



mm2 Asia Ltd.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201424372N)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30
SEPTEMBER 2017**

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 period.

| | Group | | | Group | | |
|---|--|---|---------------|--|---|--------------|
| | Three months ended | | | Six months ended | | |
| | 30 Sep 2017 2Q FY2018 (Unaudited) SGD'000 | 30 Sep 2016 2Q FY2017 (Restated) SGD'000 | Change % | 30 Sep 2017 1H FY2018 (Unaudited) SGD'000 | 30 Sep 2016 1H FY2017 (Restated) SGD'000 | Change % |
| Revenue | 31,401 | 21,592 | 45.4% | 56,019 | 35,034 | 59.9% |
| Cost of Sales | (16,790) | (11,918) | 40.9% | (26,055) | (15,276) | 70.6% |
| Gross profit | 14,611 | 9,674 | 51.0% | 29,964 | 19,758 | 51.7% |
| Other income | 375 | 165 | 127.3% | 621 | 176 | 252.8% |
| Other gains/(losses) - net | 80 | (180) | 144.4% | (112) | (220) | -49.1% |
| Administrative expenses | (6,691) | (5,319) ⁽¹⁾ | 25.8% | (12,476) | (8,810) ⁽¹⁾ | 41.6% |
| Finance expenses | (212) | (955) ⁽¹⁾ | -77.8% | (370) | (1,111) ⁽¹⁾ | -66.7% |
| Share of loss of associated companies | (174) | - | NM | (210) | - | NM |
| Profit before income tax | 7,989 | 3,385 | 136.0% | 17,417 | 9,793 | 77.9% |
| Income tax expense | (1,641) | (707) | 132.1% | (3,395) | (1,957) | 73.5% |
| Net profit for the financial period | 6,348 | 2,678 | 137.0% | 14,022 | 7,836 | 78.9% |
| Other comprehensive income, net of tax: | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Currency translation difference arising from consolidation – (losses)/gains | (12) | 119 | -110.1% | (176) | (22) | 700.0% |
| Total comprehensive income | 6,336 | 2,797 | 126.5% | 13,846 | 7,814 | 77.2% |
| Profit attributable to: | | | | | | |
| Equity holders of the Company | 4,595 | 2,021 | 127.4% | 10,936 | 6,929 | 57.8% |
| Non-controlling interests | 1,753 | 657 | 166.8% | 3,086 | 907 | 240.2% |
| | 6,348 | 2,678 | 137.0% | 14,022 | 7,836 | 78.9% |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the Company | 4,589 | 2,160 | 112.5% | 10,772 | 6,927 | 55.5% |
| Non-controlling interests | 1,747 | 637 | 174.2% | 3,074 | 887 | 246.6% |
| | 6,336 | 2,797 | 126.5% | 13,846 | 7,814 | 77.2% |

NM – not meaningful

⁽¹⁾ The results for 2Q FY2017 and 1H FY2017 have been restated to include the finance costs, amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand rights and artiste rights) upon finalisation of Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of UnUsUaL Limited and its subsidiary corporations in FY2017.

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

Profit before tax is arrived at after (crediting)/charging:

| | Group | | | Group | | |
|--|--|---|-------------|--|---|-------------|
| | Three months ended | | | Six months ended | | |
| | 30 Sep 2017 2Q FY2018 (Unaudited) SGD'000 | 30 Sep 2016 2Q FY2017 (Restated) SGD'000 | Change % | 30 Sep 2017 1H FY2018 (Unaudited) SGD'000 | 30 Sep 2016 1H FY2017 (Restated) SGD'000 | Change % |
| Notes to Consolidated Statement of Comprehensive Income | | | | | | |
| Amortisation of film rights | 607 | 967 | -37.2% | 1,070 | 1,926 | -44.4% |
| Amortisation of film intangible and film inventories | 350 | 133 | 163.2% | 564 | 137 | 311.7% |
| Amortisation of brand rights | 144 | 96 ⁽¹⁾ | 49.9% | 288 | 96 ⁽¹⁾ | 200.0% |
| Amortisation of artiste rights | - | 164 ⁽¹⁾ | NM | - | 164 ⁽¹⁾ | NM |
| Employee compensation | 3,764 | 2,617 | 43.8% | 6,905 | 3,995 | 72.8% |
| Depreciation of property, plant and equipment | 718 | 274 | 162.0% | 1,420 | 519 | 173.6% |
| Interest expense | 212 | 955 ⁽¹⁾ | -77.8% | 370 | 1,111 ⁽¹⁾ | -66.7% |
| Loss on disposal of property, plant and equipment | 2 | - | NM | 2 | 1 | 100% |
| Foreign exchange (gain)/loss, net | (82) | 180 | -145.6% | 110 | 219 | -49.8% |
| Interest income | (263) | (9) | NM | (263) | (10) | NM |
| Bad debt recovered | (213) | - | NM | (213) | - | NM |
| Other income | 101 | (156) | -164.7% | (145) | (166) | -12.7% |

NM – not meaningful

⁽¹⁾ The results for 2Q FY2017 and 1H FY2017 have been restated to include the finance costs, amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand rights and artiste rights) upon finalisation of Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of UnUsUaL Limited and its subsidiary corporations in FY2017.

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 period.

| | Group | | Company | |
|---|---|---|---|---|
| | 30 Sep 2017 FY2018 (Unaudited) SGD'000 | 31 Mar 2017 FY2017 (Restated) ⁽¹⁾ SGD'000 | 30 Sep 2017 FY2018 (Unaudited) SGD'000 | 31 Mar 2017 FY2017 (Restated) ⁽¹⁾ SGD'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 127,407 | 25,755 | 74,455 | 2,453 |
| Trade and other receivables | 66,969 | 46,265 | 78,457 | 48,665 |
| Inventories and work-in-progress | 386 | 653 | - | - |
| Film products and films under production | 30,897 | 23,394 | - | - |
| Income tax recoverable | - | 11 | - | - |
| | 225,659 | 96,078 | 152,912 | 51,118 |
| Non-current assets | | | | |
| Property, plant and equipment | 11,545 | 11,184 | - | - |
| Goodwill | 39,084 | 39,084 ⁽¹⁾ | - | - |
| Film rights | 8,268 | 5,561 | - | - |
| Film intangibles and film inventories | 4,724 | 3,513 | - | - |
| Development of software | 277 | 247 | - | - |
| Brand rights | 7,974 | 8,262 ⁽¹⁾ | - | - |
| Investment in subsidiary corporations | - | - | 64,536 | 64,534 ⁽¹⁾ |
| Investment in associated companies | 2,765 | 1,493 | 2,243 | 1,493 |
| Deferred tax assets | 675 | 675 | - | - |
| | 75,312 | 70,019 | 66,779 | 66,027 |
| Total assets | 300,971 | 166,097 | 219,691 | 117,145 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 19,130 | 46,636 | 69,554 | 28,636 |
| Income tax payables | 6,291 | 5,603 | - | - |
| Deferred income | 5,111 | 2,923 | - | - |
| Progress billing in excess of work-in-progress | 1,841 | 749 | - | - |
| Borrowings | 69,370 | 6,223 | - | 2,500 |
| | 101,743 | 62,134 | 69,554 | 31,136 |
| Non-current liabilities | | | | |
| Borrowings | 4,739 | 5,464 | - | - |
| Deferred tax liabilities | 1,861 | 1,902 ⁽¹⁾ | - | - |
| | 6,600 | 7,366 | - | - |
| Total liabilities | 108,343 | 69,500 | 69,554 | 31,136 |
| NET ASSETS | 192,628 | 96,597 | 150,137 | 86,009 |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 152,855 | 88,212 | 152,855 | 88,212 |
| Other reserves | (30,601) | (37,298) | - | - |
| Retained profits/(accumulated losses) | 45,316 | 34,380 ⁽¹⁾ | (2,718) | (2,203) ⁽¹⁾ |
| | 167,570 | 85,294 | 150,137 | 86,009 |
| Non-controlling interests | 25,058 | 11,303 ⁽¹⁾ | - | - |
| Total equity | 192,628 | 96,597 | 150,137 | 86,009 |

NM – not meaningful

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 period. (continued)

⁽¹⁾ The financial position of the Group and the Company for financial year ended 31 March 2017 was restated due to the Purchase Price Allocation (PPA) exercise in connection to the acquisition of UnUsUaL Limited and its subsidiary corporations has been finalised. As a result, the financial statement has been adjusted retrospectively on goodwill, intangible assets (ie, brand rights and artiste rights) and deferred tax liability.

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 Sep 2017 | | As at 31 March 2017 | |
|--------------------------|----------------------|----------------------------|----------------------|
| (Unaudited) | | (Audited) | |
| Secured SGD'000 | Unsecured SGD'000 | Secured SGD'000 | Unsecured SGD'000 |
| 69,370 | - | 6,223 | - |

Amount repayable after one year

| As at 30 Sep 2017 | | As at 31 March 2017 | |
|--------------------------|----------------------|----------------------------|----------------------|
| (Unaudited) | | (Audited) | |
| Secured SGD'000 | Unsecured SGD'000 | Secured SGD'000 | Unsecured SGD'000 |
| 4,739 | - | 5,464 | - |

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 Management Officers.

The bank borrowings for UnUsUaL Limited, a subsidiary corporation, is secured by corporate guarantee from the Company and a leasehold building of a related corporation of the subsidiary corporation while finance lease payables are secured by underlying assets acquired.

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

Consolidated Statement of Cash Flows

| | Group Three months ended | | Group Six months ended | |
|---|--|---|--|---|
| | 30 Sep 2017 2Q FY2018 (Unaudited) SGD'000 | 30 Sep 2016 2Q FY2017 (Restated) SGD'000 | 30 Sep 2017 1H FY2018 (Unaudited) SGD'000 | 30 Sep 2016 1H FY2017 (Restated) SGD'000 |
| Cash flows from operating activities | | | | |
| Net profit | 6,348 | 2,678 ⁽¹⁾ | 14,022 | 7,836 ⁽¹⁾ |
| Adjustments for: | | | | |
| - Income tax expenses | 1,641 | 707 | 3,395 | 1,957 |
| - Depreciation of property, plant and equipment | 718 | 274 | 1,420 | 519 |
| - Interest income | (263) | (9) | (263) | (10) |
| - Interest expense | 212 | 955 ⁽¹⁾ | 370 | 1,111 ⁽¹⁾ |
| - Amortisation of film rights | 607 | 967 | 1,070 | 1,926 |
| - Amortisation of film intangible and film inventories | 350 | 133 | 564 | 137 |
| - Amortisation of brand rights | 144 | 96 ⁽¹⁾ | 288 | 96 ⁽¹⁾ |
| - Amortisation of artiste rights | - | 164 ⁽¹⁾ | - | 164 ⁽¹⁾ |
| - Share of loss of associated companies | 174 | - | 210 | - |
| - Loss on disposal of property, plant & equipment | 2 | 1 | 2 | 1 |
| - Unrealised currency translation loss/(gain) | 5 | (175) | (268) | 134 |
| - Performance share plan expenses | 203 | - | 254 | - |
| Operating cash flow before working capital changes | 10,141 | 5,791 | 21,064 | 13,871 |
| Change in working capital, net of effects from acquisition of subsidiary corporations: | | | | |
| - Trade and other receivables | (3,305) | 12,850 | (13,301) | (3,560) |
| - Inventories and work-in-progress | 179 | 26 | 266 | 6 |
| - Film products and films under production | (1,061) | (7,277) | (10,096) | (16,721) |
| - Film intangibles and film inventories | (642) | (641) | (1,764) | (1,644) |
| - Trade and other payables | 508 | 2,874 | (6,006) | 5,836 |
| - Deferred income | 989 | 1,205 | 2,189 | 1,829 |
| - Progress billing in excess of work-in-progress | 435 | (158) | 1,091 | (74) |
| Cash used in operations | 7,244 | 14,670 | (6,557) | (457) |
| Income tax paid | (2,291) | (748) | (2,737) | (763) |
| Net cash generated/(used in) operating activities | 4,953 | 13,922 | (9,294) | (1,220) |
| Cash flows from investing activities | | | | |
| Acquisition of a subsidiary corporation, net of cash acquired | - | (6,128) | - | (6,128) |
| Acquisition of an associated company | (1,029) | - | (2,595) | - |
| Addition of film rights | 80 | (411) | (4) | (411) |
| Additions to development of software | - | - | (30) | (6) |
| Additions to property, plant and equipment | (1,163) | (53) | (1,664) | (356) |
| Acquisition of business assets | (8,522) | (11,228) | (8,522) | (11,228) |
| Interest received | 263 | 9 | 263 | 11 |
| Proceeds from disposal of property, plant and equipment | 51 | - | 8 | * |
| Repayment of deferred consideration | (20,000) | - | (20,000) | - |
| Net cash used in investing activities | (30,320) | (17,811) | (32,544) | (18,118) |

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

Consolidated Statement of Cash Flows (continued)

| | Group | | Group | |
|---|--|---|--|---|
| | Three months ended | | Six months ended | |
| | 30 Sep 2017 2Q FY2018 (Unaudited) SGD'000 | 30 Sep 2016 2Q FY2017 (Restated) SGD'000 | 30 Sep 2017 1H FY2018 (Unaudited) SGD'000 | 30 Sep 2016 1H FY2017 (Restated) SGD'000 |
| Cash flows from financing activities | | | | |
| Fixed deposit pledged to bank | - | 138 | 282 | 49 |
| Interest paid | (217) | (79) | (370) | (235) |
| Proceeds from issuance of shares | 14,915 | - | 14,915 | 18,040 |
| Proceeds from issuance of shares of subsidiary corporation ⁽²⁾ | - | - | 17,542 | - |
| Proceeds from share allotment account ⁽³⁾ | - | - | 49,168 | - |
| Proceeds from issuance of convertible notes/bonds | 67,645 | - | 67,645 | 7,500 |
| Proceeds from borrowings | - | 1,852 | - | 8,451 |
| Repayment of borrowings | (4,418) | (417) | (5,333) | (637) |
| Repayment of lease liabilities | (23) | (16) | (45) | (18) |
| Net cash generated from financing activities | 77,902 | 1,478 | 143,804 | 33,150 |
| Net increase/(decrease) in cash and cash equivalents | 52,535 | (2,411) | 101,966 | 13,812 |
| Cash and cash equivalents | | | | |
| Beginning of financial period | 74,273 | 20,355 | 24,858 | 4,132 |
| Exchange effects on cash and cash equivalents | (25) | (15) | (41) | (15) |
| End of financial period | 126,783 | 17,929 | 126,783 | 17,929 |
| Cash and cash equivalents comprise: | | | | |
| Cash and bank balances | 32,198 | 17,929 | 32,198 | 17,929 |
| Fixed deposits | 95,209 | 473 | 95,209 | 473 |
| | 127,407 | 18,402 | 127,407 | 18,402 |
| Cash and cash equivalents | | | | |
| Cash and bank balances | 127,407 | 18,402 | 127,407 | 18,402 |
| Less: Bank deposits pledged | (624) | (473) | (624) | (473) |
| Cash and cash equivalents per consolidated statement of cash flows | 126,783 | 17,929 | 126,783 | 17,929 |

* Less than \$1,000.

(1) The results for 2Q FY2017 and 1H FY2017 have been restated to include the finance costs, amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand rights and artiste rights) upon finalisation of Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of UnUsUaL Limited and its subsidiary corporations in FY2017.

(2) Fund raised by the Group's subsidiary corporation, UnUsUaL Limited pursuant from the IPO in April 2017.

(3) Proceeds from the financial institutions received in advance in June 2017 but shares were issued in July 2017.

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 comparative statement for the corresponding period of the immediately preceding financial period.

Consolidated Statement of Changes in Equity

| <-----Attributable to equity holders of the Company-----> | | | | | | |
|--|--------------------------|---------------------------|-----------------------------|------------------|--------------------------------------|-------------------------|
| Group (Unaudited) | Share capital SGD'000 | Other reserves SGD'000 | Retained profits SGD'000 | Total SGD'000 | Non-controlling interests SGD'000 | Total equity SGD'000 |
| Balance as at 1 April 2017 | 88,212 | (37,298) | 34,380 ⁽¹⁾ | 85,294 | 11,303 | 96,597 |
| Profit for the financial period | - | - | 6,341 | 6,341 | 1,333 | 7,674 |
| Other comprehensive loss for the period | - | (164) | - | (164) | - | (164) |
| Total comprehensive income for the period | - | (164) | 6,341 | 6,177 | 1,333 | 7,510 |
| | 88,212 | (37,462) | 40,721 | 91,471 | 12,636 | 104,107 |
| Dilution of interest in subsidiary corporation without loss of control | - | 6,873 | - | 6,873 | 10,669 | 17,542 |
| Issuance of new shares pursuant to performance share plan (PSP) | 559 | - | - | 559 | - | 559 |
| Balance as at 30 June 2017 | 88,771 | (30,589) | 40,721 | 98,903 | 23,305 | 122,208 |
| <-----Attributable to equity holders of the Company-----> | | | | | | |
| Group (Unaudited) | Share capital SGD'000 | Other reserves SGD'000 | Retained profits SGD'000 | Total SGD'000 | Non-controlling interests SGD'000 | Total equity SGD'000 |
| Balance as at 1 July 2017 | 88,771 | (30,589) | 40,721 | 98,903 | 23,305 | 122,208 |
| Profit for the financial period | - | - | 4,595 | 4,595 | 1,753 | 6,348 |
| Other comprehensive loss for the period | - | (12) | - | (12) | - | (12) |
| Total comprehensive income for the period | - | (12) | 4,595 | 4,583 | 1,753 | 6,336 |
| | 88,771 | (30,601) | 45,316 | 103,486 | 25,058 | 128,544 |
| Issuance of new shares pursuant to placement agreement with financial institutions | 49,084 | - | - | 49,084 | - | 49,084 |
| Issuance of new shares pursuant to placement agreement with Starhub Ltd | 15,000 | - | - | 15,000 | - | 15,000 |
| Balance as at 30 September 2017 | 152,855 | (30,601) | 45,316 | 167,570 | 25,058 | 192,628 |

⁽¹⁾ The results for FY2017 have been restated to include the finance costs, amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand rights and artiste rights) upon finalisation of Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of UnUsUaL Limited and its subsidiary corporations in FY2017.

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 comparative statement for the corresponding period of the immediately preceding financial period. (continued)

Consolidated Statement of Changes in Equity (continued)

| Group (Restated) | <-----Attributable to equity holders of the Company-----> | | | | | Total equity SGD'000 |
|---|---|------------------------|--------------------------|---------------|-----------------------------------|----------------------|
| | Share capital SGD'000 | Other reserves SGD'000 | Retained profits SGD'000 | Total SGD'000 | Non-controlling interests SGD'000 | |
| Balance as at 1 Apr 2016 | 56,982 | (37,655) | 16,860 | 36,187 | 978 | 37,165 |
| Profit for the financial period | - | - | 4,908 | 4,908 | 250 | 5,158 |
| Other comprehensive loss for the period | - | (141) | - | (141) | - | (141) |
| Total comprehensive income for the period | - | (141) | 4,908 | 4767 | 250 | 5,017 |
| | 56,982 | (37,796) | 21,768 | 40,954 | 1,228 | 42,182 |
| Issuance of new shares pursuant to conversion of exchangeable notes | 2,644 | - | - | 2,644 | - | 2,644 |
| Issuance of new shares pursuant to conversion of convertible notes | 2,604 | (446) | - | 2,158 | - | 2,158 |
| Issuance of new shares pursuant to placement agreement with Starhub Ltd | 18,040 | - | - | 18,040 | - | 18,040 |
| Balance as at 30 June 2016 | 80,270 | (38,242) | 21,768 | 63,796 | 1,228 | 65,024 |
| Group (Restated) | <-----Attributable to equity holders of the Company-----> | | | | | Total equity SGD'000 |
| | Share capital SGD'000 | Other reserves SGD'000 | Retained profits SGD'000 | Total SGD'000 | Non-controlling interests SGD'000 | |
| Balance as at 1 July 2016 | 80,270 | (38,242) | 21,768 | 63,796 | 1,228 | 65,024 |
| Profit for the financial period | - | - | 2,021 ⁽¹⁾ | 2,021 | 657 | 2,678 |
| Other comprehensive loss for the period | - | 119 | - | 119 | - | 119 |
| Total comprehensive income for the period | - | 119 | 2,021 | 2,140 | 657 | 2,797 |
| | 80,270 | (38,123) | 23,789 | 65,936 | 1,885 | 67,821 |
| Non-controlling interests arising from acquisition/incorporation of subsidiary corporations | - | - | - | - | 5,795 | 5,795 |
| Issuance of new shares pursuant to conversion of convertible notes | 4,930 | - | - | 4,930 | - | 4,930 |
| Issuance of new shares pursuant to acquisition of business from Mega Cinemas Management Sdn. Bhd. | 3,012 | - | - | 3,012 | - | 3,012 |
| Balance as at 30 September 2016 | 88,212 | (38,123) | 23,789 | 73,878 | 7,680 | 81,558 |

⁽¹⁾ The results for 2Q FY2017 have been restated to include the finance costs, amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand rights and artiste rights) upon finalisation of Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of UnUsUaL Limited and its subsidiary corporations in FY2017.

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 period. (continued)

Statement of Changes in Equity

| Company (Unaudited) | Share capital SGD'000 | Other reserves SGD'000 | Retained profits/ (Accumulated losses) SGD'000 | Total SGD'000 | Non-controlling interests SGD'000 | Total equity SGD'000 |
|--|----------------------------------|-----------------------------------|---|--------------------------|--|---------------------------------|
| Balance as at 1 April 2017 | 88,212 | - | (2,203) ⁽¹⁾ | 86,009 | - | 86,009 |
| Net loss for the period | - | - | (1,110) | (1,110) | - | (1,110) |
| | 88,212 | - | (3,313) | 84,899 | - | 84,899 |
| Issuance of new shares pursuant to performance share plan (PSP) | 559 | - | - | 559 | - | 559 |
| Balance as at 30 June 2017 | 88,771 | - | (3,313) | 85,458 | - | 85,458 |
| Company (Unaudited) | Share capital SGD'000 | Other reserves SGD'000 | Retained profits/ (Accumulated losses) SGD'000 | Total SGD'000 | Non-controlling interests SGD'000 | Total equity SGD'000 |
| Balance as at 1 July 2017 | 88,771 | - | (3,313) | 85,458 | - | 85,458 |
| Net loss for the financial period | - | - | 595 | 595 | - | 595 |
| | 88,771 | - | (2,718) | 86,053 | - | 86,053 |
| Issuance of new shares pursuant to placement agreement with financial institutions | 49,084 | - | - | 49,084 | - | 49,084 |
| Issuance of new shares pursuant to placement agreement with Starhub Ltd | 15,000 | - | - | 15,000 | - | 15,000 |
| Balance as at 30 September 2017 | 152,855 | - | (2,718) | 150,137 | - | 150,137 |

⁽¹⁾ The results for FY2017 have been restated to include the finance costs upon finalisation of Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of UnUsUaL Limited and its subsidiary corporations in FY2017.

(1)(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 comparative statement for the corresponding period of the immediately preceding financial period. (continued)

Statement of Changes in Equity (continued)

| Company (Restated) | Share capital SGD'000 | Other reserves SGD'000 | Retained profits/ (Accumulated losses) SGD'000 | Total SGD'000 | Non-controlling interests SGD'000 | Total equity SGD'000 |
|---|----------------------------------|-----------------------------------|---|--------------------------|--|---------------------------------|
| Balance as at 1 April 2016 | 56,982 | 446 | (601) | 56,827 | - | 56,827 |
| Net profit for the period | - | - | (846) | (846) | - | (846) |
| | 56,982 | 446 | (1,447) | 55,981 | - | 55,981 |
| Issuance of new shares pursuant to conversion of exchangeable notes | 2,644 | - | - | 2,644 | - | 2,644 |
| Issuance of new shares pursuant to conversion of convertible notes | 2,604 | (446) | - | 2,158 | - | 2,158 |
| Issuance of new shares pursuant to placement agreement with Starhub Ltd | 18,040 | - | - | 18,040 | - | 18,040 |
| Balance as at 30 June 2016 | 80,270 | - | (1,447) | 78,823 | - | 78,823 |
| Company (Restated) | Share capital SGD'000 | Other reserves SGD'000 | Retained profits/ (Accumulated losses) SGD'000 | Total SGD'000 | Non-controlling interests SGD'000 | Total equity SGD'000 |
| Balance as at 1 July 2016 | 80,270 | - | (1,447) | 78,823 | - | 78,823 |
| Net profit for the financial period | - | - | 3,680 ⁽¹⁾ | 3,680 | - | 3,680 |
| | 80,270 | - | 2,233 | 82,503 | - | 82,503 |
| Issuance of new shares pursuant to conversion of convertible notes | 4,930 | - | - | 4,930 | - | 4,930 |
| Issuance of new shares pursuant to acquisition of business from Mega Cinemas Management Sdn. Bhd. | 3,012 | - | - | 3,012 | - | 3,012 |
| Balance as at 30 September 2016 | 88,212 | - | 2,233 | 90,445 | - | 90,445 |

⁽¹⁾ The results for 1H FY2017 have been restated to include the finance costs upon finalisation of Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of UnUsUaL Limited and its subsidiary corporations in FY2017.

- 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 issue 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 (S\$) |
|---------------------------------------|------------------------------|---|
| Ordinary shares of the Company | | |
| As at 30 September 2017 | 1,162,804,610 ⁽¹⁾ | 152,854,834 |
| As at 31 March 2017 | 1,047,781,420 | 88,211,923 |

⁽¹⁾ Pursuant to (a) the issuance of 959,400 shares pursuant to performance share granted on 31 May 2017, (b) the issuance of 87,748,000 shares pursuant to the placement of shares to financial institutions, and (c) the issuance of 26,315,790 shares pursuant to the placement of shares to Starhub Ltd.

- (d)(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 2017</u> | <u>31 Mar 2017</u> |
|-------------------------------|----------------------|----------------------|
| Total number of issued shares | <u>1,162,804,610</u> | <u>1,047,781,420</u> |

The Company did not have any treasury shares as at 30 September 2017 and 31 March 2017.

- (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 year reported on.

- (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the financial period, there were no transactions pertaining to subsidiary holdings.

- 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.

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year compared to the audited financial statements for the financial year ended 31 March 2017, 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 2017. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial period ended 30 September 2017, as disclosed in paragraph 5 below.

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 2017, 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 period.

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.

| | Group Three months ended | | Group Six months ended | |
|---|-----------------------------|--------------------------|---------------------------|--------------------------|
| | 30 Sep 2017 2Q FY2018 | 30 Sep 2016 2Q FY2017 | 30 Sep 2017 1H FY2018 | 30 Sep 2016 1H FY2017 |
| Earnings per share ("EPS") | | | | |
| Profit attributable to equity holders of the Company (\$S'000) ⁽¹⁾ | 4,595 | 2,021 | 10,936 | 6,929 |
| Weighted average number of ordinary share in issue | 1,152,314,873 | 517,582,716 | 1,100,491,035 | 489,842,730 |
| Basic and fully diluted basis EPS (cents) ^{(2) (3)} | 0.40 | 0.39 | 0.99 | 1.41 |

⁽¹⁾ The results for 2Q FY2017 and 1H FY2017 have been restated to include the finance costs, amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand rights and artiste rights) upon finalisation of Purchase Price Allocation (PPA) exercise. This is in accordance with FRS 103 Business Combinations for the acquisition of UnUsUaL Limited and its subsidiary corporations in FY2017.

⁽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 and share allotment for the respective periods. The outstanding convertible note and bond as at 30 September 2017 has been redeemed subsequently in October (as announced on 6 October 2017), thus no outstanding shares will be issued for this convertible note and bond and hence was excluded from the computation for the fully diluted basis EPS of the Group.

- 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 2017 | 31 Mar 2017 | 30 Sep 2017 | 31 Mar 2017 |
| Net asset value (S\$'000) | 167,570 | 85,294 ⁽¹⁾ | 150,137 | 86,009 ⁽¹⁾ |
| Number of ordinary shares in issue | 1,162,804,610 | 1,047,781,420 | 1,162,804,610 | 1,047,781,420 |
| Net asset value per ordinary share (S\$) | 0.14 | 0.08 | 0.13 | 0.08 |

⁽¹⁾ The net asset value of the Group and the Company for financial year ended 31 March 2017 was restated due to the Purchase Price Allocation (PPA) exercise in connection to the acquisition of UnUsUaL Limited and its subsidiary corporations has been finalised. As a result, the financial statement has been adjusted retrospectively on goodwill, intangible assets (ie, brand rights and artiste rights) and deferred tax liability.

- 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)

2Q FY2018 vs 2Q FY2017

Revenue

Our Group's revenue increased by S\$9.8 million or 45.4%, from the corresponding period in 2Q FY2017 to approximately S\$31.4 million in 2Q FY2018. The increase was largely contributed by events production and concert promotion business by UnUsUaL Limited, a subsidiary corporation acquired by the Group in August 2016 and our core business. UnUsUaL contributed full 6 months in 1H FY2018 as oppose to 2 months in 1H FY2017.

Cost of sales

Cost of sales increased by S\$4.9 million or 40.9%, from the corresponding period in 2Q FY2017 to approximately S\$16.8 million in 2Q FY2018. The increase was largely from the events production and concert promotion business.

Gross profit

Our gross profit increased by S\$4.9 million or 51.0%, from the corresponding period in 2Q FY2017 to approximately S\$14.6 million in 2Q FY2018. The increase was mainly contributed by the events production and concert promotion business and our core business.

Other income

Other income increased by S\$210,000, from approximately S\$165,000 in 2Q FY2017 to approximately S\$375,000 in 2Q FY2018. It was mainly contributed by the interest income earned by our core business and events production and concert promotion business.

Other gains and losses - net

Other net loss decreased by S\$260,000 or 144.4%, from loss of approximately S\$180,000 in 2Q FY2017 to gain of approximately S\$80,000 in 2Q FY2018, largely due to foreign currency translation.

REVIEW OF FINANCIAL PERFORMANCE (CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME) (continued)

2Q FY2018 vs 2Q FY2017

Administrative expenses

General and administrative expenses increased by S\$1.4 million or 25.8%, from the corresponding period in 2Q FY2017 to approximately S\$6.7 million in 2Q FY2018, this is mainly due to the following:

Employee compensation costs

Employee compensation costs increased by S\$1.1 million or 43.8%. It was largely due to newly acquired businesses, increase in staff and management' incentives.

Depreciation costs

Depreciation costs increased by S\$0.4 million or 162.0%. It was mainly due to the purchase of equipment by UnUsUaL Limited, a subsidiary corporation during the financial period.

Share of loss of associated companies

There is a share of loss of associated companies in 2Q FY2018 with amount of S\$52,000 in RINGS.TV Pte Ltd, S\$86,000 Cinema Pro Limited and S\$41,000 in Dreamteam Studio Sdn Bhd. On the other hand, there is a share of profit of S\$5,000 in mm2 Film Distribution Sdn. Bhd.

Profit before Income tax

As a result from the above, we recorded an increase of S\$4.6 million or 136.0% in profit before tax from the corresponding period in 2Q FY2017 to approximately S\$8.0 million in 2Q FY2018.

REVIEW OF FINANCIAL POSITION (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

As at 30 September 2017

Current assets

Our current assets increased by S\$129.6 million or 134.9% to approximately S\$225.7 million, up from approximately S\$96.1 million as at 31 March 2017. This represents 75.0% of our total assets and comprised the following:

- (i) Cash and cash equivalents of approximately S\$127.4 million, increased by S\$101.6 million or 393.8%, from approximately S\$25.8 million as at 31 March 2017. This was mainly due to:
 - (a) an increase of S\$91.9 million from our core business, which was largely contributed by the proceeds from the issuance of new shares and convertible notes and bond;
 - (b) an increase of S\$7.5 million from events production and concert promotion business;
 - (c) an increase of S\$2.1 million from post-production business; and
 - (d) an increase of S\$0.1 million from cinema business.
- (ii) Trade and other receivables of approximately S\$67.0 million, increased by S\$20.7 million or 44.7%, from approximately S\$46.3 million as at 31 March 2017. This was mainly due to:
 - (a) an increase of S\$8.7 million from cinema business, which was partly contributed by the deposit paid for the acquisition of new cinema business from Lotus Fivestar Cinemas Sdn Bhd;
 - (b) an increase of S\$8.4 million from events production and concert promotion business; and
 - (c) an increase of S\$5.0 million from our core business; and
 - (d) offset with a decrease of S\$1.4 million from post-production business.
- (iii) Inventories and work-in-progress of approximately S\$0.4 million, decreased by S\$0.3 million or 42.9%, from approximately S\$0.7 million as at 31 March 2017. This was mainly due to a decrease of S\$0.4 million in our core business while an increase of S\$0.1 million in post-production business.
- (iv) Film products and films under production increased by S\$7.5 million or 32.1% to approximately S\$30.9 million, up from approximately S\$23.4 million as at 31 March 2017 to approximately S\$31.2 million as at 30 June 2017. This was mainly due to the increase in project value of movies and films under production during the period.

Non-current assets

Non-current assets increased by S\$5.3 million or 7.6%, to approximately S\$75.3 million from approximately S\$70.0 million as at 31 March 2017, comprising the following:

- (i) Property, plant and equipment increased by S\$0.4 million or 3.2%, which mainly contributed by events production and concert promotion business.
- (ii) Film rights for movies completed increased by S\$2.7 million or 48.2%, to approximately S\$8.3 million, up from approximately S\$5.6 million as at 31 March 2017 to S\$7.6 million as at 30 June 2017 was contributed by movies completed and released in 1H FY2018.
- (iii) Film intangibles and film inventories increased by S\$1.2 million or 34.3% to approximately S\$4.7 million, up from approximately S\$3.5 million as at 31 March 2017, due to few movies has been acquired during the financial period.
- (iv) Brand rights decreased by S\$0.3 million or 3.49% to approximately S\$8.0 million, down from approximately S\$8.3 million as at 31 March 2017, are in relation to the amortisation charges during the financial period.
- (v) Investments in associated companies increased by S\$1.3 million or 85.2%, which is due to the investment of S\$0.7 million in RINGS.TV Pte Ltd, S\$0.5 million in Cinema Pro Limited and S\$0.1 million in Dreamteam Studio Sdn Bhd by the Group.

REVIEW OF FINANCIAL POSITION (CONSOLIDATED STATEMENT OF FINANCIAL POSITION) (continued)

As at 30 September 2017

Current liabilities

Our current liabilities increased by S\$39.6 million or 63.8% to approximately S\$101.7 million, up from approximately S\$62.1 million as at 31 March 2017, representing 95.1% of our total liabilities and comprised the following:

- (i) Trade and other payables of approximately S\$19.1 million decreased by S\$27.5 million or 59.0%, from approximately S\$46.6 million as at 31 March 2017. The decrease was contributed by:
 - (a) S\$23.9 million from core business, largely contributed by the repayment of deferred consideration for the acquisition of subsidiary corporation, UnUsUaL Limited;
 - (b) S\$3.0 million from events production and concert promotion business;
 - (c) S\$0.5 million from cinema business; and
 - (d) S\$0.1 million from post-production business.
- (i) Current income tax liabilities increased by S\$0.7 million or 12.5%, to approximately S\$6.3 million, up from approximately S\$5.6 million as at 31 March 2017. The tax provision was mainly for the income generated by the core business during the period.
- (ii) Deferred income increased by S\$2.2 million or 75.9%, to approximately S\$5.1 million, up from approximately S\$2.9 million as at 31 March 2017. These are income attributable to the next quarter of the financial year.
- (iii) Progress billing in excess of work-in-progress increased by S\$1.1 million or 157.1%, to approximately S\$1.8 million from approximately S\$0.7 million as at 31 March 2017. The increase in S\$1.1 million was contributed by our core business.
- (iv) Borrowings increased by S\$63.2 million or 1019.4%, to approximately S\$69.4 million, up from approximately S\$6.2 million as at 31 March 2017. This significant increase was contributed by an increase of S\$67.7 million from cinema business, which mainly arise from the of issuance of the convertible note and bond. (Convertible note and bond holders have agreed to early redemption in September 2017.) However, it was offset by the repayment of core business, events production and concert promotion business by S\$4.0 million and S\$0.5 million respectively.

Non-current liabilities

Our non-current liabilities decreased by S\$0.8 million or 10.4% due the repayment of loan by the cinema business, to approximately S\$6.6 million, down from approximately S\$7.4 million as at 31 March 2017.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOW)

As at 30 September 2017 (1H FY2018), our cash and cash equivalents amounted to approximately S\$126.8 million as compared to cash and cash equivalents of approximately S\$17.9 million as at 30 September 2016 (1H FY2017).

Net cash used in operating activities

In 1H FY2018, we generated a net cash inflow of approximately S\$21.1 million from operating activities before working capital changes of approximately S\$30.4 million cash outflow.

Our net working capital outflow was mainly due to:

- (1) S\$13.3 million from an increase in trade and other receivables;
- (2) S\$10.1 million from an additional film products and films under production;
- (3) S\$6.0 million from a decrease in trade and other payables;
- (4) S\$2.7 million tax paid during the year; and
- (5) S\$1.8 million from an increase in film intangibles and film inventories;
but offset by
- (6) S\$2.2 million increase in deferred income;
- (7) S\$1.1 million increase in progress billing in excess of work-in-progress; and
- (8) S\$0.2 million increase in inventories and work-in-progress.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$32.5 million was mainly due to:

- (1) S\$20.0 million of deferred consideration paid for UnUsUaL acquisition;
- (2) S\$8.5 million paid to Lotus Fivestar Cinemas Sdn Bhd for the acquisition of new cinema business;
- (3) S\$2.0 million of deferred consideration paid to RINGS.TV Pte Ltd;
- (4) S\$0.6 million paid for the acquisition of a new associated company, Cinema Pro Limited; and
- (5) S\$1.7 million paid for the acquisition of new property, plant and equipment, S\$1.3 million by events production and concert promotion business, S\$0.2 million by core business, S\$0.1 million by cinema business and S\$0.1 million by our new cafe business;
but offset by
- (6) S\$0.3 million of interest earned from fixed deposit.

Net cash generated from financing activities

Net cash of approximately S\$143.8 million generated from financing activities was mainly due:

- (1) S\$67.6 million pursuant to the issuance of convertible note and bond by cinema business;
- (2) S\$64.1 million pursuant to the placement of shares to financial institutions and Starhub Ltd;
- (3) S\$17.5 million pursuant to the issuance of shares by one of our subsidiary, UnUsUaL Limited; and
- (4) S\$0.3 million from the release of fixed deposit pledged by subsidiary corporation, UnUsUaL Limited in the last financial year;
but offset by
- (5) a cash outflow of S\$5.7 million for the repayment of borrowings, finance lease and interest.

Net increase in cash and cash equivalents

As a result of the above, the Group recorded a net cash increase of approximately S\$102.0 million, as compared to the net increase of approximately S\$13.8 million, in the corresponding period from the previous financial year.

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.

Halfway into FY2018, the Group will continue to strengthen its efforts to create media and content for Asia. The Group's commitment to the 3 drivers of growth, namely,

(i) Regional expansion, North Asia in particular

With an increasing number of film productions and co-productions in Hong Kong, Taiwan and China, revenue from North Asia in 1H FY2018 contributed to approximately 60% of the Group's production revenue. We believe revenue contribution from North Asia will continue to grow as we leverage our strong network of contacts and talents, which we view as competitive strengths for existing and potential partners and customers.

(ii) Platform business

The Group has stakes in multiple platform businesses, following several strategic and synergistic acquisitions, which include Mega Cinemas, Lotus Fivestar Cinemas, UnUsUaL, as well as taken strategic investments in Cinema Pro and RINGS.TV. The growth of our cinema business and UnUsUaL Limited positions us to take advantage of shifting media consumption habits in Asia, where viewers demand high-quality, experiential entertainment. The increase in content spending by online content aggregators continues to signal the growing demand for good content produced by reliable producers. In addition, the Group's multiple platform capabilities will keep us in touch with a wider audience, hungry for locally relevant content.

(iii) Copyrights

The Group's produced, co-produced and distributed titles have steadily increased year-on-year. The Group now creates content beyond just movies, given the increasingly important roles that Vividthree Productions, UnUsUaL, and Dick Lee Asia play in the Group. Anchored by our core business- film production, distribution and sponsorship, the Group now boasts capabilities in 3D animation, VFX and CGI, event production and concert promotion, music and musical productions spanning across the region. This in turn signifies opportunities to create unique copyrights in the form of films, formats, events, concerts and others, to drive the Group's growth in the medium to the long term.

Overall, the Group will actively pursue business opportunities to expand and strengthen our capabilities and competencies to become a leading media and content company in Asia.

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.

(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 second quarter and half year ended 30 September 2017.

- 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 the second quarter and half year ended 30 September 2017.

14 Update on use of proceeds

(a) Placement of shares - Financial Institutions

The Group refers to the aggregated gross proceeds received in advance which amounting to S\$50.016 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 announcement, the status of the use of proceeds in Singapore dollars is as follows:

| | Financial Institutions ⁽ⁱ⁾ | Utilised | Unutilised |
|--|--|--------------------------|-------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| Acquisition/joint ventures/strategic alliances | 34,311 | (30,191) ⁽ⁱⁱ⁾ | 4,120 |
| Investment in production/acquisition of movie rights | 14,705 | (1,819) ⁽ⁱⁱⁱ⁾ | 12,886 |
| General working capital | 1,000 | (998) ^(iv) | 2 |
| | 50,016 | (33,008) | 17,008 |

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 acquisition 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 S\$30.2 million had been used in merger and acquisition activities, which is S\$8.9 million for the acquisition of new cinema business assets from Lotus Fivestar Cinemas Management Sdn Bhd, S\$20.0 million of deferred consideration for the acquisition of UnUsUaL Limited, S\$1.7 million for the investment in associated companies.
- (iii) An aggregate amount of S\$1.8 million had been used in investment in productions / acquisition of movie rights and details are set below:

| | The Group (S\$'000) |
|--|------------------------|
| Acquisition of film intangibles for distribution | 510 |
| Additions in investment in movie productions – third party | 236 |
| Additions in films under production (WIP) | 1,073 |
| | <u>1,819</u> |

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

14 Update on use of proceeds (continued)

(b) Placement of shares – Starhub Ltd

The Group refers to the aggregated gross proceeds amounting to S\$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 only take place in July 2017.

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

| | Starhub Ltd ⁽ⁱ⁾ | Utilised | Unutilised |
|--|----------------------------|----------|------------|
| | S\$'000 | S\$'000 | S\$'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 intend to use 100% of 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.

(c) Use of IPO Proceeds

The Group refers to the aggregated gross proceeds of its subsidiary corporation, UnUsUal Limited which amounting to S\$19.40 million raised from the IPO on the Catalist Board of the SGX-ST on 10 April 2017.

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

| | Amount allocated | Amount utilised | Amount unutilised |
|--|------------------|-----------------|-------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| Investments in promotion and production projects | 10,000 | (8,678) | 1,322 |
| Expansion of our Group's business by way of acquisition, joint ventures and/or strategic alliances | 4,000 | - | 4,000 |
| General working capital | 3,542 | (3,542) | - |
| IPO expenditure | 1,856 | (1,856) | - |
| | 19,398 | (14,076) | 5,322 |

15 Confirmation by Directors pursuant to Rule 705(5) of the SGX-ST Listing Manual.

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group and the Company for the second quarter and half year ended 30 September 2017, to be false or misleading, in any material aspect.

16 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720 (1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720 (1).

BY ORDER OF THE BOARD

Melvin Ang Wee Chye
Executive Chairman

03 November 2017