company's subsidiaries at the end of the financial year.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

PERFORMANCE SHARE PLAN

The Company has implemented a performance share plan known as mm2 Performance Share Plan ("mm2 PSP") which was approved and adopted by the shareholders at an Extraordinary General Meeting held on 4 November 2014 which provides for the award of fully paid-up ordinary shares in the share capital of the Company free-of-charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Full-time Group Executives who have attained the age of 21 years as of the award date and hold such rank as may be designated by the Committee from time to time are eligible to participate in mm2 PSP. Group Executive Directors and Group Non-Executive Directors (including Independent Directors) of the Group are eligible to participate in mm2 PSP. The participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditor.

Persons who are controlling shareholders or associates of a controlling shareholder who meet the criteria above are also eligible to participate in mm2 PSP provided that the participation of and the terms of each grant and the actual number of awards granted under mm2 PSP to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by the independent shareholders in a separate resolution for each person subject to the following:

(a) the aggregate number of shares comprised in awards granted to controlling shareholders or associates of a controlling shareholder under mm2 PSP shall not exceed 25% of the aggregate number of shares (comprised in awards) which may be granted under mm2 PSP; and

(b) the number of shares available to each controlling shareholder or associate of a controlling shareholder shall not exceed 10% of the shares available under mm2 PSP.

mm2 PSP is a share incentive scheme which will allow the Company, *inter alia*, to target specific performance objectives and to provide an incentive for participants to achieve these targets. The directors believe that mm2 PSP will help to achieve the following positive objectives:

(a) foster an ownership culture with the Group which aligns the interests of Group Executives with the interests of Shareholders;

(b) motivate participants to achieve key financial and operational goals of the Group and/or their respective business units and encourage greater dedication and loyalty to the Group; and

(c) make total employee remuneration sufficiently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long term growth and profitability of the Group.

mm2 PSP is administered by the Remuneration Committee (the "RC") which comprises three (3) directors, namely Tan Liang Pheng, Mak Chi Hoo and Lei Chee Kong, Thomas.

mm2 PSP shall continue in force at the discretion of the RC, subject to a maximum period of ten (10) years commencing on the date on which mm2 PSP is adopted by the Company in general meeting, provided always that mm2 PSP may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

PERFORMANCE SHARE PLAN (CONTINUED)

The Company may deliver shares pursuant to awards granted under mm2 PSP by way of:

(i) issuance of new shares;

(ii) delivery of existing shares purchased from the market or shares held in treasury; and/or

(iii) cash in lieu of shares, based on the aggregate market value of such shares.

The total number of new shares which may be issued pursuant to awards granted under mm2 PSP, when added to (i) the number of new shares issued and issuable in respect of all awards granted thereunder; and (ii) all shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15% of the issued share capital of the Company's post-placement as well as on the day preceding the relevant date of award. The aggregate number of shares available under mm2 PSP shall not exceed 15% of the total issued share capital of the Company post-placement and from time to time.

No performance shares have been awarded pursuant to mm2 PSP for the financial year ended 31 March 2019.

AUDIT COMMITTEE

The members of the Audit Committee (the "AC") at the end of the financial year and at the date of the statement are as follows:

Chia Seng Hee, Jack	(Chairman of AC, Independent Director)
Tan Liang Pheng	(Lead Independent Director)
Lei Chee Kong, Thomas	(Independent Director)

The AC performs the functions in accordance with Section 201B(5) of the Singapore Companies Act, (the "Act"), the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance. In performing those functions, the AC:

- reviews with the independent auditor the audit plan, their audit report, their management letter and our management's response;

- reviews the audit plan of internal auditor, and internal auditor's review and evaluation of the Group's system of internal controls and accounting system;

- reviews the financial statements before submission to the Board for approval;

- reviews the internal control and procedures, ensure co-ordination between the independent auditor and the management, review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);

- reviews any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

- reviews, where applicable, the role and effectiveness of the internal audit procedures;

- reviews and approves interested person transactions and reviews procedures thereof;

- considers the appointment or re-appointment of the independent auditor and matters relating to the resignation or dismissal of the independent auditor and internal auditor;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

AUDIT COMMITTEE (CONTINUED)

The AC performs the functions in accordance with Section 201B(5) of the Singapore Companies Act, (the "Act"), the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance. In performing those functions, the AC: (continued)

- undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

- reviews at least annually the Group's key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports of the Company or, where the findings are material, to announce such material findings immediately via SGXNet; and

- generally undertakes such other functions and duties as may be required by statute and by such amendments made thereto from time to time.

The AC confirmed that they have undertaken a review of all non-audit services provided by the independent auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the independent auditor.

The AC has recommended to the Board of Directors that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Ang Wee Chye
Director

Tan Liang Pheng
Director

28 June 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MM2 ASIA LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **mm2 Asia Ltd.** (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 61 to 162.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MM2 ASIA LTD.

Key Audit Matters (continued)

Revenue Recognition
(Refer to Note 2.3 to the financial statements)

Area of focus:

For the financial year ended 31 March 2019, total revenue of the Group amounts to $266,187,000 which is mainly derived from 4 segments, namely, core business, post-production and content production, cinema operations and event production and concert promotion.

Under the new accounting framework SFRS(I) 15 *Revenue from Contracts with Customers*, revenue is recognised at an amount that reflects the consideration in the contracts to which the Group expects to be entitled in exchange for promised goods or services to the customers as and when the Group satisfies its performance obligation (which is when the customers obtain control of the goods or services) at a point in time.

We focused on revenue as a key audit matter as this is a significant audit risk and a major area for the Group. Moreover, certain revenue streams in the Group are driven by the relevant terms in the related contracts which would require greater judgement and consideration.

How our audit addressed the area of focus:

In obtaining sufficient audit evidence, the following procedures were carried out:

- Discussed with management on the processes involved in the revenue cycles and performed walkthroughs to confirm our understanding;
- Evaluated management's assessment of the application of SFRS(I) 15 *Revenue from Contracts with Customers*, in particular, the five-step model for each revenue stream;
- Reviewed significant contracts during the financial year to assess whether the revenue is recognised in accordance with the Group's accounting policies as disclosed in Note 2.3 to the financial statements;
- Performed tests of detail, including cut-off procedures, to ascertain that revenue was recognised in the correct financial year; and
- Reviewed significant credit notes issued, where applicable, during the year and post-year end.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MM2 ASIA LTD.

Key Audit Matters (continued)

Carrying value of goodwill
(Refer to Note 2.7(a), 3(c) and 23(a) to the financial statements)

Area of focus:

The Group has recognised goodwill amounting to $259,915,000 arising from various business combinations and allocated the goodwill to respective cash-generating units ("CGUs"). The goodwill is assessed for impairment annually and whenever there is indication that the goodwill may be impaired. Management applies the value-in-use method to determine the recoverable amount of goodwill, except for the cash-generating unit of event production and concert promotion and post-production and content production, where fair value less costs of disposal method was applied.

Significant judgement are 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.

We have focused on this area due to the significance of the goodwill in relation to the total assets and the inherent uncertainties involved in forecasts and estimates, which form the basis of the assessment of recoverability.

How our audit addressed the area of focus:

In obtaining sufficient audit evidence, the following procedures were carried out:

- With the assistance of valuation specialist, critically evaluated whether the model and methodology used by management to determine the recoverable amount of goodwill complies with SFRS(I) 1-36 *Impairment of Assets* and assessed the reasonableness of the growth rate and discount rate used;

- Analysed the future projected cash flows used in the model to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash-generating unit;

- Evaluated the reasonableness and challenged the appropriateness of key assumptions used by the management, by comparing them against historical forecasts and performance, as well as publicly available market data; and

- Reviewed management's disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MM2 ASIA LTD.

Key Audit Matters (continued)

Impairment assessment of trade receivables
(Refer to Note 2.13, 3(b), 13 and 38(b) to the financial statements)

Area of focus:

Included in the Group's total trade receivables are balances due from local and overseas customers. The total trade receivables contributed 40% to the Group's current assets, representing one of the most significant components to the financial statements. Certain customers are experiencing a higher than average collection period as compared to other customers, resulting in a greater inherent exposure to non-collectability and increased level of judgement involved in estimating the recoverability of trade receivables.

With reference to SFRS(I) 9 *Financial Instruments*, the Group applies the simplified approach (lifetime expected credit loss) for its trade receivables.

The Group assesses periodically and at the financial year end the expected credit loss ("ECL") associated with its trade 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.

As the impairment assessment on the trade receivables required significant management judgement in estimating the ECL and in consideration of the significance of trade receivables in the Group, we determined this area to be a key audit matter.

How our audit addressed the area of focus:

In obtaining sufficient audit evidence, the following procedures were carried out:

- Evaluated management's assessment and determination of the expected credit loss of the Group's trade receivables;
- Reviewed the reasonableness of management estimation of expected credit loss rates which are based on the historical loss rates for each category of customers and adjusted to reflect current and forward looking macroeconomic factors affecting the ability of the customers to settle the receivables;
- Tested the aging of trade receivables as at financial year end on a sampling basis;
- Assessed the recoverability of long outstanding trade receivables by comparing management's assumptions used to estimate both the amount and timing of the recoverability of outstanding debts to historical patterns of receipts; and
- Reviewed the recoverability of long outstanding trade receivables to the subsequent receipts and any other evidence.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MM2 ASIA LTD.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MM2 ASIA LTD.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Mr. Low See Lien.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
28 June 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Group	Note	2019 $'000	2018 $'000 *Restated*
Revenue	4	266,187	192,035
Cost of sales		(141,988)	(104,728)
Gross profit		124,199	87,307
Other income			
- Interest income	7	233	470
- Others	7	4,270	477
		4,503	947
Other (losses)/gains - net			
- Expected credit loss on financial assets	8	(2,101)	–
- Others	8	971	214
		(1,130)	214
Expenses			
- Administrative expenses		(69,893)	(47,035)
- Finance expenses	9	(17,876)	(4,932)
		(87,769)	(51,967)
Share of profits of associated companies and joint venture		22	112
Profit before income tax		39,825	36,613
Income tax expense	10	(11,109)	(7,099)
Net profit for the financial year		28,716	29,514
Other comprehensive (loss)/income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - (losses)/gains	33(b)	(141)	360
Total comprehensive income for the financial year		28,575	29,874
Net profit attributable to:			
Equity holders of the Company		19,138	22,395
Non-controlling interests		9,578	7,119
		28,716	29,514
Total comprehensive income attributable to:			
Equity holders of the Company		18,986	22,779
Non-controlling interests		9,589	7,095
		28,575	29,874
Earnings per share for net profit attributable to equity holders of the Company			
Basic and diluted (cents)	11	1.65	1.98

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

Group	Note	31 March 2019 $'000	31 March 2018 $'000 Restated	1 April 2017 $'000 Restated
ASSETS				
Current assets				
Cash and cash equivalents	12	18,566	93,180	25,755
Trade and other receivables	13	180,656	107,890	42,884
Inventories	14	363	417	188
Other current assets	15	66,156	14,115	7,159
Film products and films under production	16	21,882	20,686	23,394
Income tax recoverable		–	–	11
		287,623	236,288	99,391
Non-current assets				
Trade and other receivables	13	3,500	–	–
Financial asset, at fair value through profit or loss	17	710	–	–
Available-for-sale financial asset	18	–	710	–
Investments in associated companies	20	2,658	2,554	1,493
Investment in a joint venture	21	99	73	–
Property, plant and equipment	22	36,437	42,095	11,184
Intangible assets and goodwill	23	289,652	290,295	47,472
Film rights	24	29,234	4,694	5,561
Film intangibles and film inventories	25	14,434	4,184	3,513
Deferred income tax assets	31	1,377	1,297	675
		378,101	345,902	69,898
TOTAL ASSETS		665,724	582,190	169,289
LIABILITIES				
Current liabilities				
Trade and other payables	26	131,356	273,043	46,636
Contract liabilities	27	17,053	3,756	6,984
Borrowings	28	36,820	4,972	6,223
Current income tax liabilities		10,329	9,235	5,603
		195,558	291,006	65,446
Non-current liabilities				
Trade and other payables	26	–	3,600	–
Borrowings	28	186,172	60,970	5,464
Provisions	29	4,841	4,978	–
Derivative financial instruments	30	5,905	6,874	–
Deferred income tax liabilities	31	6,619	6,298	1,866
		203,537	82,720	7,330
TOTAL LIABILITIES		399,095	373,726	72,776
NET ASSETS		266,629	208,464	96,513
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	32	152,870	152,870	88,212
Reserves	33	(14,455)	(30,907)	(37,239)
Retained profits	34(a)	75,748	56,610	34,215
		214,163	178,573	85,188
Non-controlling interests		52,466	29,891	11,325
TOTAL EQUITY		266,629	208,464	96,513

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

Company	Note	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
ASSETS				
Current assets				
Cash and cash equivalents	12	600	47,605	2,453
Trade and other receivables	13	288,372	75,882	48,665
		288,972	123,487	51,118
Non-current assets				
Investments in subsidiaries	19	69,459	66,035	64,534
Investments in associated companies	20	2,525	2,430	1,493
		71,984	68,465	66,027
TOTAL ASSETS		360,956	191,952	117,145
LIABILITIES				
Current liabilities				
Trade and other payables	26	57,995	31,527	28,636
Borrowings	28	29,746	3,200	2,500
		87,741	34,727	31,136
Non-current liabilities				
Borrowings	28	125,750	8,000	-
TOTAL LIABILITIES		213,491	42,727	31,136
NET ASSETS		147,465	149,225	86,009
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	32	152,870	152,870	88,212
Accumulated losses	34(b)	(5,405)	(3,645)	(2,203)
TOTAL EQUITY		147,465	149,225	86,009

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		← Attributable to equity holders of the Company →					
Group	**Note**	**Share capital $'000**	**Reserves $'000**	**Retained profits $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
2019							
Beginning of financial year (restated)		152,870	(30,907)	56,610	178,573	29,891	208,464
Profit for the year		–	–	19,138	19,138	9,578	28,716
Other comprehensive (loss)/income for the year		–	(152)	–	(152)	11	(141)
Total comprehensive (loss)/income for the year		–	(152)	19,138	18,986	9,589	28,575
Disposal of partial investment in a subsidiary without loss on control	19(a)	–	11,727	–	11,727	14,073	25,800
Dilution of interest in subsidiaries without loss on control	19(b)	–	4,877	–	4,877	8,845	13,722
Non-controlling interest arising from incorporation of a subsidiary		–	–	–	–	490	490
Acquisition of subsidiary's shares from non-controlling interest		–	–	–	–	(422)	(422)
Dividend paid by a subsidiary to non-controlling interests		–	–	–	–	(10,000)	(10,000)
End of financial year		152,870	(14,455)	75,748	214,163	52,466	266,629
2018							
Beginning of financial year		88,212	(37,239)	34,215	85,188	11,325	96,513
Profit for the year		–	–	26,480	26,480	7,119	33,599
Other comprehensive income/(loss) for the year		–	384	–	384	(24)	360
Total comprehensive income for the year (as previously stated)		–	384	26,480	26,864	7,095	33,959
Prior year adjustments	43	–	–	(4,085)	(4,085)	–	(4,085)
Total comprehensive income for the year (restated)		–	384	22,395	22,779	7,095	29,874
Dilution of interest in a subsidiary without loss of control	19(b)	–	5,948	–	5,948	11,594	17,542
Issuance of new shares pursuant to:							
- performance share plan	32	574	–	–	574	–	574
- placement agreement with financial institutions	32	49,084	–	–	49,084	–	49,084
- placement agreement with Starhub Ltd	32	15,000	–	–	15,000	–	15,000
Dividend paid by subsidiary to non-controlling interests		–	–	–	–	(123)	(123)
End of financial year (restated)		152,870	(30,907)	56,610	178,573	29,891	208,464

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	Group 2018 $'000 *Restated*
Cash flows from operating activities			
Net profit for the financial year		28,716	29,514
Adjustments for:			
- Income tax expense	10	11,109	7,099
- Interest income	7	(233)	(470)
- Finance expenses	9	17,876	4,932
- Depreciation of property, plant and equipment	22	9,805	5,719
- Amortisation of intangible assets	23	1,055	1,608
- Amortisation of film rights	24	6,968	11,457
- Amortisation of film intangibles and film inventories	25	3,013	3,879
- Share of profits of associated companies and joint venture		(22)	(112)
- Property, plant and equipment written off	8	40	–
- Gain on fair value changes in deferred consideration for business combination	7	(3,559)	–
- Gain on disposal of property, plant and equipment	8	(19)	(6)
- (Gain)/Loss on fair value changes in derivative financial instruments	8	(969)	4
- Expected credit loss on financial assets	8	2,101	–
- Loss/(Gain) on unrealised foreign exchange		868	(1,050)
- Issuance of subsidiary's shares to its employees prior to initial public offering ("IPO") of the subsidiary		200	–
- Performance share plan expenses	32	–	574
		76,949	63,148
Changes in working capital, net of effects from acquisition of subsidiary:			
- Trade and other receivables		(64,571)	(59,065)
- Inventories		54	(107)
- Other current assets		(51,699)	(13,013)
- Film products and films under production		(3,259)	(7,817)
- Film intangibles and film inventories		(9,464)	(4,559)
- Trade and other payables		62,922	28,732
- Contract liabilities		13,297	(1,492)
Cash generated from operations		24,229	5,827
Income tax paid		(9,775)	(5,160)
Net cash generated from operating activities		14,454	667

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group	
		2019	2018
	Note	$'000	$'000
			Restated
Cash flows from investing activities			
Acquisition of business assets	41(a)	–	(31,458)
Acquisition of a subsidiary, net of cash acquired	41(b)	–	(5,773)
Additions to available-for-sale financial asset	18	–	(710)
Acquisition of associated companies	20	(114)	(920)
Additions to intangible assets		(763)	(3,450)
Acquisition of joint venture	21	–	(102)
Additions to film rights		(29,777)	(82)
Additions to property, plant and equipment		(4,576)	(10,194)
Deposit paid for acquisition of intangible assets		(13,848)	–
Interest received		233	470
Acquisition of subsidiary's shares from non-controlling interest		(422)	–
Proceeds from disposal of property, plant and equipment		133	47
Proceeds from disposal of partial investment in a subsidiary	19(a)	25,800	–
Payment for an investment in associated company		–	(1,500)
Repayment of deferred purchase consideration		(215,000)	(20,000)
Net cash used in investing activities		(238,334)	(73,672)
Cash flows from financing activities			
Release of/(increased in) fixed deposit pledged		1,000	(103)
Interest paid		(8,752)	(943)
Dividend paid by a subsidiary to non-controlling interests		(10,000)	(123)
Proceeds from issuance of shares of the Company	32	–	64,084
Proceeds from issuance of shares of a subsidiary, net of IPO expenses		11,522	17,542
Proceeds from issuance of convertible bonds and notes		–	115,495
Proceeds from issuance of subsidiary's shares pursuant to conversion of pre-IPO convertible loans		2,000	–
Proceeds from isssuance of medium term note programme		50,000	–
Procceeds from issuance of loan notes		5,000	–
Proceeds from bank loans		233,410	29,071
Repayment of borrowings		(133,825)	(84,315)
Repayment of finance lease liabilities		(54)	(95)
Net cash generated from financing activities		150,301	140,613
Net changes in cash and cash equivalents		(73,579)	67,608
Cash and cash equivalents			
Beginning of financial year		92,180	24,858
Effects of currency translation on cash and cash equivalents		(35)	(286)
End of the financial year	12	18,566	92,180

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Reconciliation of liabilities arising from financing activities

		Cash flows	Non-cash movement					
	Beginning of financial year	Net of proceeds from/ (repayment of) borrowings and interest	Interest	Additional finance lease	Embedded derivative - fair value changes	Accrued interest	Currency translation differences	End of financial year
	$'000	$'000	$'000	$'000	$'000	$000	$000	$'000
Group								
2019								
Borrowings								
Bank loans	24,395	92,594	8,355	–	–	(2,761)	(285)	122,298
Finance lease liabilities	155	(60)	6	165	–	–	(5)	261
Convertible bonds and notes	41,392	–	4,041	–	–	–	–	45,433
Medium term note programme	–	48,245	3,764	–	–	(2,009)	–	50,000
Loan notes	–	5,000	54	–	–	(54)	–	5,000
	65,942	145,779	16,220	165	–	(4,824)	(290)	222,992
Derivative financial instruments								
Convertible bonds and notes	6,874	–	–	–	(969)	–	–	5,905
2018								
Borrowings								
Bank loans	11,581	12,296	518	–	–	–	–	24,395
Finance lease liabilities	106	(94)	–	143	–	–	–	155
Convertible bonds and notes	–	47,955	311	–	(6,874)	–	–	41,392
	11,687	60,157	829	143	(6,874)	–	–	65,942
Derivative financial instruments								
Convertible bonds and notes	–	–	–	–	6,874	–	–	6,874

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

The Company

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 located at 1002 Jalan Bukit Merah #07-11 Singapore 159456.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries, associated companies and joint venture are described in Notes 19, 20 and 21 to the financial statements, respectively.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.2 Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 April 2018. These financial statements for the year ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued consolidated financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 April 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 1 April 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening consolidated statement of financial position has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of SFRS(I) (continued)

(a) *Optional exemptions applied*

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing the first set of financial statements in accordance with SFRS(I).

(i) Short-term exemption on adoption of SFRS(I) 9 *Financial Instruments*

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018.

The Group has assessed the business models that are applicable on 1 April 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. As a result, the requirements under SFRS are applied in place of the requirement under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

Trade and other receivables were subjected to the expected credit loss impairment model under SFRS(I) 9.

(ii) Practical expedients on adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 April 2018 and have used the following practical expedients provided under SFRS(I) 15 as follows:

- for completed contracts with variable consideration, the Group has used the transaction price at the date the contract was completed, rather than estimating the variable consideration amounts in the comparative reporting period;
- for contracts which were modified before the date of transition, the Group did not retrospectively restate the contract for those contract modifications; and
- for the financial year ended 31 March 2018, the Group did not disclose the amount of transaction price allocated to the remaining performance obligations and explanation of when the Group expects to recognise that amount as revenue.

(b) *New and amended standards adopted by the Group*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of SFRS(I) (continued)

(b) New and amended standards adopted by the Group (continued)

SFRS(I) 9 *Financial Instruments*

As disclosed in Note 2.2(a)(i) to the financial statements, the Group has elected to apply short-term exemption to adopt SFRS(I) 9 with effect from the financial year beginning on or after 1 April 2018. SFRS(I) 9 replaces the provision of FRS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting. The Group's accounting policy for financial instruments is disclosed in Note 2.13 to the financial statements.

For financial assets held by the Group on 1 April 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into appropriate categories under SFRS(I) 9.

Investment in unquoted equity shares amounting to $710,000 was reclassified from the "available-for-sale" category (Note 18) to fair value through profit or loss ("FVPL") category (Note 17). They are non-equity instruments that do not meet the criteria to be classified as amortised cost in accordance with SFRS(I) 9, because their cash flows do not represent solely payments of principal and interest.

SFRS(I) 15 *Revenue from Contracts with Customers*

In accordance with the requirements of SFRS(I) 1, the Group adopted SFRS(I) 15 retrospectively. As disclosed in Note 2.2(a)(ii) to the financial statements, the Group has elected to apply the transition provisions under paragraph C5 of SFRS(I) 15 at 1 April 2018.

SFRS(I) 15 has replaced FRS 18 Revenue and its related interpretations. Revenue is recognised when a customer obtains control of goods or services, i.e. when it has ability to direct the use of and obtain the benefits from the goods or services. The standard also provides guidance on the treatment of any costs to obtain and/or fulfil a contract that may be recognised as assets. The Group's accounting policy for revenue recognition is disclosed in Note 2.3 to the financial statements.

There were no material adjustments to the Group's consolidated statement of financial position, consolidated statement of financial performance and consolidated statement of cash flows arising from the transition from SFRS to SFRS(I), except as disclosed above and in Note 43 to the financial statements.

2.3 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at point in time or over time and the amount of revenue recognised is the amount allocated to the satisfied performance obligation when each of the Group's activities are met.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition (continued)

2.3.1 Core business

Revenue from the exploitation of copyrights is recognised at point in time when it permits the customer the rights to use freely and the Group has no remaining obligations to perform.

Producer fee income from production of movies, entertainment events and television programmes and consultancy income is recognised at point in time upon satisfaction of performance obligation (i.e., when services are rendered to customer).

Professional services refer to revenue from services of development or pre-production services or production services on motion pictures, video and/or television programme. Revenue is recognised at point in time upon satisfaction of performance obligation (i.e., when services are rendered and accepted by customer).

Revenue from distribution of films to movie distributors and/or theatres and circuits is recognised when the films are exhibited. After the payment of taxes, other charges and deductions by movie distributors and/or theatres and circuits of their respective share of the box office sales, the net proceeds (the "Distributable Amount") are remitted to the Group. Revenue is recognised at point in time upon the completion of services rendered (i.e., movies are exhibited).

License income is recognised at point in time upon delivery of film materials when licensee is provided with the right to use the film materials, as it exists at point in time at which license is granted.

The Group derives revenue from sponsorships associated with the production of films. Sponsorship fees relate to a one-time event. Revenue from a one-time event is recognised if (i) pervasive evidence of an arrangement exists; (ii) the event has occurred; (iii) the price is fixed or determinable; and (iv) collectability is reasonably assured. Sponsorship advances are deferred until earned pursuant to the sponsorship agreement and are presented as contract liabilities on the consolidated statement of financial position. Revenue is recognised at point in time when the Group has fulfiled the performance obligation of the revenue contracts or recognised when services are rendered upon completion of events or services and when the Group has no remaining obligation to perform.

2.3.2 Post and content production ("Post and content production")

Revenue from rendering of services for post-production are recognised at point in time when the relevant services are rendered and have been accepted by the customer (i.e., upon delivery of commercial videos or post-production related media works).

Revenue is recognised at the point of time when a fixed fee on non-refundable guarantee under a non-cancellable contract has been entered, which permits the customer the rights to use freely and the Group has no remaining obligations to perform.

Professional services rendered is recognised when the services are rendered to third parties for the development, pre-production and production of contents, for example but not limited to virtual reality products ("VR") for location-based thematic tour show with incorporate immersive experience. Revenue is recognised at point in time or over time depending on the variation of respective contract and performance obligation attached.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition (continued)

2.3.3 Cinema operations

Income from box office takings is recognised at point in time on the date of the showing of the film it relates to.

Income from confectionery sales is recognised at the point of sales.

Revenue from hall rental and screen advertising is recognised at point in time upon completion of the services.

2.3.4 Event production and concert promotion ("Concert and event")

Revenue from renting of stage sound system and equipment is recognised upon completion of the events.

Revenue from the rendering of technical services is recognised when the services are rendered upon completion of the events.

Revenue from artistic performances and other special events, including the related sponsorship received is recognised when the events take place. When subscription to a number of events is sold, the fee is allocated to each event on a basis which reflects the extent to which services are performed at each event.

Revenue from trading of performance rights is recognised when the customer obtains control of the rights.

Revenue from the co-management of exhibition/concert halls is recognised upon completion of the events.

Revenue from renting exhibition/concert halls related equipment is recognised upon completion of the events.

2.3.5 Others

Others consist of revenue from café operations, social media advertising activities and development of software for interactive digital media.

2.3.6 Interest income

Interest income is recognised using the effective interest method.

2.3.7 Dividend Income

Dividend income is recognised when the right to receive payment is established.

2.3.8 Other income

The income from talent fee, formatting fee and management fee is recognised when services are rendered and the amount of income and cost incurred or to be incurred in respect of the transaction can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Government grant

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, inter company transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. The subsequent accounting policy on goodwill is disclosed in Note 2.7(a) to the financial statements.

Acquisitions of entity under common control have been accounted for using the pooling-of-interest method. Under this method:

- The consolidated financial statements of the Group have been prepared as if the Group structure immediately after the transaction has been in existence since the earliest date the entities are under common control;

- The assets and liabilities are brought into the consolidated financial statements at their existing carrying amounts from the perspective of the controlling party;

- The consolidated statement of comprehensive income includes the results of the acquired entities since the earliest date the entities are under common control;

- The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued, cash and cash equivalents and fair values of other consideration; and

- On consolidation, the difference between the cost of investment and the nominal value of the share capital of the merged subsidiaries is taken to merger reserve.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

The subsequent accounting policy on investment in subsidiaries is disclosed in Note 2.11 to the financial statements.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Group accounting (continued)

(c) Associated companies and joint venture

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint venture is entities over which the Group has joint control as a result of contractual arrangements and rights to the net assets of the entities.

Investments in associated companies and joint venture are accounted for in the consolidated financial statements and the separate financial statements of the Company using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint venture represent the excess of the cost of acquisition of the associated companies and joint venture over the Group's share of the fair value of the identifiable net assets of the associated companies or joint venture and are included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated companies' or joint venture's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint venture are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in associated companies or joint venture equals to or exceeds its interest in the associated companies or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated companies or joint venture. If the associated companies or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies and joint venture are eliminated to the extent of the Group's interest in the associated companies and joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies and joint venture are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group and the Company loses significant influence and joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

The accounting policy on investment in associated companies and joint ventures in the separate financial statements of the Company are disclosed in Note 2.11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The initial estimate cost of dismantlement, removal or restoration cost is also recognised as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives (Years)
Motor vehicles	5 years
Computers, office equipment and furniture and fittings	2.5 - 10 years
Tools and equipment	3 - 10 years
Rental equipment	5 - 10 years
Machinery	5 years
Renovation	3 - 10 years
Leasehold property	92 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment still in use are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Other (losses)/gains-net”.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets and goodwill

(a) *Goodwill*

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible asset and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated companies and joint ventures represent the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures are included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(b) *Brands*

The brands acquired in business combination are measured at its fair value as at date of acquisition. The brands are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of brands are assumed to be either finite or indefinite.

(i) Brand with finite useful life

The brand with finite useful life is amortised over its useful life and assessed for impairment whenever there is indicator that the brand may be impaired. The amortisation period and method is reviewed at each financial year end.

(ii) Brand with indefinite useful life

The brand indefinite useful life is tested for impairment annually. Such brand is not amortised. The assessment of indefinite useful life is reviewed at each reporting period.

(c) *Artiste rights*

Artiste rights acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the economic benefit subject to maximum of license period.

(d) *Software under development*

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

Software under development will not be amortised until it is available for intended use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets and goodwill (continued)

(e) Content development cost

Costs directly attributable to the development of the content are capitalised as intangible assets only when technical feasibility is demonstrated, the Group has an intention and ability to complete and use the content and the costs can be measured reliably. Such costs include purchases of materials, services and payroll-related costs of employees directly involved in the project.

(f) Other intangible assets

Other intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of other intangible assets is calculated using the straight-line method to allocate their depreciable amount over its estimated useful life.

2.8 Film rights

Film rights are stated at cost less accumulated amortisation and accumulated impairment losses. Film rights, less estimated residual value and accumulated impairment losses, are amortised in proportion to the estimated projected revenue over their economic beneficial period subject to a maximum of five (5) years. Additional amortisation and/or impairment loss is made if future estimated projected revenue is adversely different from the previous estimation. Estimated projected revenue are reviewed at regular intervals.

2.9 Film intangibles and film inventories

Film intangibles and film inventories comprise of rights and films acquired by the Group. It is amortised over the economic beneficial period subject to the maximum of the license period when the film is released.

2.10 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.11 Investments in subsidiaries, associated companies and joint venture

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position.

Investments in associated companies and joint venture are accounted using the equity method of accounting less impairment losses, if any, in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.12 Impairment of non-financial assets

(a) Intangible assets - Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of non-financial assets (continued)

(a) Intangible assets - Goodwill (continued)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Film rights
Film intangibles and film inventories
Intangible assets
Investments in subsidiaries, associated companies and joint venture

Property, plant and equipment, film rights, film intangibles and film inventories, intangible assets and investments in subsidiaries, associated companies and joint venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.13 Financial assets

<u>The accounting for financial assets before 1 April 2018 are as follows:</u>

(a) Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale financial asset. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at the initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

In prior financial year ended 31 March 2018, the Group does not hold any of the financial assets except for loans and receivables and available-for-sale financial assets.

(i) <u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (continued)

<u>The accounting for financial assets before 1 April 2018 are as follows:</u> (continued)

(a) Classification (continued)

(ii) <u>Available-for-sale financial asset</u>

Available-for-sale financial asset is non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the reporting date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date-the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Available-for-sale financial asset is subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial asset is recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) <u>Loans and receivables</u>

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (continued)

The accounting for financial assets before 1 April 2018 are as follows: (continued)

(e) Impairment (continued)

(i) Loans and receivables (continued)

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial asset

In addition to the objective evidence of impairment described in Note 2.13(e)(i) to the financial statements, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is an objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

The accounting for financial assets from 1 April 2018 are as follows:

(f) Classification and measurement

The Group classifies and measures its financial assets at amortised cost and fair value through profit or loss ("FVPL"). The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial asset carried at FVPL are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments of the Group mainly comprise of cash and cash equivalents and trade and other receivables.

The subsequent measurement categories depend on the Group's business model for managing the assets and the cash flow characteristic of the assets. The debt instruments are recognised at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (continued)

The accounting for financial assets from 1 April 2018 are as follows: (continued)

(f) Classification and measurement (continued)

At subsequent measurement (continued)

(i) Debt instruments (continued)

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other (losses)/gains-net", except for those equity securities which are not held for trading.

Dividends from equity investments are recognised in profit or loss as "dividend income".

(g) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk Note 38(b) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(h) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date-the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

On disposal of an equity investment, the difference the carrying amount and sales proceed is required in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating that asset.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

(a) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(b) Convertible bonds and notes

The total proceeds from convertible bonds and notes issued are allocated to the liability component and the equity component which are separately presented on the statement of financial position.

The liability component is recognised initially at its fair value, determined using a market interest rate for an equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds and notes.

The difference between the total proceeds and the liability component is allocated to the embedded equity conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, the carrying amounts of the liability and equity components are transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

If the conversion option in a convertible bonds and notes are settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the issuer's own equity instruments, the conversion option is a derivative liability. The derivative is required to be carried at fair value with changes in fair value recognised in profit or loss.

2.16 Financial guarantees

The Group and the Company have issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Group and the Company to reimburse the banks if the subsidiaries default their payments to banks in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Prior to 1 April 2018, financial guarantees were subsequently measured at the higher of Note 2.16(a) and the expected amounts payable to the banks in the event it is probable that the Group and the Company will reimburse the banks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group and the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.18 Leases

(a) When the Group is the lessee:

The Group leases motor vehicles and office equipment under finance leases from non-related parties and motor vehicles, office space, apartments and cinema halls under operating leases from related and non-related parties.

(i) Lessee - Finance lease

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee - Operating lease

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Group is the lessor:

The Group leases stage sound system, equipment and cinema halls under operating leases to non-related parties.

Lessor - Operating lease

Leases of equipment and cinema halls where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Film products and films under production

Film products are stated at cost less accumulated impairment losses. Film products pending theatrical release are included in current assets. Upon first theatrical release, these film products are reclassified as film rights and are included in non-current assets. Cost of film products are accounted for on a film-by-film basis which includes production costs, costs of services, direct labour costs and facilities in the creation of a film.

Films under production include production costs, costs of services, direct labour costs and facilities in the creation of films. Upon completion, these films under production are reclassified as film products. Films under production are accounted for on a film-by-film basis and are stated at cost less any accumulated impairment losses.

An impairment loss is made if there has been a change in the estimate used to determine the recoverable amount and the carrying amount exceeds the recoverable amount.

2.20 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in first-out method. Cost include all costs of purchase and other costs incurred in bringing inventories to the present location. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2.21 Other current assets

Other current assets, comprises of costs incurred in fulfilling a contract with a customer, are recognise only if:

(a) these costs relate directly to a contract or to an anticipated contract which the Group can specifically identify;

(b) these costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and

(c) the costs are expected to be recovered.

Otherwise, such costs are recognised as an expense immediately.

The assets recognised are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of these other current assets exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

2.22 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences, arising on investment in subsidiaries, associated companies and joint venture, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Income taxes (continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group and the Company expect, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income and expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration the time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Employees' compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore, Employee Provident Fund in Malaysia and Mandatory Provident Fund in Hong Kong on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

(c) Performance shares

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's share on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vested, with the corresponding adjustment made in equity.

Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

(d) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to reporting date.

2.25 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("$" or "SGD") and all values are rounded to the nearest thousand ($'000) except otherwise indicated, which is the functional currency of the Group and of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance expense". All other exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive income within "Other (losses)/gains-net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker whose members are responsible for allocating resources and assessing performance of the operating segments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the consolidated statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.28 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.29 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised in equity in the period in which they are declared.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

(a) Amortisation of film rights

The costs of film rights less residual values, are amortised in proportion to the estimated projected revenues over the economic beneficial period subject to a maximum of five (5) years. Additional amortisation is made if estimated projected revenues are materially different from the previous estimation.

Management base its estimates of total projected revenues of each film on the historical performance of similar films, incorporating factors such as the past box office record of the leading actors and actresses, the genre of the film, anticipated performance in the home entertainment, television and other ancillary markets, and agreements for future sales and exploitations.

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. Such change in revenue projections or estimations may result in a change in the rate of amortisation of the assets. This could have an impact on the Group's results of operations. The carrying amounts of film rights as at 31 March 2019, 31 March 2018, and 1 April 2017 are disclosed in Note 24 to the financial statements.

If the estimated projected revenue differs by 10% from management's estimates, the carrying amount of the film rights would have been lower by $2,289,000 (31 March 2018: $210,000; 1 April 2017: $387,000) as at 31 March 2019.

(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 relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) Impairment of trade and other receivables (continued)

In determining the ECL of trade and other receivables, the Group has used historical data to determine the loss rate and applied an adjustment against the historical loss rate based on the default rate to reflect the current and forward-looking information.

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

The carrying amounts of trade and other receivables are disclosed in Note 13 to the financial statements. The ECL allowance recognised for trade and other receivables as at 31 March 2019 is $2,261,000. Details of the ECL allowance are disclosed in Note 38(b) to the financial statements.

(c) Impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The recoverable amount of these assets and where applicable, CGU have been determined based on value-in-use and cost fair value less cost of disposal calculations. These calculations require the use of estimates and the sensitivity analysis for impairment of goodwill are disclosed in Note 23(a) to the financial statements.

4 REVENUE

The Group derives revenue from the transfer of goods and services at a point in time in the following types of services and geographical regions.

Group	2019 $'000	2018 $'000
Disaggregation of revenue		
Core business	98,201	93,622
Post and content production	9,258	6,317
Cinema operations	100,746	45,038
Concert and event	56,207	46,442
Others	1,775	616
	266,187	192,035
Geographical regions based on location of customers		
Singapore	121,303	88,909
Malaysia	45,615	32,956
People's Republic of China	34,727	41,130
Taiwan	32,630	14,401
Hong Kong	18,811	10,542
Others	13,101	4,097
	266,187	192,035

5 EXPENSES BY NATURE

The Group's profit before income tax is arrived at after charging the following:

Group	2019 $'000	2018 $'000 *Restated*
Amortisation of intangible assets (Note 23)	1,055	1,608
Amortisation of film rights (Note 24)	6,968	11,457
Amortisation of film intangibles and film inventories (Note 25)	3,013	3,879
Artistes fees	14,906	9,245
Concerts and events hosting	9,298	11,614
Depreciation of property, plant and equipment (Note 22)	9,805	5,719
Employees' compensation (Note 6)	30,100	20,595
Equipment rental	325	1,356
Film rental expenses	33,332	14,766
Production and distribution of film costs	50,943	48,219
Professional fees	3,375	2,783
Purchase of inventories	4,842	2,939
Rental expense on operating leases	25,552	11,079
Travelling and transportation	2,731	1,046
Upkeep of property, plant and equipment	5,356	2,757
Utilities	5,024	2,522

The production and distribution of film costs of the Group mainly include subcontracting costs, copyright fees, share of the net receipts from the exploitation of copyrights and overhead costs.

6 EMPLOYEES' COMPENSATION

Group	2019 $'000	2018 $'000
Wages and salaries	26,775	18,373
Employer's contribution to defined contribution plans	2,148	1,279
Other short-term benefits	1,177	943
	30,100	20,595

Included in the wages and salaries for the financial year ended 31 March 2019, a subsidiary of the Company had issued its shares to its employees amounting to $200,000 prior to initial public offering ("IPO") of the subsidiary.

In the previous financial year, included in the wages and salaries were mm2 awarded PSP expenses of $574,000 as disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

7 OTHER INCOME

Group	2019 $'000	2018 $'000
Government grants	89	34
Sponsorship income in relation to advertisement	–	210
Gain on fair value changes in deferred consideration for business combination	3,559	–
Miscellaneous income	622	233
	4,270	477
Interest income from bank deposits	233	470
	4,503	947

The government grants include M–assist grant from Media Development Authority of Singapore ("MDA"), spring grant, wage credit scheme, temporary employment credit, and special government credit.

8 OTHER (LOSSES)/GAINS - NET

Group	2019 $'000	2018 $'000 *Restated*
Currency exchange gains-net	23	212
Gain on disposal of property, plant and equipment	19	6
Property, plant and equipment written off	(40)	–
Gain/(Loss) on fair value changes in derivative financial instruments (Note 30)	969	(4)
	971	214
Expected credit loss on financial assets (Note 38(b)(i))	(2,101)	–
	(1,130)	214

9 FINANCE EXPENSES

Group	2019 $'000	2018 $'000 *Restated*
Interest expense on:		
- Bank loans	8,355	848
- Finance lease liabilities	6	3
- Convertible bonds and notes	4,041	504
- Medium term note programme	3,764	–
- Loan notes	54	–
	16,220	1,355
Unwinding of discount on:		
- Provision for restoration costs (Note 29)	67	60
- Deferred consideration for business combinations	1,589	3,517
	17,876	4,932

10 INCOME TAXES

Tax expense attributable to profit is made up of:

Group	2019 $'000	2018 $'000 *Restated*
Profit for the financial year:		
Current income tax		
- Singapore	9,980	7,801
- Foreign	573	282
	10,553	8,083
Deferred income tax	414	57
	10,967	8,140
Under/(Over) provision in prior financial years:		
Current income tax		
- Singapore	173	12
- Foreign	137	(414)
	310	(402)
Deferred income tax	(168)	(639)
	142	(1,041)
	11,109	7,099

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

10 INCOME TAXES (CONTINUED)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

Group	2019 $'000	2018 $'000 *Restated*
Profit before tax	39,825	36,613
Tax calculated at tax rate of 17% (2018: 17%)	6,770	6,224
Effects of:		
- Differential of tax rates in foreign countries	256	(134)
- Expenses not deductible for tax purposes	5,001	2,050
- Income not subject to tax	(856)	(7)
- Tax incentives and rebates	(296)	(343)
- Under/(Over) provision of income tax in prior financial years	310	(402)
- Overprovision of deferred tax in prior financial years	(168)	(639)
- Others	92	350
Tax charge	11,109	7,099

11 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

There were no dilutive earnings per share for the financial year ended 31 March 2019 and 31 March 2018 as there were no dilutive potential ordinary shares outstanding.

Group	2019	2018 *Restated*
Net profit attributable to equity holders of the Company ($'000)	19,138	22,395
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	1,162,804	1,131,562
Basic and diluted (cents)	1.65	1.98

12 CASH AND CASH EQUIVALENTS

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Cash at banks and on hand	17,566	30,194	24,679
Short-term bank deposits	1,000	62,986	1,076
	18,566	93,180	25,755
Company			
Cash at banks and on hand	600	4,605	2,453
Short-term bank deposits	–	43,000	–
	600	47,605	2,453

For the purpose of presenting in the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Cash and bank balances	18,566	93,180	25,755
Less: Bank deposits pledged	–	(1,000)	(897)
	18,566	92,180	24,858

The effects of acquisition of subsidiary on the cash flows of the Group in the previous financial year, is disclosed in Note 41(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

13 TRADE AND OTHER RECEIVABLES

Group	31 March 2019 $'000	31 March 2018 $'000 *Restated*	1 April 2017 $'000 *Restated*
Current			
Trade receivables			
- Non-related parties	111,338	83,768	32,637
- Associated companies	5,799	5,282	2,038
	117,137	89,050	34,675
Less: Expected credit loss allowance			
- Non-related parties (Note 38(b))	(2,261)	(160)	(179)
Trade receivables - net	114,876	88,890	34,496
Other receivables			
- Non-related parties	4,072	3,143	937
- Related parties	–	–	129
- Associated companies	810	107	819
- Joint venture	199	155	–
	5,081	3,405	1,885
Deposits	31,181	5,832	3,142
Prepayments	2,561	1,320	491
Accrued income	26,957	8,443	2,870
	180,656	107,890	42,884
Non-current			
Deposits	3,500	–	–
Company			
Other receivables			
- Non-related parties	–	–	121
- Related parties	–	–	128
- Associated companies	–	–	225
- Subsidiaries	288,324	75,846	47,655
	288,324	75,846	48,129
Deposits	18	24	522
Prepayments	30	12	14
	288,372	75,882	48,665

The non-trade amounts due from related parties, subsidiaries, joint venture and associated companies of the Group and of the Company are unsecured, interest-free and repayable on demand.

Accrued income relate to revenue contracts that the Group had satisfied its performance obligation but not billed as at financial year end. The Group has not recognised any loss allowance for accrued income following the adoption of SFRS(I) 9.

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

The fair value of non-current deposits of the Group amounted to approximately $3,283,000 and is determined from the discounted market borrowing rates of 5.25%. The fair value are within level 3 of the fair value hierarchy.

14 INVENTORIES

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Finished goods			
- Trading goods	66	364	79
- Consumable goods	297	53	109
	363	417	188

The trading goods pertain to food and beverage of cinema operations and café business. The consumable goods pertain to consumable goods of cinema operations, concert and event.

The cost of inventories recognised as an expense and included in cost of sales amounted to $4,896,000 (2018: $2,710,000).

15 OTHER CURRENT ASSETS

Group	31 March 2019 $'000	31 March 2018 $'000 *Restated*	1 April 2017 $'000 *Restated*
Other current assets			
Assets recognised from costs incurred to fulfil revenue contracts	66,156	14,115	7,159

Costs incurred to fulfil revenue contracts relate to direct costs incurred for revenue contracts in progress as at 31 March 2019, 31 March 2018 and 1 April 2017. The Group expects the capitalised costs to be completely recovered, hence no impairment loss has been recognised.

16 FILM PRODUCTS AND FILMS UNDER PRODUCTION

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Film products (Note 16(a))	2,355	–	–
Films under production (Note 16(b))	19,527	20,686	23,394
	21,882	20,686	23,394

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

16 FILM PRODUCTS AND FILMS UNDER PRODUCTION (CONTINUED)

The movement for film products and films under production are as follows:

Group	2019 $'000	2018 $'000
(a) *Film products*		
Beginning of financial year	–	–
Transfer from films under production (Note 16(b))	4,077	10,503
Transfer to film rights (Note 24)	(1,722)	(10,503)
End of financial year	2,355	–
(b) *Films under production*		
Beginning of financial year	20,686	23,394
Currency translation differences	–	(22)
Additions	4,345	9,995
Transfer to film products (Note 16(a))	(4,077)	(10,503)
Transfer to other current assets	(342)	(2,178)
Disposal	(1,085)	–
End of financial year	19,527	20,686

17 FINANCIAL ASSET, AT FAIR VALUE THROUGH PROFIT OR LOSS

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
At fair value through profit or loss ("FVPL"):			
- Unquoted equity security - Hong Kong	710	–	–

Group	2019 $'000
Beginning of financial year	–
Transfer from available-for-sale financial asset (Note 18)	710
End of financial year	710

The fair value is within Level 3 of the fair value hierarchy and estimated using the net asset value of the equity security as at 31 March 2019.

18 AVAILABLE-FOR-SALE FINANCIAL ASSET

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
At fair value :			
- Unquoted equity security - Hong Kong	–	710	–

	2019 $'000	2018 $'000
Beginning of financial year	710	–
Addition	–	710
Transfer to financial asset, at fair value through profit or loss (Note 17)	(710)	–
End of financial year	–	710

The fair value is within Level 3 of the fair value hierarchy and estimated using the net asset value of the equity security as at 31 March 2019.

19 INVESTMENTS IN SUBSIDIARIES

Company	2019 $'000	2018 $'000
Equity investments at cost		
Beginning of financial year	66,035	64,534
Additions	511	1,501
Restructuring exercise (Note 19(c))	2,913	–
End of financial year	69,459	66,035

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries:

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ordinary shares held by the immediate parent			Proportion of ordinary shares held by the Group			Proportion of ordinary shares held by non-controlling interests		
			31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
			%	%	%	%	%	%	%	%	%
Subsidiaries of the Company											
mm2 Entertainment Pte. Ltd.[(a)]	Motion picture, video and television programme and production activities	Singapore	100	100	100	100	100	100	–	–	–
mm2 Entertainment Sdn. Bhd.[(b)(d)(f)]	Motion picture, video and television programme and production activities	Malaysia	100	100	100	100	100	100	–	–	–
mm2view Pte. Ltd.[(a)]	Development of software for interactive digital media	Singapore	70	70	70	70	70	70	30	30	30
UnUsUaL Management Pte. Ltd. [(a)]	Investment holding	Singapore	51	51	51	51	51	51	49	49	49
Dick Lee Asia Pte. Ltd.[(a)]	Dramatic arts, music and other arts production-related activities	Singapore	51	51	51	51	51	51	49	49	49
mm Connect Pte. Ltd. [(a)]	Investment holding	Singapore	100	100	–	100	100	–	–	–	–
Vividthree Holdings Ltd. [(a)(i)(s)]	Investment holding	Singapore	41.53	–	–	41.53	–	–	58.47	–	–
Asiaone Online Pte. Ltd. [(a)(j)]	News agency activities and development of software for interactive digital media	Singapore	51	–	–	51	–	–	49	–	–

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries (continued):

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ordinary shares held by the immediate parent			Proportion of ordinary shares held by the Group			Proportion of ordinary shares held by non-controlling interests		
			31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
			%	%	%	%	%	%	%	%	%
Subsidiaries of mm2 Entertainment Pte. Ltd.											
mm2 Entertainment Hong Kong Limited [(b) (c) (f)]	Motion picture, video and television programme and production activities	Hong Kong	100	100	100	100	100	100	–	–	–
Vividthree Productions Pte. Ltd. [(a) (p) (s)]	Motion picture, video and television programme post-production and content production activities	Singapore	–	51	51	41.53	51	51	58.47	49	49
2mm Pte. Ltd. [(a)]	Café operation, dramatic arts, music and other arts activities	Singapore	100	100	100	100	100	100	–	–	–
mm2 Entertainment USA, Inc. [(b) (n)]	Motion picture, video and television programme and production activities	United States of America	100	100	100	100	100	100	–	–	–
mm2 International Co. Ltd. 满满哆文化传媒 (上海) 有限公司 [(b) (n)]	Motion picture, video and television programme and production activities	People Republic of China	100	100	100	100	100	100	–	–	–
mm2 Screen Management Sdn. Bhd. [(b) (d) (f) (o)]	Cinema management and operation activities	Malaysia	–	–	100	100	100	100	–	–	–

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries (continued):

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ordinary shares held by the immediate parent			Proportion of ordinary shares held by the Group			Proportion of ordinary shares held by non-controlling interests		
			31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
			%	%	%	%	%	%	%	%	%
Subsidiaries of Vividthree Holdings Ltd.											
Vividthree Productions Pte. Ltd. [(a) (p) (s)]	Motion picture, video and television programme post-production and content production activities	Singapore	100	–	–	41.53	51	51	58.47	49	49
Vividthree Co., Ltd. 蔚视丰隆文化发展（上海）有限公司 [(b) (l) (n) (s)]	Motion picture, video and television programme post-production and content production activities	China	100	–	–	41.53	–	–	58.47	–	–
Subsidiary of Vividthree Productions Pte. Ltd.											
Vividthree Productions Sdn. Bhd. [(b) (d) (f) (h) (s)]	Motion picture, video and television programme post-production activities	Malaysia	100	100	–	41.53	51	–	58.47	49	–
Subsidiaries of mm Connect Pte. Ltd.											
mm Plus Pte. Ltd. [(a)]	Investment holding	Singapore	100	100	–	100	100	–	–	–	–
mm2 Screen Management Sdn. Bhd. [(b) (d) (f) (o)]	Cinema management and operation activities	Malaysia	100	100	–	100	100	100	–	–	–

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries (continued):

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ordinary shares held by the immediate parent			Proportion of ordinary shares held by the Group			Proportion of ordinary shares held by non-controlling interests		
			31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
			%	%	%	%	%	%	%	%	%
Subsidiary of mm Plus Pte. Ltd.											
Cathay Cineplexes Pte. Ltd. (a) (g)	Cinema management and operation activities	Singapore	100	100	–	100	100	–	–	–	–
Subsidiary of mm2 Screen Management Sdn. Bhd.											
mm2 Star Screen Sdn. Bhd. (b) (d) (f)	Cinema management and operation activities	Malaysia	100	100	–	100	100	–	–	–	–
Subsidiary of UnUsUaL Management Pte. Ltd.											
UnUsUaL Limited (a) (q)	Investment holding	Singapore	76.88	82.18	96.77	39.21	41.91	49.35	60.79	58.09	50.65
Subsidiaries of UnUsUaL Limited											
UnUsUaL Productions Pte. Ltd. (a) (t)	Rental of stage lighting, sound systems, audio equipment and light system installation and its related services	Singapore	100	100	100	39.21	41.91	49.35	60.79	58.09	50.65
UnUsUaL Development Pte. Ltd. (a) (t)	Rental of stage lighting, sound systems, audio equipment and light system installation and its related services	Singapore	100	100	100	39.21	41.91	49.35	60.79	58.09	50.65
UnUsUaL Entertainment Pte. Ltd. (a) (t)	Organising and promoting all kinds of shows, entertainment acts and other related services	Singapore	100	100	100	39.21	41.91	49.35	60.79	58.09	50.65

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries (continued):

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ordinary shares held by the immediate parent			Proportion of ordinary shares held by the Group			Proportion of ordinary shares held by non-controlling interests		
			31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
			%	%	%	%	%	%	%	%	%
Subsidiary of UnUsUaL Management Pte. Ltd. (continued)											
Subsidiaries of UnUsUaL Limited (continued)											
UnUsUaL Entertainment International Limited (b) (c) (e) (f) (t)	Provision of concert production services, artiste services, lease of stage equipment and investment in concert production	Hong Kong	100	100	100	39.21	41.91	49.35	60.79	58.09	50.65
UnUsUaL Productions (M) Sdn. Bhd. (b) (e) (f) (t)	Organising and management of events	Malaysia	100	100	100	39.21	41.91	49.35	60.79	58.09	50.65
UnUsUaL Culture Development Co., Ltd（三优文化发展（上海）有限公司）(k) (n) (t)	Organising and management of events	Shanghai, China	100	–	–	39.21	–	–	60.79	–	–
Subsidiary of UnUsUaL Entertainment Pte. Ltd.											
Mercury Rights Pte. Ltd. (m) (r) (t)	Organising and promoting all kinds of shows, entertainment acts and other related services	Singapore	100	–	–	39.21	–	–	60.79	–	–

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

[a] *Audited by Nexia TS Public Accounting Corporation.*

[b] *For the purpose of preparing the consolidated financial statements, these financial statements have been reviewed by Nexia TS Public Accounting Corporation.*

[c] *Audited by Fan, Chan & Co, Certified Public Accountants Hong Kong, a network member firm of Nexia International, for local statutory purposes.*

[d] *Audited by C. C. Lee & Associates, Chartered Accountants, Malaysia for local statutory purposes.*

[e] *Audited by STH & Co Chartered Accountants, Malaysia for local statutory purposes.*

[f] *The foreign-incorporated subsidiaries are insignificant to the Group. In accordance with Rule 716 of the SGX-ST Listing Rules, the Audit Committee and Board of Directors of the Company are of the opinion that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group and of the Company.*

[g] *The subsidiary, Cathay Cineplexes Pte. Ltd. had changed its financial year end from 31 December to 31 March, with effect from 31 March 2018.*

[h] *The subsidiary, Vividthree Productions Sdn. Bhd. was incorporated on 7 December 2017.*

[i] *The subsidiary, Vividthree Holdings Ltd. was incorporated on 7 April 2018.*

[j] *The subsidiary, Asiaone Online Pte. Ltd. was incorporated on 3 May 2018.*

[k] *The subsidiary, UnUsUaL Culture Development Co., Ltd. was incorporated on 4 May 2018.*

[l] *The subsidiary, Vividthree Co., Ltd. was incorporated on 10 January 2019.*

[m] *The subsidiary, Mercury Rights Pte. Ltd. was incorporated on 11 February 2019.*

[n] *The financial statements of the subsidiary is not subject to audit under local law of country.*

[o] *On 11 September 2017, the Company's wholly owned subsidiary, mm2 Entertainment Pte. Ltd. had transferred its 100% equity interest in mm2 Screen Management Sdn. Bhd. to mm Connect Pte. Ltd., a wholly owned subsidiary of the Company.*

[p] *On 27 August 2018, the Company's wholly owned subsidiary, mm2 Entertainment Pte. Ltd. had transferred its 51% equity interest in Vividthree Productions Pte. Ltd. to Vividthree Holdings Ltd., a subsidiary of the Company.*

[q] *On 29 December 2016, the Company had transferred its 51% equity interest in UnUsUaL Limited to its subsidiary, UnUsUaL Management Pte. Ltd.*

[r] *Not required to be audited for the current financial year as the subsidiary is newly incorporated.*

[s] *Management assessed the entities to be subsidiaries of the Group as the Group remains the single largest shareholder of the entities and have de facto control over the entities.*

[t] *The entities remains as subsidiaries of the Group even though the effective shareholding is less than 50%, as the Group retains control over the entities through the Company’s direct interest of 51% over UnUsUaL Management Pte. Ltd.*

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) *Disposal of partial investment in a subsidiary without loss on control*

On 16 April 2018, the Company's subsidiary, UnUsUaL Management Pte. Lte. ("UMPL") has sold a total of 55,483,959 ordinary shares in the Company's indirect subsidiary, UnUsUaL Limited ("UnUsUaL") at $0.465 per share for a total cash consideration of $25,800,000 to third parties. As a result, UMPL's shareholdings in UnUsUaL has reduced from 82.18% to 76.88% and the Group's effective shareholdings in UnUsUaL has diluted from 41.91% to 39.21%. The disposal of partial investment does not result on loss on control over the indirect subsidiary.

The effects of disposal of partial investment in a subsidiary without loss on control is summarised as follows:

Group	2019 $'000
Consideration received from non-controlling interests	25,800
Less: Carrying amount of interests in UnUsUaL disposed of	(14,073)
Excess of consideration received recognised in equity attributable to equity holders of the Company	11,727

(b) *Dilution of interests in subsidiaries without loss on control*

On 25 September 2018, the Company's subsidiary Vividthree Holdings Ltd. ("Vividthree"), has sucessfully listed on Catalist, the sponsor-supervised listing platform of SGX-ST. As a result, the Company and the Group's effective shareholdings in Vividthree has reduced from 51% to 41.53%. The dilution of exercise does not result in loss on control over the subsidiary, Vividthree Holdings Ltd..

On 10 April 2017, UnUsUaL had successfully listed on the Catalist, the sponsor-supervised listing platform of SGX-ST. As a result, its immediate holding company, UMPL's shareholdings in UnUsUaL had reduced from 96.77% to 82.18% and the Group's effective shareholdings in UnUsUal had diluted from 49.35% to 41.91%. The dilution exercise did not result on loss on control over the subsidiary, UnUsUaL.

The effects of dilution of interests in subsidiaries without loss on control are summarised as follows:

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Issuance of new ordinary shares, pursuant to:			
- conversion of convertible notes in UnUsUaL	–	–	3,000
- UnUsUaL's Listing on Catalist	–	17,542	–
- Vividthree's Listing on Catalist	13,722	–	–
	13,722	17,542	3,000
Less: Carrying amount of non-controlling interests	(8,845)	(11,594)	(1,781)
Excess recognised in equity attributable to equity holders of the Company	4,877	5,948	1,219

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) *Carrying amount of non-controlling interests ("NCI")*

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
UnUsUaL Limited and its subsidiaries ("UnUsUaL Group")	35,774	26,656	9,633
Vividthree Holdings Ltd. and its subsidiaries ("Vividthree Group") (1)	13,529	2,782	1,426
Other subsidiaries with immaterial NCI	3,163	453	266
	52,466	29,891	11,325

(1) As at 1 April 2017 and 31 March 2018, the Group through its wholly-owned subsidiary, mm2 Entertainment Pte. Ltd., holds a 51% equity interest in Vividthree Productions Pte. Ltd. As such, the preceeding financial year has been prepared and referred to Vividthree Production Pte. Ltd. Subsequently during the financial year, Vividthree Group has undergone a restructuring exercise which involved acquisitions and rationalisation of the incorporated and shareholding structure for the IPO exercise. Following the completion of the restructuring exercise, Vividthree Group was formed. A list of subsidiaries of Vividthree Group are disclosed in Note 19 to the financial statements.

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that have non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with immaterial non-controlling interests for the financial year ended 31 March 2019 except for a dividend amounting $10,000,000 (31 March 2018: $123,000; 1 April 2017: Nil) paid to the NCI.

Summarised consolidated statement of financial position as at:

	UnUsUaL Group		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Current			
Assets	77,615	39,052	16,393
Liabilities	(36,133)	(11,060)	(11,082)
Total current net assets	41,482	27,992	5,311
Non-current			
Assets	12,386	12,205	6,942
Liabilities	(952)	(484)	(63)
Total non-current net assets	11,434	11,721	6,879
Net assets	52,916	39,713	12,190

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19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

Summarised consolidated statement of financial position as at: (continued)

	Vividthree Group		
	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000
Current			
Assets	20,569	6,425	3,596
Liabilities	(3,001)	(2,278)	(1,734)
Total current net assets	17,568	4,147	1,862
Non-current			
Assets	7,897	1,619	1,256
Liabilities	(52)	(88)	(208)
Total non-current net assets	7,845	1,531	1,048
Net assets	25,413	5,678	2,910

Summarised consolidated statement of comprehensive income for the financial year ended 31 March:

	UnUsUaL Group		Vividthree Group	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Revenue	56,932	46,442	9,284	7,124
Profit before income tax	16,132	12,210	4,089	3,289
Income tax expense	(2,938)	(2,188)	(821)	(522)
Net profit	13,194	10,022	3,268	2,767
Other comprehensive income/(loss), net of tax	9	(41)	9	–
Total comprehensive income	13,203	9,981	3,277	2,767
Total comprehensive income allocated to non-controlling interests	8,026	5,798	1,916	1,356

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

Summarised consolidated statement of cash flows for the financial year ended 31 March:

	UnUsUaL Group		Vividthree Group	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Net cash (used in)/generated from operating activities	(6,164)	(2,592)	(6,170)	2,507
Net cash used in investing activities	(12,395)	(6,682)	(5,036)	(129)
Net cash generated from/(used in) financing activities	3,982	17,374	13,224	(632)
Net changes in cash and cash equivalents	(14,577)	8,100	2,018	1,746
Translation differences	(2)	(35)	9	–
Cash and cash equivalents at beginning of the year	18,328	10,263	2,355	609
Cash and cash equivalents at end of the year	3,749	18,328	4,382	2,355

20 INVESTMENTS IN ASSOCIATED COMPANIES

	2019	2018
Group	**$'000**	**$'000**
Beginning of financial year	2,554	1,493
Currency translation differences	(4)	–
Additions	114	920
Share of (loss)/profit during the financial year	(6)	141
End of financial year	2,658	2,554
Company		
Beginning of financial year	2,430	1,493
Additions	114	750
Share of (loss)/profit during the financial year	(19)	187
End of financial year	2,525	2,430

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20 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

The Group has the following associated companies:

Name of associates	Principal activities	Country of incorporation	31 March 2019 %	31 March 2018 %	1 April 2017 %
Held by the Company					
RINGS.TV Pte. Ltd. [b] [c]	Development of software for interactive digital media	Singapore	15	15	10
Academie of Stars Pte. Ltd. [c] [d]	Performing arts school for children	Singapore	19	–	–
Held by mm2 Entertainment Sdn. Bhd.					
mm2 Film Distribution Sdn. Bhd. [a]	Distribution and production of motion picture, video and television programme	Malaysia	49	49	49
Dreamteam Studio Sdn. Bhd. [a]	Distribution and production of motion picture, video and television programme	Malaysia	45	45	–

[a] *Audited by C. C. Lee & Associates Chartered Accountants, Malaysia for local statutory purposes.*

[b] *Audited by Wong, Lee & Associates LLP, Public Accountants and Chartered Accountants (Singapore) for local statutory purposes.*

[c] *Management has assessed the Group's level of influence of its associated company and determines that it has significant influence even though the shareholdings are less than 20%, because of its representation at shareholders' meeting and contractual terms. Consequently, the investment has been classified as associated company.*

[d] *The Company has not appoint a statutory auditor as of reporting date.*

On 31 July 2018, the Company entered into share subscription and shareholders' agreement with Mr. Sebastian Yeo Boon Kiat and Ms. Kuo Po to subscribe 114,000 ordinary shares in Academie of Stars Pte. Ltd. ("Academie"), a company incorporated in Singapore, for a total consideration of $114,000, representing 19% of the issued ordinary shares in Academie.

20 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

In the previous financial year,

(i) On 28 February 2017, the Company entered into a Share Subscription and Shareholders' agreement with Mozat Pte. Ltd. and SPH Media Fund Pte. Ltd. to subscribe the 15% shares interests in the RINGS.TV Pte. Ltd. ("RINGS.TV") with total consideration of $2,250,000 in two subscription tranches. On 3 March 2017, the Company completed the first tranche of subscription to subscribe 10% of share interests in RINGS.TV with consideration of $1,500,000 and paid in April 2017. The second tranche of subscription of 5% of share interest is completed in July 2017 at consideration of $750,000.

(ii) On 31 July 2017, the Company had entered into a sale and purchase agreement with Chee Kar Ching and Tan Peng Hong to subscribe 22,500 ordinary shares in Dreamteam Studio Sdn. Bhd. ("Dreamteam"), a company incorporated in Malaysia, representing 45% of issued share capital of Dreamteam, for a cash consideration of RM500,000 (approximately $170,000).

The Group's and the Company's material associated companies are summarised below:

	31 March 2019	31 March 2018	1 April 2017
Group	**$'000**	**$'000**	**$'000**
RINGS.TV Pte. Ltd.	2,440	2,430	1,493
Other immaterial associated companies	218	124	–
	2,658	2,554	1,493
Company			
RINGS.TV Pte. Ltd.	2,440	2,430	1,493
Other immaterial associated companies	85	–	–
	2,525	2,430	1,493

There are no contingent liabilities relating to the Group's interest in the associated companies.

Summarised financial information for associated company

Set out below are the summarised financial information of the Group's and the Company's material associated company.

Summarised statement of comprehensive income for the financial year ended 31 March:

	RINGS.TV Pte. Ltd.	
	2019	**2018**
	$'000	**$'000**
Revenue	11,479	7,981
Expenses include:		
- Depreciation	(70)	(65)
- Amortisation	(857)	(198)
Total comprehensive profit, representing net profit	66	1,247

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

20 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated company (continued)

Summarised statement of financial position as at:

	RINGS.TV Pte. Ltd.		
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	**$'000**	**$'000**
Current assets	2,967	3,094	2,382
Non-current assets	3,045	2,781	771
Current liabilities	(1,520)	(1,449)	(1,099)
Net assets	4,492	4,426	2,054
Includes in current assets:			
- Cash and cash equivalents	95	282	1,338
Includes in current liabilities:			
- Financial liabilities (excluding trade payables)	(1,200)	(1,142)	(908)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's and the Company's interest in associated company, is as follows:

	RINGS.TV Pte. Ltd.		
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	**$'000**	**$'000**
Reconciliation to carrying amounts:			
Net assets at beginning of financial year	4,426	2,054	2,121
Increased in share capital	–	1,125	–
Profit/(Loss) for the financial year	66	1,247	(67)
Net assets at end of financial year	4,492	4,426	2,054
Shareholding in percentage:	15%	15%	10%
Group's share	674	664	205
Goodwill	1,766	1,766	1,288
Carrying amount	2,440	2,430	1,493

20 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Reconciliation of summarised financial information (continued)

The following table summarises, in aggregate, the Group's and the Company's share of profit and other comprehensive income of the Group's and the Company's individually immaterial associated companies' accounted for using the equity method:

	31 March 2019 $'000	31 March 2018 $'000
Group		
Loss before tax for the financial year	(220)	(109)
Net loss, representing total comprehensive loss for the financial year	(216)	(101)
Company		
Loss before tax for the financial year	(155)	–
Net loss, representing total comprehensive loss for the financial year	(155)	–

21 INVESTMENT IN A JOINT VENTURE

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
At cost			
Beginning of financial year	73	–	–
Currency translation differences	(2)	–	–
Additions	–	102	–
Share of profit/(loss) during the financial year	28	(29)	–
End of financial year	99	73	–

In July 2017, the Group had completed its acquisition of 300,000 ordinary shares representing 30% of issued and paid-up share capital in River Front Mega Cineplexes Sdn. Bhd., incorporated in Malaysia for a cash consideration of RM300,000 (equivalent to $102,000).

The Group has the following joint venture company:

Name of joint venture	Principal activities	Country of incorporation	31 March 2019 %	31 March 2018 %	1 April 2017 %
River Front Mega Cineplexes Sdn. Bhd.	Cinema management and operation activities	Malaysia	30	30	–

No summarised financial information for the joint venture is presented as the joint venture is not material to the Group.

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22 PROPERTY, PLANT AND EQUIPMENT

Group	Motor vehicles $'000	Computers, office equipment and furniture and fittings $'000	Tools and equipment $'000	Rental equipment $'000	Renovation $'000	Leasehold property $'000	Work-in-progress $'000	Total $'000
2019								
Cost								
Beginning of financial year	881	12,609	20,907	5,213	9,708	660	–	49,978
Currency translation differences	(4)	(236)	(173)	(5)	(28)	(14)	–	(460)
Additions	474	1,882	909	1,059	417	–	–	4,741
Disposals	(242)	(3)	–	–	–	–	–	(245)
Written off	–	(5)	(54)	–	(23)	–	–	(82)
End of financial year	1,109	14,247	21,589	6,267	10,074	646	–	53,932
Accumulated depreciation								
Beginning of financial year	363	2,408	3,193	501	1,370	48	–	7,883
Currency translation differences	(1)	(22)	10	(5)	(3)	1	–	(20)
Depreciation charge for the year (Note 5)	247	1,977	4,383	589	2,602	7	–	9,805
Disposals	(120)	–	(11)	–	–	–	–	(131)
Written off	–	(4)	(33)	–	(5)	–	–	(42)
End of financial year	489	4,359	7,542	1,085	3,964	56	–	17,495
Carrying amount								
End of financial year	620	9,888	14,047	5,182	6,110	590	–	36,437

22 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Motor vehicles $'000	Computers, office equipment and furniture and fittings $'000	Tools and equipment $'000	Rental equipment $'000	Renovation $'000	Leasehold property $'000	Work-in-progress $'000	Total $'000
2018 *(Restated)*								
Cost								
Beginning of financial year	696	1,646	7,808	1,955	471	614	–	13,190
Currency translation differences	3	732	437	17	5	46	–	1,240
Acquisition of subsidiary (Note 41(b)(iii))	–	695	7,348	–	2,968	–	1,139	12,150
Acquisition of business (Note 41(a)(ii))	–	8,624	4,486	–	–	–	–	13,110
Additions	182	960	830	3,241	5,125	–	–	10,338
Disposals	–	(48)	(2)	–	–	–	–	(50)
Reclassification	–	–	–	–	1,139	–	(1,139)	–
End of financial year	881	12,609	20,907	5,213	9,708	660	–	49,978
Accumulated depreciation								
Beginning of financial year	160	976	753	72	33	12	–	2,006
Currency translation differences	2	70	72	15	6	2	–	167
Depreciation charge for the year (Note 5)	201	1,371	2,368	414	1,331	34	–	5,719
Disposals	–	(9)	–	–	–	–	–	(9)
End of financial year	363	2,408	3,193	501	1,370	48	–	7,883
Carrying amount								
End of financial year	518	10,201	17,714	4,712	8,338	612	–	42,095

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

22 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included within additions in the consolidated financial statements are motor vehicles acquired under finance leases amounting to $165,000 (31 March 2018: $143,000; 1 April 2017: Nil).

The carrying amounts of computers, office equipment and furniture and fittings and motor vehicles held under finance leases are $28,000 (31 March 2018: $31,000; 1 April 2017: $25,000) and $345,000 (31 March 2018: $239,000; 1 April 2017: $223,000) respectively at the reporting date.

Bank borrowings are secured on a leasehold property of the Group with carrying amount of $592,000 (31 March 2018: $612,000; 1 April 2017: $602,000).

23 INTANGIBLE ASSETS AND GOODWILL

Group	Goodwill	Brand with finite useful lives	Brand with indefinite useful lives	Content development cost	Software under development	Other intangible assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	(Note 23(a))	(Note 23(b))	(Note 23(c))				
2019							
Cost							
Beginning of financial year	260,756	8,423	17,969	–	1,195	3,000	291,343
Currency translation differences	(841)	–	–	–	–	–	(841)
Additions	–	–	–	554	209	490	1,253
Written off	–	–	–	–	–	(11)	(11)
End of financial year	259,915	8,423	17,969	554	1,404	3,479	291,744
Accumulated amortisation							
Beginning of financial year	–	942	–	–	–	106	1,048
Amortisation charge for the year (Note 5)	–	555	–	28	–	472	1,055
Written off	–	–	–	–	–	(11)	(11)
End of financial year	–	1,497	–	28	–	567	2,092
Carrying amount							
End of financial year	259,915	6,926	17,969	526	1,404	2,912	289,652

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

23 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Group	Goodwill $'000 (Note 23(a))	Brand with finite useful lives $'000 (Note 23(b))	Brand with indefinite useful lives $'000 (Note 23(c))	Artiste rights $'000	Software under development $'000	Other intangible assets $'000	Total $'000
2018 *(Restated)*							
Cost							
Beginning of financial year	39,177	8,423	–	655	–	247	48,502
Currency translation differences	1,475	–	–	–	–	–	1,475
Acquisition of business (Note 41(a)(ii))	21,401	–	–	71	–	–	21,472
Acquisition of subsidiary (Note 41(b)(iii))	198,703	–	17,969	864	–	11	217,547
Additions	–	–	–	–	–	3,937	3,937
Reclassification	–	–	–	–	1,195	(1,195)	–
Expiry	–	–	–	(1,590)	–	–	(1,590)
End of financial year	260,756	8,423	17,969	–	1,195	3,000	291,343
Accumulated amortisation							
Beginning of financial year	–	375	–	655	–	–	1,030
Amortisation charge for the year (Note 5)	–	567	–	935	–	106	1,608
Expiry	–	–	–	(1,590)	–	–	(1,590)
End of financial year	–	942	–	–	–	106	1,048
Carrying amount							
End of financial year	260,756	7,481	17,969	–	1,195	2,894	290,295

NOTES TO THE FINANCIAL STATEMENTS

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23 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

(a) Goodwill arising from consolidation

Allocation of goodwill

The aggregate carrying amount of goodwill allocated to each CGU identified accordingly to countries of operation and business segments.

During the financial year, certain goodwill has been restated upon finalisation of initial purchase price allocation ("PPA") to identifiable assets acquired and liabilities accrued on acquisitions occured in previous financial year as disclosed in Notes 41(a) and 41(b) to the financial statements. Restatement is disclosed in Note 43 to the financial statements.

The segment level summary of the goodwill allocation is as follows:

Group	31 March 2019 $'000	31 March 2018 $'000 *Restated*	1 April 2017 $'000
Concert and event, Singapore (Note 23(a)(i))	19,314	19,314	19,314
Post and content production, Singapore (Note 23(a)(ii))	2,852	2,852	2,852
Cinema operations (Note 23(a)(iii)):			
- Cathay acquisition, Malaysia	10,727	10,966	11,137
- Mega acquisition, Malaysia	6,178	6,315	5,874
- Lotus acquisition, Malaysia	22,141	22,606	–
- Cathay acquisition, Singapore	198,703	198,703	–
	259,915	260,756	39,177

Impairment test for goodwill

In assessing whether an impairment is required, the carrying amount of the CGU is compared with its recoverable amount. The recoverable amount of the CGU was determined based on fair value less cost to disposal and value-in-use.

Fair value less cost to disposal ("FVLCD")

(i) <u>Goodwill attributable from concert and event:</u>

The recoverable amount is determined based on FVLCD calculation. The fair value less cost to disposal is measured based on UnUsUaL Limited's listed share price at $0.33 per share as at 29 March 2019 (last trading day of the financial year) multiply by number of shares held by the Group.

As at the reporting date, the recoverable amount of the CGU exceeded its carrying amount. If the listed share price used in fair value less cost to disposal calculation for this CGU had declined by 41%, the recoverable amount of the CGU would equal to the carrying amount.

23 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

(a) Goodwill arising from consolidation (continued)

Impairment test for goodwill (continued)

Fair value less cost to disposal ("FVLCD") (continued)

(ii) *Goodwill attributable from post and content production*

The recoverable amount is determined based on FVLCD calculations. The key assumptions on which the Group has based cash flow projections when determining FVLCD were that projected future performance was based on past performance and expectations for the future, and that no significant events were identified which would cause the Group to conclude that past performance was not an appropriate indicator of future performance.

The FVLCD is determined based on financial budgets approved by management covering a period using a growth rate of 5% to 8%. These cash flows were discounted using a pre-tax discount rate of 13% that reflected current market assessment of the time value of money and the risks specific to the CGU. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants. Under the fair value hierarchy, Level 3 inputs were used.

The Group believes that any reasonably possible change in the above key assumptions are not likely to cause the recoverable amount to be materially lower than the related carrying amount.

Value-in-use

(iii) *Goodwill attributable from cinema operations*

The recoverable amount is determined based on value-in-use method.

The value-in-use is determined based on financial budgets approved by management covering a five-year period using the growth rates stated below. Cash flows beyond the five-year period were extrapolated with the assumption of an average growth of 2.5% and 1.5% for Singapore's and Malaysia's cinema operations respectively. These cash flows were discounted using a pre-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development.

NOTES TO THE FINANCIAL STATEMENTS

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23 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

(a) Goodwill arising from consolidation (continued)

Impairment test for goodwill (continued)

Value-in-use (continued)

(iii) Goodwill attributable from cinema operations *(continued)*

Key assumptions used for value-in-use calculations:

	31 March 2019 %	31 March 2018 %	1 April 2017 %
Growth Rate [(1)]			
- Singapore	4	–	–
- Malaysia	3	7	11.5
Discount Rate [(2)]			
- Singapore	10	–	–
- Malaysia	13	12	14

(1) Average revenue growth rate used for extrapolation of future revenue for the five-year period
(2) Pre-tax discount rate applied to pre-tax cash flow projection

The Group believes that any reasonably possible change in the above key assumptions are not likely to cause the recoverable amount to be materially lower than the related carrying amount.

(b) Brand with finite useful life

Brand with finite useful life was acquired in a business combination of concert and event segment in the previous financial years.

(c) Brand with indefinite useful life

Brand with indefinite useful life was acquired in a business combination of cinema operations in the preceeding financial year. The brand represents perpetual licenses for the use of the brand name of "Cathay" worldwide.

The directors are of the opinion that the brand name of "Cathay" has indefinite useful lives due to the following reasons:

(i) the brand name has been in use and will continue to be used for the long term; and

(ii) the Group has incurred and intends to continue to incur significant advertising and promotion expenses, which are charged to profit or loss when incurred, to maintain and increase the market value of its brand name.

As at reporting date, the Group had carried out an assessment of the recoverable amounts of brand based on value-in-use calculations alongside with the assessment of recoverable amount on goodwill from cinema operations - Cathay acquisition, Singapore. Based on the assessment, the recoverable amounts of brand exceeded the carrying amounts and therefore no impairment was recognised.

24 FILM RIGHTS

Group	2019 $'000	2018 $'000
Cost		
Beginning of financial year	44,987	34,206
Currency translation differences	(37)	196
Additions	29,777	82
Transfer from film products (Note 16(a))	1,722	10,503
End of financial year	76,449	44,987
Accumulated amortisation		
Beginning of financial year	40,293	28,645
Currency translation differences	(46)	191
Amortisation charge for the year (Note 5)	6,968	11,457
End of financial year	47,215	40,293
Carrying amount		
End of financial year	29,234	4,694

25 FILM INTANGIBLES AND FILM INVENTORIES

Group	2019 $'000	2018 $'000
Cost		
Beginning of financial year	7,279	4,198
Currency translation differences	(52)	82
Additions	13,288	4,725
Expiry	–	(1,560)
Write–off	–	(166)
End of financial year	20,515	7,279
Accumulated amortisation		
Beginning of financial year	3,095	685
Currency translation differences	(27)	91
Amortisation charge for the year (Note 5)	3,013	3,879
Expiry	–	(1,560)
End of financial year	6,081	3,095
Carrying amount		
End of financial year	14,434	4,184

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26 TRADE AND OTHER PAYABLES

Group	31 March 2019 $'000	31 March 2018 $'000 *Restated*	1 April 2017 $'000
Current			
Trade payables			
- Non-related parties	71,099	38,120	15,944
- Associated company	2,700	2,211	453
	73,799	40,331	16,397
Other payables			
- Non-related parties	15,187	8,452	4,449
- Related parties	39	87	575
- Associated company	–	542	1,500
- Dividend payable to non-controlling interest	–	–	171
	15,226	9,081	6,695
Deferred consideration for business combinations	–	213,412	20,000
Accruals	31,463	9,741	3,536
Deposits received	10,826	439	–
Withholding tax	42	39	8
	131,356	273,043	46,636
Non-current			
Other payables			
- Deferred consideration for business combinations	–	3,600	–
Company			
Current			
Trade payables			
- Non-related parties	–	35	62
Other payables			
- Non-related parties	1,761	130	–
- Associated company	–	–	1,500
- Subsidiaries	51,453	28,160	5,219
	53,214	28,290	6,719
Deferred consideration for business combinations	–	–	20,000
Accruals	4,781	3,202	1,855
	57,995	31,527	28,636

The non-trade amounts due to related parties, subsidiaries and associated company are unsecured, interest-free and repayable on demand.

The fair value measurement of deferred purchase consideration is disclosed in Notes 41(a)(vi) and 41(b)(v) to the financial statements.

27 CONTRACT LIABILITIES

Group	31 March 2019 $'000	31 March 2018 $'000 *Restated*	1 April 2017 $'000
Contract liabilities	17,053	3,756	6,984

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.

Revenue recognised in the financial year ended 31 March 2019 and 31 March 2018 amounting to $3,582,000 and $6,826,000 respectively were included in contract liabilities at the beginning of the financial year.

28 BORROWINGS

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Current			
Bank loans	36,713	4,924	6,139
Finance lease liabilities (Note 28(a))	107	48	84
	36,820	4,972	6,223
Non-current			
Bank loans	85,585	19,471	5,442
Finance lease liabilities (Note 28(a))	154	107	22
Convertible bonds and notes (Note 28(b))	45,433	41,392	–
Medium term note programme (Note 28(c))	50,000	–	–
Loan notes (Note 28(d))	5,000	–	–
	186,172	60,970	5,464
Total borrowings			
Bank loans	122,298	24,395	11,581
Finance lease liabilities (Note 28(a))	261	155	106
Convertible bonds and notes (Note 28(b))	45,433	41,392	–
Medium term note programme (Note 28(c))	50,000	–	–
Loan notes (Note 28(d))	5,000	–	–
	222,992	65,942	11,687

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28 BORROWINGS (CONTINUED)

Company	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Current			
Bank loans	29,746	3,200	2,500
Non-current			
Bank loans	75,750	8,000	–
Medium term note programme (Note 28(c))	50,000	–	–
	125,750	8,000	–
Total borrowings			
Bank loans	105,496	11,200	2,500
Medium term note programme (Note 28(c))	50,000	–	–
	155,496	11,200	2,500

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the reporting date are as follows:

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
12 months or less	36,713	4,924	6,139
1 – 5 years	90,257	19,120	5,102
Over 5 years	328	351	340
	127,298	24,395	11,581
Company			
12 months or less	29,746	3,200	2,500
1 – 5 years	75,750	8,000	–
	105,496	11,200	2,500

The bank loans of the Group are secured by certain assets of the Group and of the Company as follows:

- leasehold property of the Group (Note 22);
- total corporate guarantees of $12,379,000 (2018: $16,571,000) from the Company for subsidiaries' banking facilities;
- corporate guarantee of $105,278,000 from subsidiaries for the Company's banking facilities;
- leasehold property of a related party of a subsidiary; and
- equity interests of certain subsidiaries.

28 BORROWINGS (CONTINUED)

The carrying amount of the borrowings are reasonable approximation of their respective fair values, either due to their short term nature or that they are floating rate instruments that are required to market interest rates on or near to the reporting date, except for those fixed rate instruments.

The fair values of non-current fixed rate instruments are $95,179,000 and are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the reporting date which the directors expect to be available to the Group as follows:

	31 March 2019	31 March 2018	1 April 2017
Group	**%**	**%**	**%**
Finance lease liabilities	4.30 – 8.30	2.33 – 6.14	5.41
Convertible bonds and notes	7.41	7.41	–
Medium term note programme	8.44	–	–
Company			
Finance lease liabilities	–	–	5.41
Medium term note programme	8.44	–	–

The fair value of borrowings as at 31 March 2018 and 1 April 2017 are approximate their carrying amount. The fair values are within Level 2 of the fair value hierarchy, except for convertible bonds and notes at Level 3 of the fair value hierarchy as disclosed in Note 30 to the financial statements.

(a) Finance lease liabilities

The Group leases motor vehicles and office equipment from non–related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	31 March 2019	31 March 2018	1 April 2017
Group	**$'000**	**$'000**	**$'000**
Minimum lease payments due			
- Not later than one year	117	64	89
- Between one and five years	178	106	22
	295	170	111
Less: Future finance charges	(34)	(15)	(5)
Present value of finance lease liabilities	261	155	106

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28 BORROWINGS (CONTINUED)

(a) Finance lease liabilities (continued)

The present values of finance lease liabilities are analysed as follows:

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Not later than one year	107	48	84
Between one and five years	154	107	22
Total	261	155	106

(b) Convertible bonds and notes

On 7 February 2018, the Company's wholly-owned subsidiary corporation, mm Connect Pte. Ltd. ("mm Connect"), has entered into subscription agreements with certain subscribers in connection with the issuance by mm Connect of an aggregate of $47,850,000 convertible notes and convertible bonds ("Convertible Securities"). The following are the summary of terms and condition attached to the Convertible Securities:

(i) Under the subscription agreements, the Convertible Securities will bear interest at the rate of 2% per annum, which shall, along with the principal, be payable in cash upon redemption or conversion (as applicable) in accordance with the terms of the subscription agreements. Unless converted in accordance with the terms of the Subscription Agreements, the Convertible Securities shall be redeemed by the Company at a redemption price equal to 100% of the Convertible Securities issue price, together with all accrued interest, at the Convertible Securities maturity date, payable in cash. Each Subscription Agreement provides for the Subscribers to subscribe for Convertible Notes and Convertible Bonds in the ratio of 1:2.

(ii) The maturity date of the Convertible Notes shall be the earlier of: (a) the date (the "IPO Date") on which an Initial Public Offering ("IPO") of the Issuer is first open for acceptance; or (b) the third anniversary of the date of issuance of the Convertible Notes. The maturity date of the Convertible Bonds shall be the third anniversary of the date of the issuance of the Convertible Bonds, or, if an IPO has taken place on or before such third anniversary, the second anniversary of the IPO Date.

(iii) The Convertible Notes may be converted into fully paid up shares in the Issuer in the event that the Issuer seeks an IPO prior to the Maturity Date, at a conversion price set at a 15% discount to the IPO price, at the election of the Subscribers. The Convertible Bonds may, in addition, be converted into fully paid up shares in the Issuer if the Issuer achieves an IPO prior to the Maturity Date in the following circumstances:

- provided that the Convertible Bonds have not otherwise been converted/redeemed in accordance with the terms of the Subscription Agreements at the option of the Subscribers at any time after such IPO and up to and including the second anniversary date of such IPO, at a conversion price set at a 20% premium to the IPO price (the "CB Conversion Price"); or

- at the option of the Issuer for so long as the Convertible Bonds are outstanding, in the event that closing price of the Issuer's shares on the relevant stock exchange exceeds 150% of the CB Conversion Price for 30 consecutive trading days, at the CB Conversion Price.

28 BORROWINGS (CONTINUED)

(b) Convertible bonds and notes (continued)

The Convertible Securities issued contained both a liability component and an embedded derivative component. The embedded derivative liability is calculated first and the residual value is assigned to the liability component. The liability component will be accounted for subsequently at amortised cost. The embedded derivative liability will be fair valued at each reporting period and the fair value changes would be recognised as finance cost in profit or loss.

Group	**$'000**
Face value of convertible bonds and notes at date of issuance (7 February 2018)	47,850
- Derivative financial instruments (Note 30)	6,870
- Liability component (as below)	40,980

	2019	**2018**
	$'000	**$'000**
Liability component		
Beginning of financial year	41,392	–
At date of issuance	–	40,980
Interest expense recognised to profit or loss	4,041	412
End of financial year	45,433	41,392

As at 31 March 2019, the Group does not have any outstanding convertible bonds/notes except as disclosed. The Company does not have any outstanding convertible bonds/notes.

(c) Medium Term Note Programme ("MTN")

In previous financial year, the Company has established a US$300 million guaranteed multicurrency MTN. Subsequently, the Company has issued $50,000,000 at fixed interest rate of 7.00% with maturity period of 3 years and due on 9 March 2021 under the MTN with effective date from 30 April 2018. The MTN notes is listed and quoted in the Bond Market.

The MTN is secured by corporate guarantee of certain subsidiaries.

(d) Loan notes

On 30 January 2019, the Group's subsidiary, UnUsUaL Management Pte. Ltd. has issued loan notes amounting to $5,000,000 due in 29 January 2021.

The loan notes is secured by equity interest of a subsidiary.

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29 PROVISIONS

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Non-current			
Provision for restoration costs	4,841	4,978	–

Provision for restoration costs comprises of estimates for reinstatement costs for leased cinema outlets and offices upon expiry of tenancy agreements.

Movement of provision for restoration costs are as follows:

	2019 $'000	2018 $'000
Beginning of financial year	4,978	–
Currency translation differences	(27)	–
Acquisition of subsidiary (Note 41(b)(iii))	–	3,675
Provision made	40	1,243
Unwinding of discount (Note 9)	67	60
Utilised	(217)	–
End of financial year	4,841	4,978

30 DERIVATIVE FINANCIAL INSTRUMENTS

Group	2019 $'000	2018 $'000
Beginning of financial year	6,874	–
At issuance date (7 February 2018) (Note 28(b))	–	6,870
(Gain)/Loss on fair value changes in derivative financial instruments (Note 8)	(969)	4
End of financial year	5,905	6,874

The derivative financial instruments arises from the issuance of convertible bonds and notes issued by mm Connect Pte. Ltd., a wholly–owned subsidiary and is disclosed in Note 28(b) to the financial statements. The fair value of derivative financial instruments are within Level 3 of the fair value hierarchy.

As at 31 March 2019 and 31 March 2018, the fair value of embedded derivative are value by an independent valuer. In estimating the fair value of the derivative liability component, market-observable data is used to the extent it is available. Where Level 1 inputs are not available, management establishes inputs that are appropriate to the circumstances. Measurement inputs include estimated share price, expected volatility, timing and probability of IPO of mm Connect Pte. Ltd. and risk-adjusted discount rate.

31 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position as follows:

Group	31 March 2019 $'000	31 March 2018 $'000 *Restated*	1 April 2017 $'000
Deferred income tax liabilities			
- To be settled within one financial year	926	138	50
- To be settled after one financial year	5,693	6,160	1,816
	6,619	6,298	1,866
Deferred income tax assets			
- To be recovered within one financial year	(642)	(1,029)	(663)
- To be recovered after one financial year	(735)	(268)	(12)
	(1,377)	(1,297)	(675)

Movement in deferred income tax is as follows:

	2019 $'000	2018 $'000 *Restated*
Beginning of financial year	5,001	1,191
Currency translation differences	(5)	25
Acquisition of business (Note 41(a)(ii))	–	17
Acquisition of subsidiary (Note 41(b)(iii))	–	4,350
Credited/(Charged) to profit or loss	246	(582)
End of financial year	5,242	5,001

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The tax losses and capital allowances can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

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31 DEFERRED INCOME TAX (CONTINUED)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances) are as follows:

Group	Accelerated tax depreciation/ amortisation $'000	Other $'000	Total $'000
Deferred income tax liabilities			
2019			
Beginning of financial year	6,953	57	7,010
Currency translation differences	(21)	–	(21)
Credited to profit or loss	(149)	(57)	(206)
End of financial year	6,783	–	6,783
2018 *(Restated)*			
Beginning of financial year	2,278	57	2,335
Currency translation differences	70	–	70
Acquisition of business (Note 41(a)(ii))	17	–	17
Acquisition of subsidiary (Note 41(b)(iii))	4,350	–	4,350
Charged to profit or loss	238	–	238
End of financial year	6,953	57	7,010

Group	Accelerated tax depreciation/ amortisation $'000	Tax losses $'000	Total $'000
Deferred income tax assets			
2019			
Beginning of financial year	(1,558)	(451)	(2,009)
Currency translation differences	14	–	14
Charged to profit or loss	453	–	453
End of financial year	(1,091)	(451)	(1,542)
2018			
Beginning of financial year	(693)	(451)	(1,144)
Currency translation differences	(45)	–	(45)
Credited to profit or loss	(820)	–	(820)
End of financial year	(1,558)	(451)	(2,009)

32 SHARE CAPITAL

	No. of ordinary shares		Amount	
	2019	**2018**	**2019**	**2018**
Group and Company	**$'000**	**$'000**	**$'000**	**$'000**
At beginning of financial year	1,162,804	1,047,781	152,870	88,212
Issuance of new shares pursuant:				
- placement agreements	–	114,064	–	64,084
- performance shares plan (Note 35)	–	959	–	574
End of financial year	1,162,804	1,162,804	152,870	152,870

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. The newly issued shares rank pari passu in all respects with the previously issued shares.

In the previous financial year:

(i) On 15 June 2017, the Company had entered into a placement agreement with DBS Bank Ltd. and Maybank Kim Eng Securities Pte. Ltd., as joint placement agents to procure subscribers to subscribe for an aggregate of 87,748,000 ordinary shares in the capital of the Company at a placement price of $0.57 for each placement share for total consideration of $50,016,000. The placement was completed on 21 July 2017.

(ii) On 29 June 2017, the Company had entered into a placement agreement with Starhub Ltd. to subscribe for an aggregate of 26,315,790 ordinary shares in the capital of the Company at a placement price of $0.57 for each placement share for a total consideration of $15,000,000. The placement was completed on 21 July 2017.

As a result of the above placement agreements, total transaction costs of $932,000 had been capitalised in the share proceeds.

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33 RESERVES

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Composition:			
Merger reserve (Note 33(a))	(37,338)	(37,338)	(37,338)
Currency translation reserve (Note 33(b))	(888)	(736)	(1,120)
Other reserves (Note 33(c))	23,771	7,167	1,219
	(14,455)	(30,907)	(37,239)

Reserves are non-distributable.

The movement of reserves are as follows:

(a) Merger reserve

	2019 $'000	2018 $'000
Beginning and end of financial year	(37,338)	(37,338)

The merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries acquired under common control.

(b) Currency translation reserve

	2019 $'000	2018 $'000
Beginning of financial year	(736)	(1,120)
Net currency translation differences of financial statements of foreign subsidiaries, associated company and joint venture	(141)	360
Less: Non-controlling interests' portion	(11)	24
	(152)	384
End of financial year	(888)	(736)

(c) Other reserves

	2019 $'000	2018 $'000
Beginning of financial year	7,167	1,219
Disposal of partial investment in a subsidiary without loss on control (Note 19(a))	11,727	–
Dilution of interest in subsidiaries without loss on control (Note 19(b))	4,877	5,948
End of financial year	23,771	7,167

34 RETAINED PROFITS/(ACCUMULATED LOSSES)

(a) Retained profits of the Group are distributable.

(b) Movement in accumulated losses of the Company is as follows:

	Company	
	2019	**2018**
	$'000	**$'000**
Beginning of financial year	(3,645)	(2,203)
Net loss during the year	(1,760)	(1,442)
End of financial year	(5,405)	(3,645)

35 PERFORMANCE SHARE PLAN

The Company has implemented a performance share plan known as "mm2 PSP" which was approved and adopted by the shareholders at an Extraordinary General Meeting held on 4 November 2014 which provides for the award of fully paid-up ordinary shares in the share capital of the Company free-of-charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Full-time Group Executives who have attained the age of 21 years as of the award date and hold such rank as may be designated by the Committee from time to time are eligible to participate in the mm2 PSP. Group Executive Directors and Group Non-Executive Directors (including Independent Directors) of the Group are eligible to participate in mm2 PSP. The participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditor.

Persons who are controlling shareholders or associates of a controlling shareholder who meet the criteria above are also eligible to participate in mm2 PSP provided that the participation of and the terms of each grant and the actual number of awards granted under mm2 PSP to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by the independent shareholders in a separate resolutions for each person subject to the following:

(a) the aggregate number of shares comprised in awards granted to controlling shareholders or associates of a controlling shareholder under mm2 PSP shall not exceed 25% of the aggregate number of shares (comprised in awards) which may be granted under mm2 PSP; and

(b) the number of shares available to the each controlling shareholder or associate of a controlling shareholder shall not exceed 10% of the shares available under the mm2 PSP.

mm2 PSP is a share incentive scheme which will allow the Company, *inter alia*, to target specific performance objectives and to provide an incentive for participants to achieve these targets. The directors believe that mm2 PSP will help to achieve the following positive objectives:

(a) foster an ownership culture with the Group which aligns the interests of Group Executives with the interests of Shareholders;

(b) motivate participants to achieve key financial and operational goals of the Company and/or their respective business units and encourage greater dedication and loyalty to the Group; and

(c) make total employee remuneration sufficiently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long term growth and profitability of the Group.

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35 PERFORMANCE SHARE PLAN (CONTINUED)

mm2 PSP is administered by the Remuneration Committee (the "RC") which comprises three (3) directors, namely Tan Liang Pheng, Mak Chi Hoo and Lei Chee Kong Thomas.

mm2 PSP shall continue in force at the discretion of the RC, subject to a maximum period of ten (10) years commencing on the date on which the mm2 PSP is adopted by the Company in general meeting, provided always that mm2 PSP may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Company may deliver shares pursuant to awards granted under mm2 PSP by way of:

(i) issuance of new shares;

(ii) delivery of existing shares purchased from the market or shares held in treasury; and/or

(iii) cash in lieu of shares, based on the aggregate market value of such shares.

The total number of new shares which may be issued pursuant to awards granted under mm2 PSP, when added to (i) the number of new shares issued and issuable in respect of all awards granted thereunder; and (ii) all shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15% of the issued share capital of the Company's post-placement as well as on the day preceding the relevant date of award. The aggregate number of shares available under mm2 PSP shall not exceed 15% of the total issued share capital of the Company post-placement and from time to time.

In the previous financial year, the Company had awarded a total of 959,400 shares pursuant to mm2 PSP at exercise price of $0.5980 per share totalling to approximately $574,000 to certain Directors, key management personnel, and employees of the Group and of the Company. These awarded share were vested immediately. Accordingly, mm2 PSP expenses had been recognised in profit or loss as employee compensation as disclosed in Note 6 to the financial statements.

No performance shares have been awarded pursuant to mm2 PSP for the financial year ended 31 March 2019.

36 COMMITMENTS

At the reporting date, the Group and the Company has the following commitments:

(a) Operating lease commitments – where the Group is a lessee

The Group leases motor vehicles, office space, apartments and cinema halls from related parties and non–related parties under non–cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non–cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	31 March 2019	31 March 2018	1 April 2017
Group	**$'000**	**$'000**	**$'000**
Not later than one year	23,888	20,391	2,261
Between one and five years	48,564	40,439	1,098
More than five years	12,221	16,784	–
	84,673	77,614	3,359
Company			
Not later than one year	70	70	70
Between one and five years	100	170	240
	170	240	310

(b) Operating lease commitments – where the Group is a lessor

The Group leases cinema halls to non–related parties under non–cancellable operating lease agreements.

The future minimum lease receivables under non–cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	31 March 2019	31 March 2018	1 April 2017
Group	**$'000**	**$'000**	**$'000**
Not later than one year	1,826	1,319	1,734
Between one and five years	2,168	161	1,337
	3,994	1,480	3,071

(c) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised in the financial statements, excluding those relating to investments in associated companies and a joint venture are as follows:

	2019	2018
Group	**$'000**	**$'000**
Property, plant and equipment	888	33

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37 CONTINGENT LIABILITIES

(a) *Performance guarantee*

Contingent liabilities, of which the probability of settlement is remote at the reporting date, are as follows:

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Performance guarantees	4,333	716	844

(b) *Corporate guarantees*

During the financial year, the Company has issued corporate guarantees amounting up to $19,114,000 (31 March 2018: $16,571,000; 1 April 2017: $13,269,000) to banks for borrowings of its subsidiaries. These bank borrowings of the subsidiaries amounted to $12,379,000 (31 March 2018: $12,660,000; 1 April 2017: $8,493,000) as at the reporting date.

The Company has evaluated the fair values of the corporate guarantees and the consequential liabilities derived from its guarantees to the bank with regards to the subsidiaries are minimal. The subsidiaries for which the guarantees were provided is in favourable equity position and is profitable, with no default in the payment of borrowings and credit facilities.

(c) *Financial support to subsidiaries*

The Company provides financial support to certain subsidiaries in the Group with capital deficiency and net current liabilities position as at reporting date to operate as going concern and to meet its liabilities as and when they fall due.

38 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk, and cash flow and fair value interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group do not use financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposure.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by the finance department in accordance with the policies set by the Board of Directors. The finance personnel identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units. The finance personnel measures actual exposures against the limits set and prepares periodic reports for review by the Board of Directors. Regular reports are also submitted to the Board of Directors.

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore, Malaysia, Hong Kong, China and Taiwan. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are mainly denominated in foreign currencies such as the Malaysian Ringgit ("RM"), United States Dollar ("USD"), Hong Kong Dollar ("HKD"), Chinese Renminbi ("RMB") and New Taiwan Dollar ("TWD").

The Group's currency exposure based on the information provided to key management is as follows:

Group	SGD $'000	RM $'000	USD $'000	HKD $'000	RMB $'000	TWD $'000	Others $'000	Total $'000
31 March 2019								
Financial assets								
Cash and bank balances	12,597	2,521	621	293	433	1,862	239	18,566
Financial assets, at fair value	–	–	–	710	–	–	–	710
Trade and other receivables	128,940	17,267	11,642	9,222	3,778	8,154	2,592	181,595
Receivables from subsidiaries	412,938	28,246	1,192	3,356	456	12	–	446,200
	554,475	48,034	13,455	13,581	4,667	10,028	2,831	647,071
Financial liabilities								
Trade and other payables	(74,955)	(15,092)	(26,406)	(5,850)	(7,803)	(1,250)	–	(131,356)
Borrowings	(211,651)	(11,341)	–	–	–	–	–	(222,992)
Payables to subsidiaries	(412,938)	(28,246)	(1,192)	(3,356)	(456)	(12)	–	(446,200)
	(699,544)	(54,679)	(27,598)	(9,206)	(8,259)	(1,262)	–	(800,548)
Net financial (liabilities)/assets	(145,069)	(6,645)	(14,143)	4,375	(3,592)	8,766	2,831	(153,477)
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	2,963	963	(14,143)	3,426	(3,592)	8,766	2,831	1,214

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows (continued):

Group	SGD $'000	RM $'000	USD $'000	HKD $'000	RMB $'000	TWD $'000	Others $'000	Total $'000
31 March 2018 (Restated)								
Financial assets								
Cash and bank balances	84,550	5,923	539	1,406	493	23	246	93,180
Available-for-sale financial assets	–	–	–	710	–	–	–	710
Trade and other receivables	86,855	12,412	3,019	3,655	237	392	–	106,570
Receivables from subsidiaries	160,758	30,985	205	571	197	–	–	192,716
	332,163	49,320	3,763	6,342	927	415	246	393,176
Financial liabilities								
Trade and other payables	(256,100)	(14,622)	(2,652)	(3,080)	(2)	(185)	(2)	(276,643)
Borrowings	(52,727)	(13,215)	–	–	–	–	–	(65,942)
Payables to subsidiaries	(160,758)	(30,985)	(205)	(571)	(197)	–	–	(192,716)
	(469,585)	(58,822)	(2,857)	(3,651)	(199)	(185)	(2)	(535,301)
Net financial (liabilities)/assets	(137,422)	(9,502)	906	2,691	728	230	244	(142,125)
Currency exposure of financial assets/ (liabilities) net of those denominated in the respective entities' functional currencies	6,153	2,401	1,082	987	(2,854)	230	238	8,237

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows (continued):

Group	SGD $'000	RM $'000	USD $'000	HKD $'000	RMB $'000	TWD $'000	Others $'000	Total $'000
1 April 2017								
Financial assets								
Cash and bank balances	21,958	1,606	900	730	–	–	561	25,755
Trade and other receivables	28,922	10,636	1,342	868	233	392	–	42,393
Receivables from subsidiaries	52,472	13,659	14	1,291	608	–	–	68,044
	103,352	25,901	2,256	2,889	841	392	561	136,192
Financial liabilities								
Trade and other payables	(36,423)	(5,993)	(2,502)	(316)	(2)	–	(1,400)	(46,636)
Borrowings	(4,780)	(6,907)	–	–	–	–	–	(11,687)
Payables to subsidiaries	(52,472)	(13,659)	(14)	(1,291)	(608)	–	–	(68,044)
	(93,675)	(26,559)	(2,516)	(1,607)	(610)	–	(1,400)	(126,367)
Net financial assets/ (liabilities)	9,677	(658)	(260)	1,282	231	392	(839)	9,825
Currency exposure of financial assets/ (liabilities) net of those denominated in the respective entities' functional currencies	977	3,788	(260)	801	190	392	(837)	5,051

The Company is not exposed to significant currency risk as most of its financial assets and liabilities as at 31 March 2019, 31 March 2018 and 1 April 2017 are denominated in SGD. The currency risk exposure has been determined by the management as not material to the Company's profit for the financial year ended 31 March 2019 and 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The following table shows the fluctuation of foreign currencies against Singapore Dollar (“SGD”).

Group	31 March 2019	31 March 2018	1 April 2017
	%	%	%
Malaysian Ringgit (“RM”)	1.0	6.0	6.0
United Stated Dollar (“USD”)	3.0	6.0	3.0
Hong Kong Dollar (“HKD”)	3.0	7.0	3.0
New Taiwan Dollar (“TWD”)	2.0	2.0	10.0
Chinese Renminbi (“RMB”)	3.0	3.0	3.0

The effects arising from foreign currency fluctuation from the net financial assets/liabilities position with all other variables including tax rate being held constant are as follows:

	Increase/(Decrease) in net profit		
	31 March 2019	31 March 2018	1 April 2017
Group	$’000	$’000	$’000
RM against SGD			
- Strengthened	8	120	189
- Weakened	(8)	(120)	(189)
USD against SGD			
- Strengthened	(352)	54	(6)
- Weakened	352	(54)	6
HKD against SGD			
- Strengthened	85	57	20
- Weakened	(85)	(57)	(20)
TWD against SGD			
- Strengthened	146	4	33
- Weakened	(146)	(4)	(33)
RMB against SGD			
- Strengthened	(89)	(71)	5
- Weakened	89	71	(5)

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk arising from the unquoted equity security from Hong Kong classified as financial asset, at FVPL. As at reporting date, there are no significant exposure to equity price risk.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group does not have any significant interest–bearing assets, the Group's income is substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from borrowings at floating interest rate. The Group manages its interest rate risk by keeping bank loans to the minimum required to sustain the operations of the Group.

The Group's borrowings are at variable rates which no hedges have been entered into as the loans are denominated in the respective operating entities' functional currencies and there are natural hedges as the Group's collections are mainly in its respective operating entities' functional currencies. If the interest rates had increased/decreased by 0.5% (2018: 0.5%) with all other variables including tax rate being held constant, management had assessed and determined the impact to profit after tax as a result of higher/lower interest expense on these borrowings is not significant.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and the Company are cash and cash equivalents, trade and other receivables and financial asset, at fair value through profit or loss. The Group's and the Company's exposure to credit risk arises primary from trade and other receivables.

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 and the Company minimise credit risk by dealing only with reputable and/or good credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The following are credit risk management practices and quantitative and qualitiative information about amounts arising from expected credit loss for each class of financial assets.

(i) Trade receivables and accrued income

The trade receivables of the Group comprise 5 debtors (31 March 2018: 5 debtors), which represented 8% - 25% (31 March 2018: 11% - 18%) of the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables and accrued income (continued)

The credit risk of trade receivables and accrued income based on the information provided to key management is as follows:

Group	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
By geographical areas			
Singapore	30,905	33,067	16,877
Malaysia	21,936	17,480	9,167
China	26,265	23,441	4,657
Taiwan	18,835	14,117	5,111
Hong Kong	33,275	6,450	1,515
Others	10,617	2,778	39
	141,833	97,333	37,366
By types of customers			
Associated company	5,799	5,282	2,045
Non-related parties			
- Individual	156	295	4,288
- Corporations	135,878	91,756	31,033
	141,833	97,333	37,366

Loss allowance for trade receivables and accrued income are measured at an amount equal to lifetime expected credit losses ("ECL") via provision matrix as these items do not have a significant financing component. Trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due to measure the ECL by reference to the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information. The accrued income relate to unbilled work which substantially consists the same risk characteristics as the trade receivables.

Trade receivables and accrued income are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments.

The Group has recognised a loss allowance of $2,261,000, against trade receivables and accrued income over 365 days past due, because historical experience and forward looking information has indicated that these group of receivables generally has a greater potential risk on the recoverability. No other loss allowance are recognised as the management believes that the amounts that are past due are collectible, based on historical payment behaviour and credit- worthiness of the customers.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables and accrued income (continued)

Group	$'000
Balance as at 1 April 2018 under FRS	160
Adoption of SFRS (I) 9	–
Balance as at 1 April 2018 under SFRS (I) 9	160
Loss allowance recognised in profit or loss during the financial year	2,101
Balance as at 31 March 2019 (Note 13)	2,261

(ii) Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost are mainly comprised of other receivables, ie non-trade amount due from non related parties, related parties, associated companies and joint venture and deposits.

The Company held non-trade receivables from its subsidiaries amounted to $288,324,000. These balances are amounts funded to subsidiaries as working capital. The Company used general approach for assessment of ECLs for these receivables. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore impairment on these balances has been measured on the 12 month expected credit loss basis and the amount of the allowance is insignificant.

Previous accounting policy for impairment of loans and receivables

Credit exposure to individual counterparty is restricted by credit limits that are approved by the Board of Directors based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the Group level by the Board of Directors.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position except those disclosed in Note 37(b) to the financial statements.

The trade receivables are largely corporate companies and comprise 3 debtors (1 April 2017: 3 debtors) that individually represented 6% - 15% (1 April 2017: 6% - 15%) of trade receivables.

The Group considered that there was evidence of an impairment if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 365 days overdue).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Previous accounting policy for impairment of loans and receivables *(continued)*

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group and are not re-negotiated.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

Group	31 March 2018 $'000	1 April 2017 $'000
Past due less than 3 months	18,765	10,993
Pass due over 3 months	30,070	15,220
	48,835	26,213

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

Group	31 March 2018 $'000	1 April 2017 $'000
Past due over 3 months	160	143
Past due over 6 months	–	36
	160	179
Less: Allowance for impairment	(160)	(179)
	–	–

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Previous accounting policy for impairment of loans and receivables (continued)

Movement of allowance for impairment

	Group	
	31 March 2018	**1 April 2017**
	$'000	**$'000**
Beginning of financial year	179	143
Acquisition of a subsidiary	16	–
Utilisation during the financial year	(35)	–
Allowance made	–	36
End of financial year (Note 13)	160	179

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, assets held by the Group and the Company for managing liquidity risk included cash and bank balances as disclosed in Note 12 to the financial statements.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility) and cash and bank balances of the Group and the Company on the basis of expected cash flow. This is generally carried out in accordance with the practice and limits set by the Board of Directors. These limits vary by location to take into account the liquidity of the market in which the entity operates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
31 March 2019					
Trade and other payables	131,356	–	–	–	131,356
Borrowings	40,473	79,004	119,296	3,508	242,281
	171,829	79,004	119,296	3,508	373,637
31 March 2018 *(restated)*					
Trade and other payables	274,631	1,496	2,549	–	278,676
Borrowings	6,390	6,058	66,178	540	79,166
	281,021	7,554	68,727	540	357,842
1 April 2017					
Trade and other payables	46,636	–	–	–	46,636
Borrowings	6,704	3,792	1,818	502	12,816
	53,340	3,792	1,818	502	59,452
Company					
31 March 2019					
Trade and other payables	57,995	–	–	–	57,995
Borrowings	39,933	25,930	113,086	–	178,949
Financial guarantee contracts	3,100	1,601	7,678	–	12,379
	101,028	27,531	120,764	–	249,323
31 March 2018					
Trade and other payables	31,527	–	–	–	31,527
Borrowings	3,667	3,517	4,968	–	12,152
Financial guarantee contracts	1,692	3,329	7,851	–	12,872
	36,886	6,846	12,819	–	56,551
1 April 2017					
Trade and other payables	28,636	–	–	–	28,636
Borrowings	2,515	–	–	–	2,515
Financial guarantee contracts	8,493	–	–	–	8,493
	39,644	–	–	–	39,644

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue to operate as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the gearing ratio which the Board of Directors monitors on a periodic basis. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

Group	31 March 2019 $'000	31 March 2018 $'000 *Restated*	1 April 2017 $'000
Net debt	335,782	249,405	32,568
Total equity	214,163	178,573	85,188
Total capital	549,945	427,978	117,756
Gearing ratio (times)	0.61	0.58	0.28
Company			
Net debt/(cash)	212,891	(4,878)	28,683
Total equity	147,465	149,225	86,009
Total capital	360,356	144,347	114,692
Gearing ratio (times)	0.59	– *	0.25

* not meaningful

(e) Fair value measurements

The following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within level 1 that are observable or the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements approximates their fair values, except for non-current deposits, financial asset, at fair value through profit or loss, available-for-sale financial asset, deferred purchase consideration and derivative financial instruments. The fair value measurement disclose, can be found respectively, at Notes 13, 17, 18, 26 and 30 to the financial statements, respectively.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the consolidated statement of financial position, except for the following:

	31 March 2019	31 March 2018	1 April 2017
Group	**$'000**	**$'000**	**$'000**
Financial assets, at amortised cost	200,161	–	–
Financial assets, at FVPL	710	–	–
Loans and receivables	–	199,750	68,148
Available-for-sale financial asset	–	710	–
Financial liabilities, at amortised cost	354,348	342,585	58,323
Company			
Financial assets, at amortised cost	288,942	–	–
Loans and receivables	–	123,475	51,104
Financial liabilities, at amortised cost	213,491	42,727	31,136

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Offsetting financial assets and financial liabilities

Group	Gross amounts of recognised financial assets/(liabilities) $'000	Gross amounts of recognised financial liabilities set off in the statement of financial position $'000	Net amounts of financial assets presented in the statement of financial position $'000
31 March 2019			
Trade receivables	8,620	(4,375)	4,245
Trade payables	(4,375)	4,375	–
31 March 2018 *(Restated)*			
Trade receivables	6,432	(1,865)	4,567
Trade payables	(1,865)	1,865	–
1 April 2017 *(Restated)*			
Trade receivables	5,906	(3,383)	2,523
Trade payables	(3,581)	3,383	(198)

The Company does not have any financial instruments subject to enforceable master netting arrangements or similar agreement as at 31 March 2019, 31 March 2018 and 1 April 2017.

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the Company and their respective counterparties allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

39 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:

(a) Sales and purchases of goods and services

Group	2019 $'000	2018 $'000
Sales of goods and/or services to		
Associated company	3,679	2,652
Other related parties	74	–
Purchase of services from		
Associated company	918	5,903
Other related parties	132	481
Rental expense paid/payable to director and key management personnel	20	27

Outstanding balances as at 31 March 2019 and 31 March 2018, arising from sales/purchase of services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 13 and 26 to the financial statements.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

Group	2019 $'000	2018 $'000
Directors		
Wages and salaries	240	240
Bonus	3,307	3,020
Directors' fees	395	130
Performance share plan benefits	–	205
Employer's contribution to defined contribution plans	16	17
	3,958	3,612
Key management personnel		
Wages and salaries	962	1,045
Bonus	284	319
Performance share plan benefits	–	154
Employer's contribution to defined contribution plans	35	65
	1,281	1,583
Total key management personnel compensation	5,239	5,195

40 SEGMENTAL INFORMATION

The Group's chief operating decision-maker ("CODM") comprises the Executive Chairman, Chief Executive Officer, the Chief Financial Officer, and the heads of each business within the operating segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The Group has 4 reportable segments, as described below, which are Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the CODM reviews the internal management report on periodic basis.

Other segments includes café operations, social media advertising activities and development of software for interactive digitial media. These are not included within the reportable operating segment. The results of these operations are included in the "other segments" column.

The following describes the operations in each of the Group's reportable segments:

(a) Core business

Core business segment refers to the Group's production and distribution of motion picture, video and television programme and sponsorship.

(b) Post and content production

Post and content production segment refers to the services in visual effects and immersive media works for feature films and commercials and production of virtual reality products ("VR") for location-based thematic tour show with incorporate immersive experience.

(c) Cinema operations

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

(d) Concert and event

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

40 SEGMENTAL INFORMATION (CONTINUED)

The segment information provided to the CODM for the reportable segments are as follows:

	Core business		Post and Content production		Cinema operations		Concert and event		Others		Segment elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
		Restated		*Restated*		*Restated*								*Restated*
Total segment sales	99,522	94,243	9,285	7,124	101,081	45,073	56,932	46,442	1,905	710	(2,538)	(1,557)	266,187	192,035
Inter-segment sales	(1,321)	(621)	(27)	(807)	(335)	(35)	(725)	–	(130)	(94)	2,538	1,557	–	–
Sales to external parties	98,201	93,622	9,258	6,317	100,746	45,038	56,207	46,442	1,775	616	–	–	266,187	192,035
Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA")	49,648	42,330	4,455	3,519	17,575	4,925	17,605	13,631	(350)	(741)	(10,403)	544	78,530	64,208
Depreciation	(218)	(103)	(292)	(206)	(7,558)	(3,965)	(1,603)	(1,330)	(134)	(115)	–	–	(9,805)	(5,719)
Amortisation	(9,984)	(15,333)	(71)	(2)	–	(941)	(831)	(652)	(150)	(16)	–	–	(11,036)	(16,944)
Finance expenses	(10,193)	(281)	(3)	(12)	(7,607)	(4,633)	(70)	(6)	(3)	–	–	–	(17,876)	(4,932)
Profit/(loss) before income tax	29,253	26,613	4,089	3,299	2,410	(4,614)	15,101	11,643	(637)	(872)	(10,403)	544	39,813	36,613
Income tax expense	(6,937)	(4,170)	(821)	(522)	(492)	(314)	(2,842)	(2,093)	(17)	–	–	–	(11,109)	(7,099)
Net profit/(loss)	22,316	22,443	3,268	2,777	1,918	(4,928)	12,259	9,550	(654)	(872)	(10,403)	544	28,704	29,514

40 SEGMENTAL INFORMATION (CONTINUED)

Disclosure on the measures of total assets and total liabilities for each reportable segments was not presented as the CODM is of the opinion that it is not meaningful and impracticable as they do not use them for operating decision–making on allocation of resources and performance assessment.

Sales between segments are carried out at agreed terms. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

Geographical information

Segmental revenue by geographical locations of the customers is disclosed in Note 4 to the financial statements.

Information of major customers

Revenue of approximately $12,271,000 (2018: $32,280,000) is derived from two (2018: two) external customers for the financial year ended 31 March 2019. This revenue are attributable from core business and concert and event segments in Singapore.

41 BUSINESS COMBINATIONS

There is no business combinations occurred during the financial year ended 31 March 2019.

The following acquisitions of business and subsidiary occurred in prior financial year ended 31 March 2018. The initial purchase price allocation to identifiable net assets acquired of these acquisitions have been completed during the financial year ended 31 March 2019 and have been applied retrospectively. The restrospective impact are disclosed in Note 43 to the financial statements.

Acquisitions of business and subsidiary during the financial year ended 31 March 2018

(a) Business from Lotus Fivestar Cinemas (M) Sdn. Bhd. ("Lotus")

On 17 May 2017, the Group through its wholly-owned indirect subsidiary, mm2 Star Screen Sdn. Bhd. had entered into a sale of business agreement ("SBA") with Lotus to acquire business in 13 locations and the acquisition was completed on 15 September 2017. As a result of this acquisition, the Group was expected to expand its current cinema operations and strengthen the competitive advantage.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

41 BUSINESS COMBINATIONS (CONTINUED)

Acquisitions of business and subsidiary during the financial year ended 31 March 2018 (continued)

(a) Business from Lotus Fivestar Cinemas (M) Sdn. Bhd. (“Lotus”) (continued)

Details of the consideration paid and the assets acquired at the acquisition date are as follows:

(i) Purchase consideration

	2018 $'000 *Restated*
Cash paid	31,458
Less: Unwinding expense for cash consideration paid	(212)
	31,246
Deferred consideration - at fair value	3,319
Total purchase consideration	34,565

(ii) Identifiable assets acquired

	2018 $'000 *Restated*
At fair value	
Property, plant and equipment (Note 22)	13,110
Intangible assets	71
Less : Deferred tax liabilties	(17)
	13,164
Add: Goodwill	21,401
Cash outflow on acquisition	34,565

(iii) Acquisition-related costs

Acquisition-related costs of $600,000 were included in “administrative expenses” in the consolidated statement of comprehensive income and included as part of the operating cash flows in the consolidated statement of cash flows.

(iv) Goodwill

The acquisition was completed on 15 September 2018 and as at 31 March 2018, the purchase price allocation (“PPA”) to identifiable net assets acquired was not completed. The PPA was subsequently completed during the financial year 31 March 2019 and, accordingly, the goodwill amount is adjusted retrospectively. As a result, goodwill has been restated from RM64,472,000 (approximately $20,907,000) to RM66,669,000 (approximately $21,401,000) and presented in Note 23 to the financial statements under cinema operations-Lotus acquistion, Malaysia.

41 BUSINESS COMBINATIONS (CONTINUED)

Acquisitions of business and subsidiary during the financial year ended 31 March 2018 (continued)

(a) Business from Lotus Fivestar Cinemas (M) Sdn. Bhd. ("Lotus") (continued)

(v) Revenue and profit contribution

The acquired business had contributed revenue of $8,116,000 and net profit of $264,000 to the Group from the financial period from 1 October 2017 to 31 March 2018. The disclosure of revenue and profit contribution had the acquisition occurred at the beginning of the financial year is impracticable as the information was not accessible by reason of the acquisition being made on the purchase of the business assets, not an acquisition of a legal entity.

(vi) Deferred consideration

Pursuant to the SBA, the deferred consideration of RM20,000,000 (equivalent to approximately $6,420,000) is payable in 2 tranches by 30 April 2019 and 30 April 2020. It is subject to achievement of certain business targets as stated in the terms and conditions of the SBA. As at acquisition date, the fair value of deferred consideration was provisionally estimated at RM7,972,000 (approximately $2,559,000).

During the current financial year, the PPA had been completed and the fair value of the deferred consideration is restated to RM10,340,914 (equivalent to approximately $3,319,000), as disclosed in Note 43 to the financial statements.

As at reporting date, the Group had reassessed the fair value of the deferred consideration. Accordingly, the changes in fair value of deferred consideration have been recognised in profit or loss as disclosed in Note 7 to the financial statements.

This is a level 3 fair value measurement.

(b) Cathay Cineplexes Pte. Ltd. ("CCPL")

On 2 November 2017, the Company has entered into an option agreement with Cathay Organisation Private Limited ("COPL") to acquire the entire issued and paid up shares of CCPL, which comprised 5,000,000 ordinary shares at total purchase consideration of $230,000,000. The transaction was completed on 24 November 2017, accordingly the whole issued shares of CCPL has been transferred to the Company's wholly–owned subsidiary, mm Plus Pte. Ltd. from COPL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

41 BUSINESS COMBINATIONS (CONTINUED)

Acquisitions of business and subsidiary during the financial year ended 31 March 2018 (continued)

(b) Cathay Cineplexes Pte. Ltd. ("CCPL") (continued)

Details of the consideration paid at the acquisition date are as follows:

(i) Purchase consideration

	2018
	$'000
	Restated
Cash paid	15,000
Deferred consideration	210,235
Total purchase consideration	225,235

(ii) Effect on cash flows of the Group

	2018
	$'000
	Restated
Cash paid	15,000
Less: cash and cash equivalents acquired	(9,227)
Cash outflow on acquisition	5,773

(iii) Identifiable assets acquired and liabilities assumed

	2018
	$'000
	Restated
At fair value	
Cash and cash equivalents	9,227
Trade and other receivables	2,666
Inventories	122
Intangible assets	875
Property, plant and equipment (Note 22)	12,150
Brand (Note 23)	17,969
Total assets	43,009
Trade and other payables	(7,305)
Provisions (Note 29)	(3,675)
Current income tax liabilities	(1,147)
Deferred income tax liabilities (Note 31)	(4,350)
Total liabilities	(16,477)
Total identifiable net assets	26,532
Add: Goodwill (Note 23(a))	198,703
Total purchase consideration for the acquisition	225,235

41 BUSINESS COMBINATIONS (CONTINUED)

Acquisition of business assets and subsidiaries during the financial year ended 31 March 2018 (continued)

(b) Cathay Cineplexes Pte. Ltd. ("CCPL") (continued)

(iv) Goodwill

The acquisition was completed on 24 November 2017 and the intial purchase price allocation ("PPA") to identifiable net assets acquired was not completed as at 31 March 2018. The PPA was subsequently completed during the financial year ended 31 March 2019 and, accordingly, the goodwill amount was adjusted retrospectively. As a result, goodwill had been restated from $205,725,000 to $198,703,000 and presented in Note 23 to financial statements under cinema operations-Cathay acquisition, Singapore.

(v) Deferred consideration

After the completion of the PPA during the financial year, the fair value of the deferred consideration was restated to $210,235,000. The deferred consideration was subsequently repaid during the financial year ended 31 March 2019.

(vi) Acquisition-related costs

Acquisition-related costs of $560,000 were included in "administrative expenses" in the consolidated statement of comprehensive income and included as part of the operating cash flows in the consolidated statement of cash flows.

42 SUBSEQUENT EVENTS

(a) On 2 April 2019, the subsidiary, Mercury Rights Pte. Ltd.'s issued and paid up share capital has increased from 1 Share to 60 Shares.

(b) On 29 May 2019, within the Company's subsidiaries, UnUsUaL Limited ("UnUsUaL") and UnUsUaL Entertainment Pte. Ltd. ("UEPL") have entered into a secured loan facility agreement with United Overseas Bank Limited whereunder the lender will lend, on a joint and several basis, USD8,500,000 to the UnUsUaL and UEPL for the purposes of financing a project, known as "Apollo Project". The loan is secured by certain assignments of contracts relating to the Apollo Project by UEPL, and a charge over accounts by Mercury Rights Pte. Ltd. The loan will be applied towards the UnUsUaL 's investment into the Apollo Project.

(c) On 25 June 2019, the subsidiary, Vividthree Holdings Ltd ("Vividthree ") has entered into a legally binding term sheet with XMI Group Pte. Ltd. ("XMI") to subscribe up to $1,500,000 ("Notes"), an interest bearing Notes convertible into shares in the capital of XMI, with a maturity date of 24 month from the date of issuance of the Notes or upon the successful completion of a listing on SGX-ST of XMI, or successful completion of a sale transaction of at least 50% XMI, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43 COMPARATIVE FIGURES

Certain comparative figures have been adjusted retrospectively as a result of the following events:

31 March 2018

(a) *the completion of PPA to the identifiable assets and liabilities for the acquisitions of subsidiary, Cathay Cineplexes Pte. Ltd. and business from Lotus Fivestar Cinemas (M) Sdn Bhd. as disclosed in Note 41 to the financial statements;*

(b) *adoption of SFRS(I) 15 Revenue from contracts with customers; and*

(c) *reclassification on certain class of transactions to conform to current year's presentation.*

1 April 2017

(a) *adoption of SFRS(I) 15 Revenue from contracts with customers.*

Group	As previously reported $'000	Prior year adjustments $'000	Effect from adoption of SFRS(I) 15 $'000	Reclassification $'000	As restated reported $'000
31 March 2018					
Consolidated Statement of Comprehensive Income					
Cost of sales	(103,711)	(1,017)	–	–	(104,728)
Other gains/(losses)-net	217	–	–	(3)	214
Administrative	(47,149)	114	–	–	(47,035)
Finance	(1,575)	(3,360)	–	3	(4,932)
Profit before tax	40,876	(4,263)	–	–	36,613
Income tax expenses	(7,277)	178	–	–	(7,099)
Net profit for the financial year	33,599	(4,085)	–	–	29,514

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43 COMPARATIVE FIGURES (CONTINUED)

Group	As previously reported $'000	Prior year adjustments $'000	Effect from adoption of SFRS(I) 15 $'000	Reclassification $'000	As restated reported $'000
31 March 2018					
Consolidated Statement of Financial Position					
Current assets					
Trade and other receivables	115,278	–	(7,388)	–	107,890
Inventories and work-in progress	6,507	–	(6,507)	–	–
Inventories	–	–	417	–	417
Other current assets	–	–	14,115	–	14,115
Non-current assets					
Property, plant and equipment	41,191	904	–	–	42,095
Intangible assets and goodwill	295,840	(5,545)	–	–	290,295
Current liabilities					
Trade and other payables	(274,631)	1,588	–	–	(273,043)
Progress billing in excess of work-in-progress	(2,164)	–	2,164	–	–
Deferred income	(955)	–	955	–	–
Contract liabilities	–	–	(3,756)	–	(3,756)
Non-current liabilities					
Trade and other payables	(2,869)	(731)	–	–	(3,600)
Deferred income tax liabilities	(5,997)	(301)	–	–	(6,298)
Equity					
Retained profits	(60,695)	4,085	–	–	(56,610)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

43 COMPARATIVE FIGURES (CONTINUED)

Group	As previously reported $'000	Prior year adjustments $'000	Effect from adoption of SFRS(I) 15 $'000	Reclassification $'000	As restated reported $'000
31 March 2018					
Consolidated Statement of Cash Flows					
Cash flows from operating activities					
Net profit for the financial year	33,599	(4,085)	–	–	29,514
Adjustment for:					
- Income tax expenses	7,277	(178)	–	–	7,099
- Interest expenses	1,572	3,360	–	–	4,932
- Depreciation of property, plant and equipment	5,637	82	–	–	5,719
- Amortisation of brands	681	(114)	–	(567)	–
- Amortisation of development of software	16	–	–	(16)	–
- Amortisation of other intangible assets	90	935	–	(1,025)	–
- Amortisation of intangible assets	–	–	–	1,608	1,608
Changes in working capital, net of effects from acquisition of subsidiary:					
- Trade and other receivables	(66,453)	–	7,388	–	(59,065)
- Inventories and work-in-progress	(5,732)	–	5,732	–	–
- Inventories	–	–	(107)	–	(107)
- Other current assets	–	–	(13,013)	–	(13,013)
- Progress billing in excess of work-in-progress	1,415	–	(1,415)	–	–
- Deferred income	(2,907)	–	2,907	–	–
- Contract liabilities	–	–	(1,492)	–	(1,492)

43 COMPARATIVE FIGURES (CONTINUED)

Group	As previously reported $'000	Effect from adoption of SFRS(I) 15 $'000	As restated reported $'000
1 April 2017			
Consolidated Statement of Financial Position			
Current assets			
Trade and other receivables	46,265	(3,381)	42,884
Inventories and work-in-progress	653	(653)	–
Inventories	–	188	188
Other current assets	–	7,159	7,159
Current liabilities			
Progress billing in excess of work-in-progress	(749)	749	–
Deferred income	(2,922)	2,922	–
Contract liabilities	–	(6,984)	(6,984)

44 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2019 and which the Group has not early adopted.

Effective for annual periods beginning on or after 1 January 2020

- *SFRS(I) 16 Leases*

  SFRS(I) 16 will result in almost all leases being recognised on consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, as asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's and the Company's operating leases. As at the reporting date, the Group and the Company has non-cancellable operating lease commitments of approximately $84,673,000 and $170,000 (Note 36(a) to the financial statements). However, the Group and the Company has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's and the Company's loss and classification of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

44 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Effective for annual periods beginning on or after 1 January 2020 (continued)

- *SFRS(I) INT 23 Uncertainty Over Income Tax Treatments*

  The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

  (i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

  (ii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

  (iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

  (iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

  (v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

  The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions on the adoption of the interpretation on 1 April 2020.

- Amendments to SFRS(I) 3 - Business Combinations - definition of a business
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of material
- Amendments to References to the Conceptual Framework in SFRS(I) standards
- Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements

Effective for annual periods beginning on or after 1 January 2021

- SFRS(I) 17 Insurance Contracts

Effective date: to be determined**

- Amendments to SFRS(I) 10 and SFRS(I) 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

** *The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore ("ASC") in December 2015.*

45 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors of mm2 Asia Ltd. on 28 June 2019.

STATISTICS OF SHAREHOLDINGS

AS AT 21 JUNE 2019

Class of Shares	:	Ordinary shares
Number of shares (excluding treasury shares)	:	1,162,804,610
Voting Rights	:	One vote per share
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings held and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings			No. of shareholders	%	No. of Shares	%
1	-	99	5	0.17	133	0.00
100	-	1,000	283	9.82	234,700	0.02
1,001	-	10,000	1,134	39.36	7,570,400	0.65
10,001	-	1,000,000	1,420	49.29	97,225,042	8.36
1,000,001 and above			39	1.36	1,057,774,335	90.97
Total			**2,881**	**100.00**	**1,162,804,610**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	HSBC (Singapore) Nominees Pte Ltd	296,577,100	25.51
2	Citibank Nominees Singapore Pte Ltd	140,216,568	12.06
3	StarHub Ltd	114,315,790	9.83
4	Raffles Nominees (Pte) Limited	72,271,034	6.21
5	DBS Nominees Pte Ltd	50,309,700	4.33
6	Maybank Kim Eng Securities Pte. Ltd	43,325,922	3.73
7	KGI Securities (Singapore) Pte. Ltd	38,581,100	3.32
8	Choo Meileen	36,672,800	3.15
9	CGS-CIMB Securities (Singapore) Pte Ltd	30,075,291	2.59
10	RHB Securities Singapore Pte Ltd	26,966,000	2.32
11	Apex Capital Group Pte Ltd	25,461,354	2.19
12	BNP Paribas Nominees Singapore Pte Ltd	24,816,400	2.13
13	UOB Kay Hian Pte Ltd	22,100,400	1.90
14	Melvin Ang Wee Chye	21,425,400	1.84
15	DBS Vickers Securities (S) Pte Ltd	19,655,100	1.69
16	Phillip Securities Pte Ltd	17,218,100	1.48
17	Morgan Stanley Asia (S) Securities Pte Ltd	13,428,800	1.15
18	Henry Quek Peng Hock	7,300,000	0.63
19	Heah Tien Huat	6,200,000	0.53
20	Ong Chin Soon	5,909,300	0.51
	Total:	**1,012,826,159**	**87.10**

STATISTICS OF SHAREHOLDINGS

AS AT 21 JUNE 2019

SUBSTANTIAL SHAREHOLDERS AS AT 21 JUNE 2019

(As recorded in the Register of Substantial Shareholders)

Name	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Melvin Ang Wee Chye	21,425,400	1.84%	421,710,000 (1)	36.27%
StarHub Ltd	114,315,790	9.83%	–	–
Asia Mobile Holdings Pte. Ltd.			114,315,790 (2)	9.83%
Asia Mobile Holding Company Pte. Ltd.			114,315,790 (2)	9.83%
STT Communications Ltd.			114,315,790 (2)	9.83%
Singapore Technologies Telemedia Pte Ltd			114,315,790 (2)	9.83%
Temasek Holdings (Private) Limited			114,315,790 (2)	9.83%
Ooredoo Investment Holding S.P.C.			114,315,790 (2)	9.83%
Ooredoo Q.S.C.			114,315,790 (2)	9.83%
Yeo Khee Seng Benny	1,922,900	0.0165%	94,253,688 (3)	8.11%

1. Mr. Melvin Ang Wee Chye ("**Mr. Melvin Ang**") is deemed to be interested in the 421,710,000 ordinary shares, which, respectively, maintained under the nominee accounts set out below:

   (a) 10,000,000 ordinary shares under Maybank Kim Eng Securities Pte. Ltd;
   (b) 267,910,000 ordinary shares under HSBC (Singapore) Nominees Pte. Ltd.;
   (c) 38,000,000 ordinary shares under KGI Securities (Singapore) Pte. Ltd.; and
   (d) 105,800,000 ordinary shares held under Citibank Nominees Singapore Pte Ltd, (Collectively, the "**Nominee Accounts**")

   Under the Citibank Nominees Account, a total of 63,500,000 ordinary shares are held under MA Holdings Management Company Limited ("**MA Holdings**"), a company which is wholly-owned by Mr Melvin Ang.

   Pursuant to Section 7 of the Companies Act. Cap. 50 (the "**Act**"), Mr. Melvin Ang is deemed to be interested in the shares held by MA Holdings and the Nominee Accounts.

2. Temasek Holdings (Private) Limited ("**TH**") owns 100% direct interest in Singapore Technologies Telemedia Pte. Ltd. ("**STT**"). STTPL owns 100% direct interest in STT Communications Ltd. ("**STTC**"). STTCPL owns 100% direct interest in Asia Mobile Holding Company Pte. Ltd. ("**AMHC**").

   Ooredoo Q.S.C. ("**OQSC**") owns 100% direct interest of Ooredoo Investment Holding S.P.C. ("**OIH**").

   AMHC, and OIH owns 75% direct interest and 25% direct interest, respectively, in Asia Mobile Holdings Pte. Ltd. ("**AMH**"). AMH owns 55.78% direct interest in StarHub Ltd. ("**StarHub**"). StarHub owns 9.83% direct interest in the Company.

   Pursuant to Section 7 of the Act, each of TH, STT, STTC, AMHC, OQSC, OIH and AMH has a deemed interest in 9.83% of the issued share capital of the Company held by StarHub.

3. Mr. Yeo Khee Seng Benny ("**Mr. Yeo**") is deemed interested in 24,816,400 Shares held under the name of BNP Paribas Nominees Singapore Pte Ltd. and 43,975,934 Shares held under the name of Raffles Nominees (Pte) Ltd.

   Mr. Yeo owns 70% direct interest in Apex Capital Group Pte. Ltd. ("**Apex Capital**"), which in turn owns 25,461,354 ordinary shares in the issued share capital of the Company.

   Pursuant to Section 7 of the Act, Mr. Yeo is deemed to be interested in shares held by Apex Capital.

PERCENTAGE OF SHAREHOLDINGS HELD IN PUBLIC'S HANDS

As at 21 June 2019, 38.40% of the Company's shares are held in the hand of public. Accordingly, the Company complied with Rule 723 of the Listing Manual of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hand of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the Company will be held at 2mm Talent Hub, 1 Zubir Said Drive #01-01 School of the Arts Singapore 227968 on Wednesday, 31 July 2019 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Independent Auditors' Report thereon.
Resolution 1

2. To approve the payment of Directors' fees of $275,000 for the financial year ending 31 March 2020, to be paid quarterly in arrears.
Resolution 2

3. To re-elect the following Directors retiring pursuant to Regulation 107 of the Constitution of the Company:

   Mr. Chia Seng Hee, Jack **Resolution 3**
   Mr. Tan Liang Pheng **Resolution 4**

   [See Explanatory Note (i)]

4. To re-appoint Nexia TS Public Accounting Corporation, as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration.
Resolution 5

5. To transact any other ordinary business which may properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

   That pursuant to Section 161 of the Companies Act, Chapter. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

   (the "**Share Issue Mandate**")

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the total number of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)] **Resolution 6**

7. **Authority to issue shares under the mm2 Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant share awards under the mm2 Performance Share Plan (the "**mm2 PSP**") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the mm2 PSP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and Subsidiary Holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING

8. **Proposed Renewal of Share Purchase Mandate**

That:

(a) for the purposes of Section 76C and 76E of the Companies Act, Chapter 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued and fully-paid ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Percentage (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:-

(i) on-market purchases, transacted through the SGX-ST trading system, through one or more duly licensed stock brokers appointed by the Company for that purpose ("**Market Purchase**"); and/or

(ii) off-market purchases pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, Chapter 50 ("**Off-Market Purchase**"),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:-

a. the date on which the next AGM of the Company is held or required by law to be held;

b. the date on which the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

c. the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by shareholders of the Company in a general meeting;

whichever is the earliest;

(c) in this Resolution:-

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five Market Days ("**Market Day**" being a day on which the SGX-ST is open for trading in securities) on which the Shares are transacted on the SGX-ST, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Percentage**" means that number of issued Shares representing 2% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares or Subsidiary Holdings as at that date);

NOTICE OF ANNUAL GENERAL MEETING

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:-

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares;

(d) the Directors and/or any one of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate in any manner as they think fit, which is permissible under the Companies Act, Chapter 50; and

(e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (iv)] **Resolution 8**

By Order of the Board

Lissa Siau
Company Secretary
Singapore, 16 July 2019

Explanatory Notes:

(i) Mr. Chia Seng Hee, Jack will, upon re-election as a Director of the Company, remain as the Independent Director and the Chairman of the Audit Committee ("**AC**"), will be considered independent for the purposes of Rule 704(8) of the Mainboard Rules.

Mr. Tan Liang Pheng, will, upon re-election as a Director of the Company, remain as the Lead Independent Director and the Chairman of the Remuneration Committee ("**RC**") member of AC and Nominating Committee, will be considered independent for the purposes of Rule 704(8) of the Mainboard Rules.

Please refer to Table A of the Corporate Governance Report on page 46 to page 49 of the Annual Report for the detailed information of the above-mentioned retiring Directors, required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(ii) The ordinary **Resolution 6** in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

(iii) The ordinary **Resolution 7** in item 7 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares in the Company pursuant to the vesting of share awards under the mm2 PSP provided that the aggregate additional shares to be allotted and issued pursuant to the mm2 PSP do not exceeding in total (for the entire duration of the mm2 PSP) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

(iv) The ordinary **Resolution 8** in item 8 above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to two per centum (2%) of the total number of issued shares (excluding treasury shares and Subsidiary Holdings) in the capital of the Company at the Maximum Price as defined in the Appendix. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase and acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 March 2019 are set out in greater detail in the Appendix.

Notes:

1. A Member (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

3. Where a member appoints two proxies, he/she/it shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

4. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at 1002 Jalan Bukit Merah #07-11 Singapore 159456 not less than Seventy-two (72) hours before the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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MM2 ASIA LTD.
(Company Registration No. 201424372N)
(Incorporated in Singapore)
(the "Company")

IMPORTANT:
1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________ (Name) NRIC / Passport No. ____________________

of ____ (Address)

being *a member/members of **MM2 ASIA LTD.** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No of Shares	%

Or failing *him/her, the Chairman of the Annual General Meeting (the "**Meeting**") as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Meeting of the Company to be held at 2mm Talent Hub, 1 Zubir Said Drive #01-01 School of the Arts Singapore 227968 on Wednesday, 31 July 2019 at 3.00 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

No.	Resolutions relating to:	No. of Votes For**	No. of Votes Against**
Ordinary Business			
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2019 together with the Independent Auditors' Report thereon		
2	Directors' fees amounting to $275,000 for the financial year ending 31 March 2020, to be paid quarterly in arrears		
3	Re-election of Mr. Chia Seng Hee, Jack as a Director		
4	Re-election of Mr. Tan Liang Pheng as a Director		
5	Re-appointment of Nexia TS Public Accounting Corporation as the Independent Auditor and to authorise the Directors to fix their remuneration		
Special Business			
6	Authority to allot and issue new shares		
7	Authority to allot and issue shares under the mm2 Performance Share Plan		
8	Proposed renewal of Share Purchase Mandate		

***If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of ____________________ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Member
and / or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: Please read notes overleaf

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1002 Jalan Bukit Merah #07-11 Singapore 159456 not less than seventy-two (72) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

   *A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 16 July 2019.

mm2 Asia Ltd.

(Company Registration Number: 201424372N)
(Incorporated in Singapore on 20 August 2014)

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