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Meeting details:

Date: 31 Jul 2024

Time: 1.30 p.m.

Venue: 87 Science Park Drive, The Oasis, Level 4 Auditorium, Singapore 118260

Q1. In his statement to shareholders, the chairman highlighted how the group navigated the immense challenges over the past five years, persevering through grit and determination. Nevertheless, it was noted that the cinema business remains a work in progress despite positive strides being made.

The executive chairman notes the group’s strategy for the coming year:

- Strengthening the group’s financial positioning;
- Growing the content and concert business by growing a robust pipeline, including for the non-Chinese market; and
- Embarking on new business ventures into new short-form content and family entertainment businesses.

(i) The group has borrowings of \$229.05 million and cash and cash equivalents of \$7.78 million as at 31 March 2024 (page 157). Total equity amounted to \$114 million. With a net debt of \$221.26 million, the net-debt to equity ratio is 1.94 times. As shown in Note 30 Borrowings (page 134), \$92.1 in bank borrowings and \$26.9 million in convertible securities are due by 31 March 2025. **Can management elaborate on how it will be able to meet these obligations?**

(ii) **Content: What are the capital requirements for expanding the content business? How does the company plan to ensure sufficient working capital to support the development and growth of a robust content pipeline?**

(iii) **What specific mechanisms and governance structures does management use to align the strategic priorities across the group's listed entities, such as in the concert (UnUsUaL) and family entertainment businesses (Vividthree)? How are potential conflicts of interest and divergent goals between different boards and management teams addressed?**

(iv) From the consolidated statement of comprehensive income (page 67), it can be seen that net loss attributable to owners of the company remained significant at \$(5.65 million) in FY2024 (FY2023: \$(119.7) million). Note 37 Accumulated losses (page 146) shows that accumulated losses have reached \$(233.9) million as at 31 March 2024. In the previous financial year, the group impaired the goodwill of cinema operations totalling \$117.7 million. **Has the board re-evaluated its risk management and investment strategies in light of these losses? How has the board ensured accountability within both its ranks and management?**

37 ACCUMULATED LOSSES

Movement in accumulated losses of the Company is as follows:

	2024 \$'000	2023 \$'000
Company		
Beginning of financial year	(219,633)	(30,506)
Net loss during the financial year	(14,315)	(189,127)
End of financial year	<u>(233,948)</u>	<u>(219,633)</u>

(Source: company annual report)

Q2. As noted in the annual report, the “Cinema business” refers to mm Connect Group, an associated company of the company. In the previous financial year ended 31 March 2023, the company had deconsolidated mm Connect Group as the company lost its majority control in the board. mm Connect Group has since been classified as an investment in the associated company.

Nevertheless, management has still referred to it as ‘our cinema business’ and has a CEO and COO of the Cinema business.

- (i) Can the board provide detailed clarification on the extent of the group’s control and influence over mm Connect Group, given the deconsolidation and reclassification as an associated company? Can the company still consider itself a key cinema operator in Malaysia and Singapore given the deconsolidation?**
- (ii) Can management provide a comprehensive breakdown of the total investments made in the cinema business since 2015, including capital expenditures, acquisitions, and other significant financial commitments? How does this investment compare with the current carrying value of \$79.9 million as at 31 March 2024?**
- (iii) Can management update shareholders on the status of the proposed initial public offering (IPO) for mm Connect Pte. Ltd? What are the key milestones achieved so far, and what are the anticipated timelines for the remaining steps towards the IPO?**
- (iv) Similarly, what is the progress made in the proposed initial public offering of mm Live?**

Q3. The board comprises five directors, which includes the executive chairman and executive director, two independent directors and two non-executive directors. The independent directors are Mr Chia Seng Hee, Jack and Mr Lei Chee Kong, Thomas.

Mr Mak Chi Hoo (Terry Mak) and Mr Lei Chee Kong, Thomas have expressed their intentions not to seek re-election at the annual general meeting scheduled to be held on 31 July 2024.

Mr Chia Seng Hee, Jack will be re-designated as a non-independent non-executive director upon the conclusion of the AGM. It would appear that there will be no independent directors on the board at the conclusion of the AGM.

- (i) **Can the chairman of the nominating committee (NC) help shareholders better understand the efforts by the NC and the board in the progressive renewal of the board?**
- (ii) **How does the board plan to maintain continuity and effectiveness, and retain institutional knowledge in light of the impending changes?**
- (iii) **Can the NC provide an update on the progress of shortlisting and selecting new independent directors, including the criteria used for selection and the timeline for their appointment? Are the non-independent directors involved in overseeing or conducting this selection process?**
- (iv) **Has the board assessed its diversity, considering factors such as gender, skills, experience, and background? How does the current composition align with the company's Board Diversity Policy and strategic objectives?**

In the director's profile, Mr Chia Seng Hee, Jack is described as a professional director specialising in corporate governance. Mr Chia Seng Hee, Jack was first appointed to the board on 4 November 2014. The SGX has updated its rule to limit the tenure of independent directors to nine years.

- (v) **Can Mr Chia Seng Hee, Jack highlight his key contributions and achievements as a director over the past 10 years? How does he plan to bring fresh perspectives and value to the board in his proposed new role as the non-independent non-executive director?**
- (vi) **Can the board provide a detailed analysis of the total shareholder return since the company's IPO in December 2014?**



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