

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEARLY AND FULL YEAR ANNOUNCEMENTS

- 1 (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 6 months ended		Change %
	30 Sep 2015 HY2016 (Unaudited) SGD'000	30 Sep 2014 HY2015 (Unaudited) SGD'000	
	Revenue	12,696	
Cost of sales	(4,304)	(4,001)	8%
Gross profit	8,392	5,678	48%
Other income			
- Interest income from bank deposits	- *	-	NM
- Other gain/(losses) - net	25	14	79%
Expenses:			
- Administrative	(2,962)	(1,023)	189.5%
- Finance	(41)	(136)	-70%
	(3,003)	(1,159)	159%
Share of profit of associated company	2	-	NM
Profit before taxation	5,416	4,533	19%
Income tax expense	(915)	(912)	0%
Profit after tax for the period	4,501	3,621	24%
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation difference arising from consolidation	(472)	4	NM
Total comprehensive income for the period	4,029	3,625	11%
Profit for the period attributable to :			
Equity holders of the Company	4,018	3,088	30%
Non-controlling interests	483	533	-9%
	4,501	3,621	24%
Total comprehensive income for the period attributable to :			
Equity holders of the Company	3,546	3,090	15%
Non-controlling interests	483	535	-10%
	4,029	3,625	11%

NM - not meaningful

* Less than \$1,000.

1 (a)(ii) Notes to Consolidated Statement of Comprehensive Income.

Profit/(Loss) for the period was stated after charging/(crediting) the followings:

	30 Sep 2015 HY2016 (Unaudited) SGD'000	Group 6 months ended 30 Sep 2014 HY2015 (Unaudited) SGD'000	Change %
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Notes to Consolidated Statement of Comprehensive Income

Personnel expenses ⁽¹⁾	1,762	604	192%
Director's performance bonus ⁽¹⁾	169	-	NM
Travelling expenses	77	85	-9%
Finance costs	41	136	-70%
Depreciation	124	21	490%
Entertainment	35	50	-30%
Rental expenses	160	62	158%
Professional fee	671	99	578%
Amortisation costs	1,159	729	59%
Interest income	- *	-	NM
Foreign exchange (gain)/loss, net	(25)	(14)	79%

NM - not meaningful

* Less than \$1,000.

(1) Directors' performance bonus forms part of the personnel expenses.

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 Sep 2015 (Unaudited) SGD'000	31 Mar 2015 (Audited) SGD'000	30 Sep 2015 (Unaudited) SGD'000	31 Mar 2015 (Audited) SGD'000
ASSETS				
Current assets				
Cash and cash equivalents	6,457	5,755	4,545	3,987
Trade and other receivables	25,193	20,582	8,471	6,555
Film products and films under production	9,029	4,773	-	-
	<u>40,679</u>	<u>31,110</u>	<u>13,016</u>	<u>10,542</u>
Non-current assets				
Property, plant and equipment	600	99	-	-
Investment in associate company	2	- *	37,498	37,498
Available-for-sale investment	125	-	-	-
Film rights	6,967	6,349	-	-
Goodwill ⁽¹⁾	2,943	-	-	-
Deferred income tax assets	14	14	-	-
	<u>10,651</u>	<u>6,462</u>	<u>37,498</u>	<u>37,498</u>
Total assets	<u>51,330</u>	<u>37,572</u>	<u>50,514</u>	<u>48,040</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	15,693	15,016	287	639
Deferred income	3,032	1,146	-	-
Borrowings	459	221	-	-
	<u>19,184</u>	<u>16,383</u>	<u>287</u>	<u>639</u>
Non-current liabilities				
Borrowings	6,938	85	2,875	-
Deferred income tax liabilities	1,900	1,923	-	-
	<u>8,838</u>	<u>2,008</u>	<u>2,875</u>	<u>-</u>
Total liabilities	<u>28,022</u>	<u>18,391</u>	<u>3,162</u>	<u>639</u>
NET ASSETS	<u>23,308</u>	<u>19,181</u>	<u>47,352</u>	<u>47,401</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	47,884	47,884	47,884	47,884
Other reserves	(37,859)	(37,387)	-	-
Retained profits	12,702	8,684	(532)	(483)
	<u>22,727</u>	<u>19,181</u>	<u>47,352</u>	<u>47,401</u>
Non-Controlling Interests	581	-	-	-
Total equity	<u>23,308</u>	<u>19,181</u>	<u>47,352</u>	<u>47,401</u>

* Less than \$1,000.

(1) Figure is subject to changes upon finalisation of Purchase Price Allocation "PPA"

On 8 April 2015, the Group completed the acquisition of 51% of the issued equity of Vividthree Productions Pte Ltd, a company incorporated in Singapore involved primarily in three-dimensional ("3D") animation field, specialising in 3D stereoscopic animation, 3D animation and visual effects for feature films and commercials. The shares in Vividthree Productions Pte Ltd have been acquired for a total consideration of S\$3.06 million by the Group and of which the goodwill have been determined provisionally. The purchase price allocation to goodwill, intangibles (excluding goodwill) and other assets and liabilities is currently being assessed and is expected to be finalised within 12 months from the date of acquisition and hence the goodwill has not been allocated to the relevant cash-generating-units.

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less or on demand

As at 30 September 2015		As at 31 March 2015	
(Unaudited)		(Audited)	
Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
459	-	221	-

Amount repayable after one year

As at 30 September 2015		As at 31 March 2015	
(Unaudited)		(Audited)	
Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
135	6,803	85	-

Details of any collateral

The Group's secured portion of borrowings are secured by deeds of guarantee and indemnities, joint and several personal guarantees provided by our CEO and Controlling Shareholder, Melvin Ang, and our Executive Officers, Angelin Ong and Kent Chan.

- 1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group	
	6 months ended	
	30 Sep 2015	30 Sep 2014
	HY2016	HY2015
	(Unaudited)	(Unaudited)
	SGD'000	SGD'000
Cash flows from operating activities		
Net profit	4,501	3,621
Adjustments for:		
- Income tax expense	915	912
- Amortisation of intangible assets	1,159	729
- Depreciation of property, plant & equipment	124	21
- Interest income	- *	-
- Interest expense	41	136
- Share of profit of associated company	(2)	-
- Currency translation difference	(408)	34
	<u>6,330</u>	<u>5,453</u>
Change in working capital:		
- Trade and other receivables	(1,385)	(1,005)
- Film products and films under production	(6,058)	(5,070)
- Trade and other payables	(3,102)	(34)
- Deferred income	1,887	196
Cash generated from operations	<u>(2,328)</u>	<u>(460)</u>
Cash flows from operating activities:		
Income tax paid	(60)	(32)
Net cash generated from operating activities	<u>(2,388)</u>	<u>(492)</u>
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	(600)	-
Deposit to acquire film right	-	(1,200)
Additions of script rights	-	(142)
Additions to property, plant and equipment	(286)	(30)
Purchase of available-for-sale investment	(125)	-
Deposit to acquire business assets	(2,658)	-
Interest received	- *	-
Net cash used in investing activities	<u>(3,669)</u>	<u>(1,372)</u>
Cash flows from financing activities		
Proceeds from issuance of convertible bonds	6,675	3,300
Proceeds from borrowings	128	-
Repayment of borrowings	(78)	(337)
Repayment of lease liabilities	(21)	(10)
Interest paid	(20)	(16)
Net cash provided by financing activities	<u>6,684</u>	<u>2,937</u>
Net increase in cash and cash equivalents	627	1,073
Cash and cash equivalents		
Beginning of financial period	5,674	506
End of financial period	<u>6,301</u>	<u>1,579</u>
Cash and cash equivalents comprise:		
Cash and bank balances	6,386	1,625
Overdraft	(85)	(46)
	<u>6,301</u>	<u>1,579</u>
Cash and Cash equivalents		
Cash and bank balances (as above (b)(i))	6,457	1,709
Less : Bank deposits pledged	(71)	(84)
Less : Bank overdrafts	(85)	(46)
Cash and cash equivalents per consolidated statement of cash flows	<u>6,301</u>	<u>1,579</u>

* Less than \$1,000.

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparatives statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

Group (Unaudited)	----- Attributable to equity holders of the Company -----					
	Share capital SGD'000	Other reserve SGD'000	(Accumulated losses)/retained earnings SGD'000	Total SGD'000	Non-controlling interest SGD'000	Total equity SGD'000
Balance as at 1 April 2015	47,884	(37,387)	8,684	19,181	-	19,181
Total comprehensive income for the period	-	-	4,018	4,018	483	4,501
Currency translation difference on consolidation	-	(472)	-	(472)	-	(472)
Acquisition of subsidiary - Non-controlling interest share of pre-acquisition reserves	-	-	-	-	98	98
Balance as at 30 September 2015	47,884	(37,859)	12,702	22,727	581	23,308
Balance as at 1 April 2014	83	4	3,559	3,646	126	3,772
Total comprehensive income for the period	-	-	3,088	3,088	533	3,621
Currency translation difference on consolidation	-	2	-	2	2	4
Balance as at 30 September 2014	83	6	6,647	6,736	661	7,397
Company (Unaudited)						
Balance as at 1 April 2015	47,884	-	(483)	47,401	-	47,401
Total comprehensive income for the period	-	-	(49)	(49)	-	(49)
Balance as at 30 September 2015	47,884	-	(532)	47,352	-	47,352
Balance as at 20 August 2014 ⁽¹⁾	- *	-	-	- *	-	- *
Balance as at 30 September 2014 ⁽²⁾	- *	-	-	- *	-	- *

* Less than \$1,000.

- (1) The Company was incorporated on 20 August 2014 as a private company limited by shares, with issued and paid-up capital of S\$1 comprising one (1) share.
- (2) The Company had been converted into a public company by shares on 12 November 2014 and the Restructuring Exercise was completed on 20 November 2014.

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Shares Capital - Ordinary Shares

	Number of shares	Issued and paid-up share capital (\$)
Ordinary shares of the Company		
As at 30 September 2015 and 31 March 2015	206,729,032	47,883,612

Outstanding Convertibles

	Number of shares that may be issued on conversion	Principal amount (\$)
Convertible notes		
As at 30 September 2015	5,965,096 ⁽¹⁾	2,875,000
Exchangeable notes - A right		
As at 30 September 2015	4,729,370 ⁽²⁾	2,600,000
Exchangeable notes - B right		
As at 30 September 2015	2,182,786 ⁽³⁾	1,200,000

(1) Based on the maximum number of the Company's new shares to be issued on conversion of the Notes, which is determined by dividing the aggregate of (i) the principal amount of the Note to be converted and (ii) all unpaid Accrued Interest (1.5%) up to and including the date of conversion, by the **Conversion Price**.

Conversion Price: S\$0.4892, which is 112.5% of the volume-weighted average price of the Company's shares (as quoted on the SGX-ST) for the previous 15 Trading Days prior to, but excluding, 27 June 2015, being the date of the Convertible Note Subscription Agreement.

(2) Based on the maximum number of the Company's new shares to be issued on Exchange-A, which is determined by dividing the aggregate of (i) the principal amount of the Note to be converted and (ii) all unpaid Accrued Interest (2.5%) up to and including the date of conversion, by the **Exchange-A Price**.

Exchange-A Price: S\$0.5635, which is 112.5% of the volume-weighted average price of the Company's shares (as quoted on the SGX-ST) for the previous 15 Trading Days prior to, but excluding, the date of the Agreement, being the price at which the Company's new shares will be issued upon Exchange-A.

(3) Based on the maximum number of the Company's new shares to be issued on Exchange-B, which is determined by dividing the aggregate of (i) the principal amount of the Note to be converted and (ii) all unpaid Accrued Interest (2.5%) up to and including the date of conversion, by the **Exchange-B Price**.

Exchange-B Price: S\$0.5635, which is 112.5% of the volume-weighted average price of the Company's shares (as quoted on the SGX-ST) for the previous 15 Trading Days prior to, but excluding, the date of the Agreement, being the price at which the Company's new shares will be issued upon Exchange-B.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 March 2015.

- 1 (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<u>30 Sep 2015</u>	<u>31 Mar 2015</u>
Total number of issued shares	<u>206,729,032</u>	<u>206,729,032</u>

The Company did not have any treasury shares as at 30 September 2015 and 31 March 2015.

- (d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Same as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared to the audited financial statements for the financial year ended 31 March 2015, except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 April 2015. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial year ending 31 March 2016.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("Int FRS") that are relevant to its operations and effective for the financial period on or after 1 April 2015, where applicable. The adoption of these new and revised standards from the effective date is not expected to result in any material adjustments to the financial statements of the Group for the current financial reporting year.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share ("EPS")	Group	Group
	6 months ended 30 Sep 2015 HY2016	6 months ended 30 Sep 2014 HY2015
Profit attributable to shareholders of the Company (S\$)	4,018,086	3,087,540
Weighted average number of ordinary share in issue	206,729,032	206,729,032 ⁽¹⁾
Basic EPS (S\$) ⁽²⁾	0.02	0.01
Weighted average number of ordinary share in issue + number of shares that may be issued on conversion of outstanding convertibles	219,606,284	219,606,284 ⁽¹⁾
Fully diluted basis EPS (S\$) ⁽³⁾	0.02	0.01

Notes:

(1) Assuming that the Company's IPO had taken place on 20 August 2014 (i.e., the Company's date of incorporation)

(2) The basic EPS of the Group for the respective periods was calculated based on the weighted average number of ordinary shares in issue for the respective periods.

(3) The fully diluted basis EPS of the Group for the respective periods was calculated based on the weighted average number of ordinary shares in issue plus number of shares that may be issued on conversion of outstanding convertibles for the respective periods.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
(a) Current financial period reported on; and
(b) Immediately preceding financial year.

	Group		Company	
	30 Sep 2015	31 Mar 2015	30 Sep 2015	31 Mar 2015
Net asset value (S\$)	23,307,373	19,180,627	47,351,540	47,400,890
Number of ordinary shares in issue	206,729,032	206,729,032	206,729,032	206,729,032
Net asset value per ordinary share (S\$)	0.11	0.09	0.23	0.23

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF FINANCIAL PERFORMANCE (CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME)

Revenue

HY2016 vs HY2015

Our Group's revenue had increased by S\$3.0 million or 31.2% , from S\$9.7 million in HY2015, to approximately S\$12.7 million in HY2016. The increase was mainly due to additional revenue generated from a newly acquired subsidiary during the year, which recorded production revenue of S\$2.1 million. On top of that, the revenue of our core business had increased by S\$0.9 million or 9.0%, from S\$9.7 million contributed by more than 2/3 of movie projects completed in FY2015 (HY2015), to S\$10.5 million contributed by half of the movie projects expected to be completed in FY2016 (HY2016).

Cost of sales

HY2016 vs HY2015

Cost of sales had increased by S\$0.3 million or 7.6%, from S\$4.0 million in HY2015 to S\$4.3 million in HY2016. The increase was mainly due to additional cost incurred by a newly acquired subsidiary during the year, which recorded production cost of S\$0.3 million. On top of that, the cost of sales attributable to our core business remained relatively unchanged, which was recorded at S\$4.0 million.

Amortisation of Film rights increased by S\$0.4 million from HY2015 to HY2016.

Gross profit / Operating profit

HY2016 vs HY2015

Our gross profit margin had improved from S\$5.7 million or 58.7% in HY2015 to S\$8.4 million or 66.1% in HY2016, which was partly contributed by a new subsidiary. Without the new subsidiary, the gross profit margin of our core business had improved from 58.7% in HY2015 to 61.9% in HY2016.

Other gains/(losses) - net

HY2016 vs HY2015

The foreign currency exchange translation gain from the weakening of the Malaysian ringgit against Singapore dollar resulted in a total increase in net gain of S\$11,000 from a gain of approximately S\$14,000 in HY2015 to a gain of S\$25,000 in HY2016.

General and administrative expenses

HY2016 vs HY2015

General and administrative expenses had increased in HY2016 by S\$1.9 million or 189.5% from S\$1.0 million in HY2015 to S\$3.0 million in HY2016.

Employee compensation costs

The increase was mainly attributable to an increase in employee compensation cost of S\$0.6 million due to an increase in the number of senior management staff, as well as the number of other employees resulting from the expansion of the Group. Besides that, employee compensation cost also increased by another S\$0.6 million due to the acquisition of a new subsidiary.

Professional fees

Other than employee compensation cost, the increase was also due to the increase in total professional fees of S\$0.5 million or 575.2%. Out of the total of S\$0.5 million, the increase in professional fees in relation to existing business increased by S\$0.2 million, while the increase of S\$0.3 million was due to non-recurring events which took place in HY2016, and the breakdown is as follows:

	HY2016 S\$'000	HY2015 S\$'000
Professional fees		
Professional fees - Core business	322	99
Professional fees - New subsidiary	6	-
Acquisition of subsidiaries	205	-
Financing facilities	138	-
	671	99

Depreciation costs

The increase in general and administrative expenses was also due to the acquisition of a new subsidiary which has a high value of property, plant and equipments, therefore resulting in the increase in depreciation costs of S\$0.1 million. However, the depreciation costs attributable to our core business remained unchanged as there were no major additions in HY2016 causing the increase in depreciation cost as compared to HY2015.

Finance costs

HY2016 vs HY2015

Finance costs decreased by S\$95,000 or 69.6% from S\$136,000 in HY2015 to S\$41,000 in HY2016 mainly due to no new bank borrowings and finance lease liabilities during the period. It was also due to the decrease in convertible notes interest as the convertible notes had been converted into shares during the IPO of the company in FY2015.

Profit before tax

HY2016 vs HY2015

As a result from the above, we recorded an increase of S\$0.9 million or 19.5% in profit before tax from S\$4.5 million in HY2015 to S\$5.4 million in HY2016.

REVIEW OF FINANCIAL POSITION (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

Non-current assets

Our non-current assets increased by S\$4.2 million or 64.8% from S\$6.5 million as at 31 March 2015 to S\$10.7 million as at 30 September 2015. This was mainly due to the increase of S\$0.6 million in film rights and purchase of available-for-sale investment of S\$0.1 million. Besides that, the acquisition of new subsidiary resulted in increase of S\$3.0 million in goodwill and increase of S\$0.5 million in property, plant and equipment.

On 8 April 2015, the Group completed the acquisition of 51% of the issued equity of Vividthree Productions Pte Ltd, a company incorporated in Singapore involved primarily in three-dimensional ("3D") animation field, specialising in 3D stereoscopic animation, 3D animation and visual effects for feature films and commercials. The shares in Vividthree Productions Pte Ltd have been acquired for a total consideration of S\$3.06 million by the Group, have been determined provisionally. The purchase price allocation to goodwill, intangibles (excluding goodwill) and other assets and liabilities is currently being assessed and is expected to be finalised within 12 months from the date of acquisition and hence the goodwill has not been allocated to the relevant cash-generating-units.

The goodwill is subject to changes after the finalisation of the Purchase Price Allocation on the acquisition of new subsidiary.

Current assets

Our current assets increased by S\$9.6 million or 30.8% from S\$31.1 million as at 31 March 2015 to S\$40.7 million as at 30 September 2015, mainly due to the increase in deposit paid for to acquire business assets of S\$2.6 million, cash and cash equivalents of approximately S\$0.7 million, the increase in the trade and other receivables of approximately S\$2.0 and the increase in film products and films under production of approximately S\$4.3 million.

Non-current liabilities

Our non-current liabilities increased by S\$6.8 million or 340.3% from S\$2.0 million as at 31 March 2015 to S\$8.8 million as at 30 September 2015. This was mainly due to the issuance of new convertible notes and exchangeable notes of S\$6.7 million and additional borrowings of S\$0.1 million during HY2016.

Current liabilities

Our current liabilities increased by S\$2.8 million or 17.1% from S\$16.4 million as at 31 March 2015 to S\$19.2 million as at 30 September 2015, mainly due to the increase in trade and other payables of approximately S\$0.7 million, the increase in deferred income of approximately S\$1.9 million, and the increase in short-term borrowings of approximately S\$0.2 million.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOW)

As at 30 September 2015 (HY2016), our cash and cash equivalents amounted to S\$6.3 million as compared to cash and cash equivalents of S\$1.6 million as at 30 September 2014 (HY2015).

Net cash generated from operating activities

In HY2016, we generated a net cash inflow of S\$6.3 million from operating activities before working capital changes of approximately S\$8.7 million cash outflow.

Our net working capital outflow was mainly due to cash outflows of S\$1.4 million from an increase in trade and other receivables, an increase of S\$6.0 million from additional movies under production, and a decrease of S\$3.1 million in trade and other payables. Our cash inflow was due to an increase in deferred income of approximately S\$1.9 million.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$3.7 million mainly due to the deposit paid to acquire business assets of S\$2.7 million and purchase of available-for-sale investment for S\$0.1 million. In addition, cash inflow of S\$0.6 million was due to net cash paid for the acquisition of a new subsidiary and S\$0.3 million due to acquisition of property, plant and equipment in HY2016.

Net cash generated from financing activities

Net cash generated from financing activities of S\$6.7 million was mainly due to the cash inflow from the issuance of convertible notes of S\$6.7 million and proceeds from additional borrowings of S\$0.1 million. Meanwhile, the cash outflow was due to the repayment of borrowings, finance leases and interest payment amounting to S\$0.1 million.

Net increase in cash and cash equivalents

Overall, the Group recorded a net cash increase of approximately S\$0.6 million as compared to the net increase of approximately S\$1.1 million in the corresponding period.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group continues to harness our capability to provide services over the entire production and distribution process for movies and TV/Online content to address the demand for locally produced content in Singapore and Malaysia. In addition, the Group has also continued to expand outside of the region into Taiwan and Hong Kong via co-production projects to tap on the larger markets including China.

Pursuant to the acquisition of subsidiary, Vividthree Productions Pte Ltd on 8 April 2015, we have included its financial results in our HY2015 consolidated financial statements.

We have completed the acquisition of certain businesses and assets of Cathay Cineplexes Sdn Bhd recently with the Sale of Business Agreement being signed on 14 August 2015, pursuant to the non-binding memorandum of understanding for the proposed acquisition on 30 April 2015. The new business is expected to generate income from Q3 of the FY2016.

On 20 August 2015, we entered into a binding term sheet with Mega Cinemas Management Sdn Bhd for the proposed acquisition of the business at 3 different locations. The acquisition is expected to be completed in Q4 of FY2016.

The Group will continue to seek opportunities to extend our business, both horizontally and vertically, to further strengthen our business performances.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b) (i) Amount per share in cents

Not applicable.

(b) (ii) Previous corresponding period in cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the half year ended 30 September 2015.

- 13 **If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have any general mandate from shareholders for interested person transactions pursuant to Rule 920.

There were no IPT of S\$100,000 and above for HY2016.

14 **Use of IPO proceeds**

The Company refers to the gross proceeds amounting to S\$7.75 million raised from the IPO on the Catalist Board of the SGX-ST on 11 December 2014.

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

Use of IPO Proceeds

	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Expansion of our Group's business via acquisitions, joint ventures and/or strategic alliances	2,318	2,318	- ⁽¹⁾
Investment in Production activities or acquisition of Movie rights	1,700	1,640	60
General working capital	2,129	2,105	24
IPO expenditure	1,603	1,603	- ⁽²⁾
Total	7,750	7,666	84

(1) The unutilised amount of S\$29,000 had been transferred to the Company's general working capital.

(2) The unutilised amount of S\$400,000 had been transferred to the Company's general working capital.

Where the proceeds have been used for working capital purposed, a breakdown with specific details on how the proceeds have been applied must be disclosed

Out of S\$2.1 million, S\$1.0 million have been used for the Company's operating expenses and S\$1.1 million have been used for funding subsidiaries, MM2 Entertainment Pte Ltd and Vividthree Productions Pte Ltd's operation and working capital.

15 **Negative confirmation pursuant to Rule 705(5).**

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 6 months financial period ended 30 September 2015 to be false or misleading in any material aspect.