



## **mm2 Asia Ltd.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 201424372N)

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**FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

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**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			Nine months ended		
	31 Dec 2017 3Q FY2018 (Unaudited) SGD'000	31 Dec 2016 3Q FY2017 (Restated) SGD'000	Change %	31 Dec 2017 9M FY2018 (Unaudited) SGD'000	31 Dec 2016 9M FY2017 (Restated) SGD'000	Change %
Revenue	52,394	18,039	190.4%	108,413	53,073	104.3%
Cost of Sales	(28,221)	(9,165)	207.9%	(54,276)	(24,441)	122.1%
Gross profit	24,173	8,874	172.4%	54,137	28,632	89.1%
Other income	138	202	-31.7%	759	378	100.8%
Other gains - net	358	932	-61.6%	246	712	-65.4%
Administrative expenses	(14,238)	(4,890) <sup>(1)</sup>	191.2%	(26,714)	(13,700) <sup>(1)</sup>	95.0%
Finance expenses	(220)	658 <sup>(2)</sup>	133.4%	(590)	(453)	30.2%
Share of profit/(loss) of associated companies	162	-	NM	(48)	-	NM
Profit before income tax	10,373	5,776	79.6%	27,790	15,569	78.5%
Income tax expense	(1,893)	(894) <sup>(1)</sup>	111.7%	(5,288)	(2,851) <sup>(1)</sup>	85.5%
<b>Net profit for the financial period</b>	<b>8,480</b>	<b>4,882</b>	<b>73.7%</b>	<b>22,502</b>	<b>12,718</b>	<b>76.9%</b>
<b>Other comprehensive income, net of tax:</b> Items that may be reclassified subsequently to profit or loss: Currency translation difference arising from consolidation – gains/(losses)	255	(137)	-286.1%	79	(159)	-149.7%
<b>Total comprehensive income</b>	<b>8,735</b>	<b>4,745</b>	<b>84.1%</b>	<b>22,581</b>	<b>12,559</b>	<b>79.8%</b>
<b>Profit attributable to:</b>						
Equity holders of the Company	6,432	4,207	52.9%	17,368	11,136	56.0%
Non-controlling interests	2,048	675	203.4%	5,134	1,582	224.5%
	<b>8,480</b>	<b>4,882</b>	<b>73.7%</b>	<b>22,502</b>	<b>12,718</b>	<b>76.9%</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	6,692	4,059	64.9%	17,464	10,986	71.4%
Non-controlling interests	2,043	686	197.8%	5,117	1,573	225.3%
	<b>8,735</b>	<b>4,745</b>	<b>84.1%</b>	<b>22,581</b>	<b>12,559</b>	<b>92.0%</b>

NM – not meaningful

<sup>(1)</sup> The results for 3Q FY2017 and 9M FY2017 have been restated to include the amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand 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.

<sup>(2)</sup> Being adjustment for over accrual of interest expenses amounted to \$798,000.

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

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

	Group			Group		
	Three months ended			Nine months ended		
	31 Dec 2017 3Q FY2018 (Unaudited) SGD'000	31 Dec 2016 3Q FY2017 (Restated) SGD'000	Change %	31 Dec 2017 9M FY2018 (Unaudited) SGD'000	31 Dec 2016 9M FY2017 (Restated) SGD'000	Change %
<b>Notes to Consolidated Statement of Comprehensive Income</b>						
Amortisation of film rights	2,318	3,277	-29.3%	3,388	5,195	-34.8%
Amortisation of film intangible and film inventories	402	79	408.9%	966	224	331.3%
Amortisation of brand	146	144 <sup>(1)</sup>	1.4%	434	240 <sup>(1)</sup>	80.8%
Amortisation of artiste rights	-	245 <sup>(1)</sup>	NM	-	409 <sup>(1)</sup>	NM
Amortisation of development of software	5	-	NM	5	-	NM
Employees compensation	5,129	1,191	330.6%	12,034	5,186	132.0%
Depreciation of property, plant and equipment	1,465	287	410.5%	2,885	806	257.9%
Interest expenses	220	(658) <sup>(2)</sup>	133.4%	590	453	30.2%
Loss on disposal of property, plant and equipment	4	-	NM	6	1	500.0%
Gain on disposal of available-for-sale investment	-	(25)	NM	-	(25)	NM
Waiver of non-trade payables due by directors of a subsidiary corporation	-	(264)	NM	-	(264)	NM
Foreign exchange gain, net	(362)	(643)	-43.7%	(252)	(424)	-40.6%
Interest income	(77)	-	NM	(340)	(10)	NM
Bad debt recovered	-	-	NM	(213)	-	NM
Other income	(61)	(202)	-69.8%	(206)	(368)	-44.0%

NM – not meaningful

<sup>(1)</sup> The results for 3Q FY2017 and 9M FY2017 have been restated to include the amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand 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.

<sup>(2)</sup> Being adjustment for over accrual of interest expenses amounted to \$798,000.

**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	
	31 Dec 2017 FY2018 (Unaudited) SGD'000	31 Mar 2017 FY2017 (Restated) <sup>(1)</sup> SGD'000	31 Dec 2017 FY2018 (Unaudited) SGD'000	31 Mar 2017 FY2017 (Restated) <sup>(1)</sup> SGD'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	63,201	25,755	16,534	2,453
Trade and other receivables	76,370	46,265	162,758	48,665
Inventories and work-in-progress	856	653	-	-
Film products and films under production	28,589	23,394	-	-
Income tax recoverable	-	11	-	-
	169,016	96,078	179,292	51,118
<b>Non-current assets</b>				
Property, plant and equipment	41,588	11,184	-	-
Goodwill	268,071	39,882 <sup>(1)</sup>	-	-
Film rights	9,484	5,561	-	-
Film intangibles and film inventories	5,642	3,513	-	-
Development of software	283	247	-	-
Brand	24,839	8,262 <sup>(1)</sup>	-	-
Investment in subsidiary corporations	-	-	66,833	65,332
Investment in associated companies	3,172	1,493	2,243	1,493
Other asset	2,700	-	-	-
Deferred tax assets	675	675	-	-
	356,454	70,817	69,076	66,825
<b>Total assets</b>	<b>525,470</b>	<b>166,895</b>	<b>248,368</b>	<b>117,943</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	277,207	46,636	83,219	28,636
Income tax payables	7,020	5,603	-	-
Deferred income	4,622	2,922	-	-
Progress billing in excess of work-in-progress	2,270	749	-	-
Borrowings	4,352	6,223	4,000	2,500
	295,471	62,133	87,219	31,136
<b>Non-current liabilities</b>				
Borrowings	25,134	5,464	12,000	-
Deferred tax liabilities	2,827	1,903 <sup>(1)</sup>	-	-
	27,961	7,367	12,000	-
<b>Total liabilities</b>	<b>323,432</b>	<b>69,500</b>	<b>99,219</b>	<b>31,136</b>
<b>NET ASSETS</b>	<b>202,038</b>	<b>97,395</b>	<b>149,149</b>	<b>86,807</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	152,855	88,212	152,855	88,212
Other reserves	(30,329)	(37,298)	-	-
Retained profits/(accumulated losses)	52,546	35,178 <sup>(1)</sup>	(3,706)	(1,405)
	175,072	86,092	149,149	86,807
<b>Non-controlling interests</b>	26,966	11,303 <sup>(1)</sup>	-	-
<b>Total equity</b>	<b>202,038</b>	<b>97,395</b>	<b>149,149</b>	<b>86,807</b>

<sup>(1)</sup> 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 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**

<b>As at 31 Dec 2017</b>		<b>As at 31 March 2017</b>	
<b>(Unaudited)</b>		<b>(Audited)</b>	
Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
4,352	-	6,223	-

**Amount repayable after one year**

<b>As at 31 Dec 2017</b>		<b>As at 31 March 2017</b>	
<b>(Unaudited)</b>		<b>(Audited)</b>	
Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
25,134	-	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, corporate guarantee from the Company and a subsidiary corporation and shares charged on a subsidiary corporation's ordinary shares.

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		Group	
	Three months ended		Nine months ended	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	3Q FY2018	3Q FY2017	9M FY2018	9M FY2017
(Unaudited)	(Restated)	(Unaudited)	(Restated)	
SGD'000	SGD'000	SGD'000	SGD'000	
<b>Cash flows from operating activities</b>				
Net profit	8,480	4,882 <sup>(1)</sup>	22,502	12,718 <sup>(1)</sup>
Adjustments for:				
- Income tax expenses	1,893	894	5,288	2,851
- Depreciation of property, plant and equipment	1,465	287	2,885	806
- Interest income	(77)	*	(340)	(10)
- Interest expenses	220	(658) <sup>(3)</sup>	590	453
- Amortisation of film rights	2,318	3,277	3,388	5,195
- Amortisation of film intangible and film inventories	402	79	966	224
- Amortisation of brand	146	144 <sup>(1)</sup>	434	240 <sup>(1)</sup>
- Amortisation of artiste rights	-	245 <sup>(1)</sup>	-	409 <sup>(1)</sup>
- Amortisation of development of software	5	-	5	-
- Share of (gain)/loss of associated companies	(162)	*	48	-
- Loss on disposal of property, plant & equipment	4	*	6	1
- Unrealised currency translation loss/(gain)	741	(35)	473	99
- Performance share plan expenses	152	-	406	-
- Gain on disposal of available-for-sale financial asset	-	(25)	-	(25)
<b>Operating cash flow before working capital changes</b>	<b>15,587</b>	<b>9,090</b>	<b>36,651</b>	<b>22,961</b>
<b>Change in working capital, net of effects from acquisition of subsidiary corporations:</b>				
- Trade and other receivables	(15,411)	4,513	(28,712)	953
- Inventories and work-in-progress	(347)	26	(81)	32
- Film products and films under production	(159)	(4,845)	(10,255)	(21,566)
- Film intangibles and film inventories	(1,314)	(1,141)	(3,078)	(2,785)
- Trade and other payables	26,460	(11,820)	20,454	(5,984)
- Deferred income	(1,428)	(694)	761	1,135
- Progress billing in excess of work-in-progress	430	74	1,521	-
Cash generated/(used in) operations	23,818	(4,797)	17,261	(5,254)
Income tax paid	(2,327)	(710)	(5,064)	(1,473)
<b>Net cash generated/(used in) operating activities</b>	<b>21,491</b>	<b>(5,507)</b>	<b>12,197</b>	<b>(6,727)</b>
<b>Cash flows from investing activities</b>				
Acquisition of a subsidiary corporation, net of cash acquired	(5,773)	128	(5,773)	(6,000)
Acquisition of associated companies	(403)	-	(2,998)	-
Additions of film rights	(1,053)	(55)	(1,057)	(466)
Additions to development of software	(10)	(10)	(40)	(16)
Additions to property, plant and equipment	(7,210)	(297)	(8,874)	(653)
Acquisition of business assets	(23,604)	(306)	(32,126)	(11,534)
Addition to other asset	(2,700)	-	(2,700)	-
Interest received	77	*	340	10
Proceeds from disposal of property, plant and equipment	516	*	524	*
Proceeds from disposal of available-for-sale financial asset	-	275	-	275
Repayment of deferred purchase consideration	-	-	(20,000)	-
<b>Net cash used in investing activities</b>	<b>(40,160)</b>	<b>(265)</b>	<b>(72,704)</b>	<b>(18,384)</b>

**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		Nine months ended	
	31 Dec 2017 3Q FY2018 (Unaudited) SGD'000	31 Dec 2016 3Q FY2017 (Restated) SGD'000	31 Dec 2017 9M FY2018 (Unaudited) SGD'000	31 Dec 2016 9M FY2017 (Restated) SGD'000
<b>Cash flows from financing activities</b>				
Fixed deposits pledged to banks	(270)	-	12	49
Interest paid	(220)	(139)	(590)	(374)
Dividend paid by subsidiary corporation to non-controlling interest	(123)	-	(123)	-
Proceeds from issuance of shares	-	-	64,083	18,040
Proceeds from issuance of shares of subsidiary corporation <sup>(2)</sup>	-	-	17,542	-
Proceeds from issuance of convertible notes and bonds	-	-	67,645	7,500
Proceeds from issuance of convertible bonds of subsidiary corporation	-	3,000	-	3,000
Proceeds from borrowings	28,663	(17)	28,663	8,434
Repayment of borrowings	(73,534)	(394)	(78,867)	(1,031)
Repayment of finance lease liabilities	(24)	(22)	(69)	(40)
<b>Net cash (used in)/generated from financing activities</b>	<b>(45,508)</b>	<b>2,428</b>	<b>98,296</b>	<b>35,578</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(64,177)</b>	<b>(3,344)</b>	<b>37,789</b>	<b>10,467</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	126,783	17,929	24,858	4,132
Exchange effects on cash and cash equivalents	(310)	-	(351)	(14)
End of financial period	62,296	14,585	62,296	14,585
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	36,429	14,585	36,429	14,585
Fixed deposits	26,772	462	26,772	462
	63,201	15,047	63,201	15,047
<b>Cash and cash equivalents</b>				
Cash and bank balances	63,201	15,047	63,201	15,047
Less: Fixed deposits pledged	(905)	(462)	(905)	(462)
Cash and cash equivalents per consolidated statement of cash flows	62,296	14,585	62,296	14,585

\* Less than \$1,000.

(1) *The results for 3Q FY2017 and 9M FY2017 have been restated to include the amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand 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) *Being adjustment for over accrual of interest expenses amounted to \$798,000.*

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

### Consolidated Statement of Changes in Equity

Group (Unaudited)	<-----Attributable to equity holders of the Company----->				Non-controlling interests SGD'000	Total equity SGD'000
	Share capital SGD'000	Other reserves SGD'000	Retained profits SGD'000	Total SGD'000		
<b>Balance as at 1 April 2017</b>	88,212	(37,298)	35,178 <sup>(1)</sup>	86,092	11,303	97,395
Profit for the financial period	-	-	6,341	6,341	1,333	7,674
Other comprehensive loss for the period	-	(158)	-	(158)	(6)	(164)
<b>Total comprehensive income for the period</b>	-	(158)	6,341	6,183	1,327	7,510
	88,212	(37,456)	41,519	92,275	12,630	104,905
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
<b>Balance as at 30 June 2017/ 1 July 2017</b>	88,771	(30,583)	41,519	99,707	23,299	123,006
Profit for the financial period	-	-	4,595	4,595	1,753	6,348
Other comprehensive loss for the period	-	(6)	-	(6)	(6)	(12)
<b>Total comprehensive income for the period</b>	-	(6)	4,595	4,589	1,747	6,336
	88,771	(30,589)	46,114	104,296	25,046	129,342
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
<b>Balance as at 30 September 2017</b>	152,855	(30,589)	46,114	168,380	25,046	192,426

<sup>(1)</sup> The results for FY2017 have been restated to include the amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand 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)

Consolidated Statement of Changes in Equity (continued)

Group (Unaudited)	<-----Attributable to equity holders of the Company----->				Non-controlling interests SGD'000	Total equity SGD'000
	Share capital SGD'000	Other reserves SGD'000	Retained profits SGD'000	Total SGD'000		
<b>Balance as at 1 October 2017</b>	152,855	(30,589)	46,114	168,380	25,046	192,426
Profit for the financial period	-	-	6,432	6,432	2,048	8,480
Other comprehensive gain for the period	-	260	-	260	(5)	255
<b>Total comprehensive income for the period</b>	-	260	6,432	6,692	2,043	8,735
	152,855	(30,329)	52,546	175,072	27,089	202,161
Dividend paid by subsidiary corporation to non-controlling interests	-	-	-	-	(123)	(123)
<b>Balance as at 31 December 2017</b>	152,855	(30,329)	52,546	175,072	26,966	202,038

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)

Consolidated Statement of Changes in Equity (continued)

Group (Restated)	<-----Attributable to equity holders of the Company----->				Non-controlling interests SGD'000	Total equity SGD'000
	Share capital SGD'000	Other reserves SGD'000	Retained profits SGD'000	Total SGD'000		
<b>Balance as at 1 April 2016</b>	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)
<b>Total comprehensive income for the period</b>	-	(141)	4,908	4,767	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
<b>Balance as at 30 June 2016/ 1 July 2016</b>	80,270	(38,242)	21,768	63,796	1,228	65,024
Profit for the financial period	-	-	2,021 <sup>(1)</sup>	2,021	657	2,678
Other comprehensive loss for the period	-	139	-	139	(20)	119
<b>Total comprehensive income for the period</b>	-	139	2,021	2,160	637	2,797
	80,270	(38,103)	23,789	65,956	1,865	67,821
Non-controlling interests arising from acquisition/ incorporation of subsidiary corporations	-	-	-	-	5,591	5,591
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
<b>Balance as at 30 September 2016</b>	88,212	(38,103)	23,789	73,898	7,456	81,354

<sup>(1)</sup> 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 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)

Consolidated Statement of Changes in Equity (continued)

Group (Restated)	<----Attributable to equity holders of the Company---->				Non-controlling interests SGD'000	Total equity SGD'000
	Share capital SGD'000	Other reserves SGD'000	Retained profits SGD'000	Total SGD'000		
Balance as at 1 October 2016	88,212	(38,103)	23,789	73,898	7,456	81,354
Profit for the financial period	-	-	4,207 <sup>(1)</sup>	4,207	675	4,882
Other comprehensive loss for the period	-	(148)	-	(148)	11	(137)
<b>Total comprehensive income for the period</b>	-	(148)	4,207	4,059	686	4,745
<b>Balance as at 31 December 2016</b>	<b>88,212</b>	<b>(38,251)</b>	<b>27,996</b>	<b>77,957</b>	<b>8,142</b>	<b>86,099</b>

<sup>(1)</sup> The results for 2Q FY2017 have been restated to include the amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand 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)**

**Statement of Changes in Equity**

<b>Company</b>	<b>Share capital SGD'000</b>	<b>Other reserves SGD'000</b>	<b>Retained profits/ (Accumulated losses) SGD'000</b>	<b>Total equity SGD'000</b>
<b>Balance as at 1 April 2017</b>	88,212	-	(1,405)	86,807
Net loss for the period	-	-	(1,110)	(1,110)
	88,212	-	(2,515)	85,697
Issuance of new shares pursuant to performance share plan ("PSP")	559	-	-	559
<b>Balance as at 30 June 2017 / 1 July 2017</b>	88,771	-	(2,515)	86,256
Net profit for the financial period	-	-	595	595
	88,771	-	(1,920)	86,851
Issuance of new shares pursuant to placement agreement with financial institutions	49,084	-	-	49,084
Issuance of new shares pursuant to placement agreement with Starhub Ltd	15,000	-	-	15,000
<b>Balance as at 30 September 2017/ 1 October 2017</b>	152,855	-	(1,920)	150,935
Net loss for the financial period	-	-	(1,786)	(1,786)
<b>Balance as at 31 December 2017</b>	152,855	-	(3,706)	149,149

**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)**

**Statement of Changes in Equity (continued)**

Company	Share capital SGD'000	Other reserves SGD'000	Retained profits/ (Accumulated losses) SGD'000	Total equity SGD'000
<b>Balance as at 1 April 2016</b>	56,982	446	(601)	56,827
Net loss for the period	-	-	(846)	(846)
	56,982	446	(1,447)	55,981
Issuance of new shares pursuant to conversion of exchangeable notes	2,644	-	-	2,644
Issuance of new shares pursuant to conversion of convertible notes	2,604	(446)	-	2,158
Issuance of new shares pursuant to placement agreement with Starhub Ltd	18,040	-	-	18,040
<b>Balance as at 30 June 2016 / 1 July 2016</b>	80,270	-	(1,447)	78,823
Net loss for the financial period	-	-	(212)	(212)
	80,270	-	(1,659)	78,611
Issuance of new shares pursuant to conversion of convertible notes	4,930	-	-	4,930
Issuance of new shares pursuant to acquisition of business from Mega Cinemas Management Sdn. Bhd.	3,012	-	-	3,012
<b>Balance as at 30 September 2016 / 1 October 2016</b>	88,212	-	(1,659)	86,553
Net profit for the financial period	-	-	126	126
<b>Balance as at 31 December 2016</b>	88,212	-	(1,533)	86,679

**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**

	<b>Number of shares</b>	<b>Issued and paid-up share capital (S\$)</b>
<b>Ordinary shares of the Company</b>		
As at 31 December 2017	1,162,804,610 <sup>(1)</sup>	152,854,834
As at 31 March 2017	1,047,781,420	88,211,923

<sup>(1)</sup> 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.

**1(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>31 Dec 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 31 December 2017 and 31 March 2017.

**1(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.

**1(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 31 December 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 beginning 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 period, after deducting any provision for preference dividends.**

	Group Three months ended		Group Nine months ended	
	31 Dec 2017 3Q FY2018	31 Dec 2016 3Q FY2017	31 Dec 2017 9M FY2018	31 Dec 2016 9M FY2017
Earnings per share ("EPS")				
Profit attributable to equity holders of the Company (S\$'000) <sup>(1)</sup>	6,432	4,207	17,368	11,136
Weighted average number of ordinary share in issue	1,162,804,610	1,047,781,420	1,121,337,759	1,002,466,654
Basic and fully diluted basis EPS (cents) <sup>(2) (3)</sup>	0.55	0.40	1.55	1.11

<sup>(1)</sup> The results for 3Q FY2017 and 9M FY2017 have been restated to include the amortisation charges and the corresponding tax adjustment arising from the recognition of intangible assets (ie, brand 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

- 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	
	31 Dec 2017	31 Mar 2017	31 Dec 2017	31 Mar 2017
Net asset value attributable to equity holders of the Company (S\$'000)	175,072	86,092 <sup>(1)</sup>	149,149	86,807
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\$)	0.15	0.08	0.13	0.08

<sup>(1)</sup> 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 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)**

**3Q FY2018 vs 3Q FY2017**

**Revenue**

Our Group's revenue recorded higher by S\$34.4 million or 190.4%, from the corresponding period in 3Q FY2017 to approximately S\$52.4 million in 3Q FY2018. The increase in the current quarter was attributable to our recent acquisitions of business assets from Lotus Fivestar Cinema (M) Sdn. Bhd. and a subsidiary corporation, Cathay Cineplexes Pte. Ltd. The increase in revenue also contributed by our core business and event production and concert promotion business from UnUsUaL Limited ("UnUsUaL"). The Group consolidated UnUsUaL's full results in 9M FY2018 as opposed to 5 months in 9M FY2017 as UnUsUaL was acquired by the Group in August 2016.

**Cost of sales**

Cost of sales increased by S\$19.1 million from the corresponding period in 3Q FY2017 to approximately S\$28.2 million in 3Q FY2018. The increase was largely due to higher production level in our core business, event production and concert promotion business and our recent acquisitions of cinema business.

**Gross profit**

Our Group's gross profit has increased by S\$15.3 million or 172.4%, from the corresponding period in 3Q FY2017 to approximately S\$24.2 million in 3Q FY2018. The increase was mainly contributed by our core business and event production and concert promotion business and cinema business.

**Other income**

Other income decreased by S\$64,000, from approximately S\$202,000 in 3Q FY2017 to approximately S\$138,000 in 3Q FY2018. It was due to a government grant received and recognised during 3Q FY2017.

**Other gains and losses - net**

Other net gains decreased by S\$574,000 or 61.6%, from gain of approximately S\$932,000 in 3Q FY2017 to gain of approximately S\$358,000 in 3Q FY2018. It was largely due to gains/losses arising from foreign currency translation and waiver of non-trade payables due by directors of a subsidiary corporation.



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

### **3Q FY2018 vs 3Q FY2017**

#### **Administrative expenses**

Administrative expenses increased by S\$9.3 million, from the corresponding period in 3Q FY2017 to approximately S\$14.2 million in 3Q FY2018. The increase in administrative expenses is mainly due to higher expenses in employees' costs, depreciation charges, utilities and rental expenses contributed by our recent acquisitions of cinema business during 3Q FY2018 and one-off expenses on the recent acquisition.

#### **Share of profit of associated companies**

The share of profit of associated companies of \$162,000 in 3Q FY2018 is mainly due to our acquisition of associated companies during the financial period ended 31 December 2017.

#### **Profit before Income tax**

As a result of the analysis above, we achieved an increase of S\$4.6 million or 79.6% in profit before tax from the corresponding period in 3Q FY2017 to approximately S\$10.4 million in 3Q FY2018.

## **REVIEW OF FINANCIAL POSITION (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)**

### **As at 31 December 2017**

#### **Current assets**

Our current assets increased by S\$72.9 million or 75.9% to approximately S\$169.0 million, from approximately S\$96.1 million as at 31 March 2017. This represents 32.2% of our total assets and comprised the following:

- (i) Cash and cash equivalents of approximately S\$63.2 million, increased by S\$37.4 million or 145.0%, from approximately S\$25.8 million as at 31 March 2017. This was mainly due to:
  - (a) an increase of S\$15.6 million from our core business;
  - (b) an increase of S\$13.1 million from cinema business;
  - (c) an increase of S\$6.8 million from event production and concert promotion business; and
  - (d) an increase of S\$1.9 million from post-production business.
- (ii) Trade and other receivables of approximately S\$76.4 million, increased by S\$30.1 million or 65.0%, from approximately S\$46.3 million as at 31 March 2017. This was mainly due to:
  - (a) an increase of S\$18.5 million from our core business;
  - (b) an increase of S\$7.2 million from event production and concert promotion business;
  - (c) an increase of S\$3.9 million from cinema business; and
  - (d) an increase of S\$0.5 million from post-production business.
- (iii) Inventories and work-in-progress of approximately S\$0.9 million, increased by S\$0.2 million or 28.6%, from approximately S\$0.7 million as at 31 March 2017. This was mainly due to an increase of S\$0.2 million in cinema business.
- (iv) Film products and films under production increased by S\$5.2 million or 22.2% to approximately S\$28.6 million, from approximately S\$23.4 million as at 31 March 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\$285.6 million or 403.4%, to approximately S\$356.4 million from approximately S\$70.8 million as at 31 March 2017, comprising the following:

- (i) Property, plant and equipment increased by S\$30.4 million due to acquisition of business assets from Lotus Fivestar Cinema (M) Sdn. Bhd. and a subsidiary corporation, Cathay Cineplexes Pte. Ltd. of which these acquisitions contributed 52% of the property, plant and equipment.

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

**As at 31 December 2017**

### **Non-current assets** (continued)

- (ii) Goodwill increased by S\$228.2 million or 572.2%, which mainly contributed by recent acquisitions of cinema business assets and a subsidiary corporation. The goodwill is provisionally determined as the Purchase Price Allocation (“PPA”) exercise of both acquisitions are being assessed currently.
- (iii) Film rights for movies completed increased by S\$3.9 million or 69.6%, to approximately S\$9.5 million, from approximately S\$5.6 million as at 31 March 2017 was contributed by movies completed and released in 9M FY2018.
- (iv) Film intangibles and film inventories increased by S\$2.1 million or 60.0% to approximately S\$5.6 million, from approximately S\$3.5 million as at 31 March 2017, due to addition of movies during the financial period.
- (v) Brand increased by S\$16.6 million or 202.4% to approximately S\$24.8 million, from approximately S\$8.2 million as at 31 March 2017, are mainly contributed from the recognition of brand from the acquisition of subsidiary corporation, Cathay Cineplexes Pte. Ltd. during the financial period and was determined provisionally.
- (vi) Investments in associated companies increased by S\$1.7 million or 112.5%, mainly due to newly acquired associated companies namely RINGS.TV Pte Ltd, Cinema Pro Limited and Dreamteam Studio Sdn Bhd and River Front Mega Cineplex Sdn Bhd by the Group.
- (vii) Other asset increased by S\$2.7 million or 100.0%, which was contributed by event production and concert promotion business.

### **Current liabilities**

Our current liabilities increased by S\$233.5 million or 376.6% to approximately S\$295.5 million, from approximately S\$62.0 million as at 31 March 2017, representing 91.4% of our total liabilities and comprised the following:

- (i) Trade and other payables of approximately S\$277.2 million increased by S\$230.6 million or 494.8%, from approximately S\$46.6 million as at 31 March 2017. The increase was mainly attributable by:
  - (a) an increase of S\$237.6 million from cinema business, largely contributed by deferred purchase consideration for acquisition of business assets and a subsidiary, Cathay Cineplexes Pte. Ltd., which amounted to S\$6.6 million and S\$215 million respectively;
  - (b) an increase of S\$0.8 million from post-production business;  
offset with
  - (c) a decrease of S\$4.9 million from core business; and
  - (d) a decrease of S\$2.9 million from event production and concert promotion business.
- (ii) Current income tax liabilities increased by S\$1.4 million or 25.0%, to approximately S\$7.0 million, from approximately S\$5.6 million as at 31 March 2017. The tax provision was mainly for the income generated by the core business, cinema business and event production and concert promotion business during the period.
- (iii) Deferred income increased by S\$1.7 million or 58.6%, to approximately S\$4.6 million, from approximately S\$2.9 million as at 31 March 2017. This is income attributable to the next quarter of the financial year.
- (iv) Progress billing in excess of work-in-progress increased by S\$1.6 million or 112.0%, to approximately S\$2.3 million from approximately S\$0.7 million as at 31 March 2017. The increase in S\$1.6 million was contributed by S\$1.3 million from our core business and S\$0.3 million from post-production business.
- (v) Borrowings decreased by S\$1.8 million or 29.0%, to approximately S\$4.4 million, from approximately S\$6.2 million as at 31 March 2017. The decrease was due to the repayment of loan/borrowing relating to cinema business, event production and concert promotion business by S\$1.3 million and S\$0.5 million respectively.

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

**As at 31 December 2017**

### **Non-current liabilities**

Our non-current liabilities increased by S\$20.6 million from approximately S\$7.4 million as at 31 March 2017 to approximately S\$28.0 million. The increase was mainly due the drawdown of bank loan to finance the acquisition of the cinema business.

## **REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOW)**

As at 31 December 2017 (9M FY2018), our cash and cash equivalents amounted to approximately S\$62.3 million as compared to cash and cash equivalents of approximately S\$14.6 million as at 31 December 2016 (9M FY2017).

### **Net cash generated in operating activities**

In 9M FY2018, we generated a net cash inflow of approximately S\$36.7 million from operating activities before working capital changes of approximately S\$24.5 million cash outflow.

Our net working capital outflow was mainly due to:

- (1) S\$28.7 million from an increase in trade and other receivables;
- (2) S\$10.3 million from an additional film products and films under production;
- (3) S\$5.1 million tax paid during the year;
- (4) S\$3.1 million from an increase in film intangibles and film inventories;  
but offset by
- (5) S\$20.4 million increase in trade and other payables;
- (6) S\$1.5 million increase in progress billing in excess of work-in-progress; and
- (7) S\$0.8 million increase in deferred income.

### **Net cash used in investing activities**

Net cash used in investing activities amounted to approximately S\$72.7 million was mainly due to:

- (1) Payment of purchase consideration for acquisition of business assets and a subsidiary corporation amounted to S\$32.1 million and S\$5.8 million (net of cash acquired of S\$9.2 million) respectively. The Group has also paid S\$20 million of deferred purchase consideration in respect of prior year's acquisition of a subsidiary corporation, UnUsUaL Limited.
- (2) S\$8.8 million paid for purchase of property, plant and equipment approximately, mainly contributed from S\$4.2 million by cinema business and S\$3.6 million by event production and concert promotion business, S\$0.9 million by post-production business and S\$0.1 million by core business;
- (3) S\$1.1 million for the acquisition of film rights;
- (4) S\$2.7 million for the investment in projects by event production and concert promotion business;
- (5) S\$2.0 million of deferred consideration paid to RINGS.TV Pte Ltd;
- (6) S\$1.0 million paid for the acquisition of associated company, which includes S\$0.7 million for Cinema Pro Limited, S\$0.2 million for Dreamteam Studios Sdn Bhd and S\$0.1 million for River Front Mega Cineplexes Sdn Bhd;  
but offset by
- (7) S\$0.3 million of interest earned from fixed deposit; and
- (8) S\$0.5 million of proceed from disposal of property, plant and equipment.

### **Net cash generated from financing activities**

Net cash of approximately S\$98.3 million generated from financing activities was mainly due:

- (1) S\$67.6 million pursuant to the issuance of convertible notes and bonds by cinema business, which was subsequently being redeemed during November 2017;
- (2) S\$64.1 million pursuant to the placement of shares to financial institutions and Starhub Ltd;
- (3) S\$28.7 million proceeds from the bank loan for recent acquisitions
- (4) S\$17.5 million pursuant to the issuance of shares by one of our subsidiary, UnUsUaL Limited; and  
but offset by
- (5) a cash outflow of S\$79.5 million for the repayment of bank loan, convertible notes and bonds, finance lease and payment of interest; and
- (6) a cash outflow of S\$0.1 million of dividend paid to non-controlling interest by a subsidiary corporation.

### **Net increase in cash and cash equivalents**

As a result of the above, the Group recorded a net cash increase of approximately S\$37.8 million, as compared to the net increase of approximately S\$10.5 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.**

Three quarters into FY2018, the Group continues to perform as expected, remaining committed to our 3 drivers of growth, namely,

**(i) Regional expansion, North Asia in particular**

The Group expects to see a higher number of film productions and co-productions coming out of Hong Kong, Taiwan and China, as exemplified by the fact that 76% of the Group's production revenue was derived from North Asia in FY2018 up until the third quarter. We believe revenue contribution from North Asia will increase as we leverage our strong network of contacts and talents, as evident from UnUsUaL Limited's signing of letters of intent with Feld Entertainment to present 48 "Disney on Ice" shows in Taiwan and South Korea, and its collaboration with Taiwan-based Singaporean singer-songwriter- JJ Lin's music production company, JFJ Productions of Taiwan.

**(ii) Platform business**

The Group has added Cathay Cineplexes Pte Ltd to our portfolio of subsidiaries in 3QFY2018, further strengthening our stakes in multiple platform businesses, which include acquired assets from Mega Cinemas and Lotus Fivestar Cinemas, a majority stake in UnUsUaL Limited, as well as strategic investments in Cinema Pro and RINGS.TV. Following the acquisition of Cathay Cineplexes Pte Ltd, the Group is now the only cinema operator in Malaysia and Singapore, with a major presence in both countries, granting us a strategic position to acquire and exhibit local and international films for a wider audience, and to economise our capital expenditure thanks to our larger scale.

**(iii) Copyrights**

The Group now creates content beyond just movies, as shown by our proposed effort to spin off and list Vividthree Productions Pte Ltd, a virtual reality, visual effects and computer-generated imagery studio. It develops and creates digital IP assets that consist primarily of storylines comprising characters and visual elements. Similar to the listing of UnUsUaL Limited on the Catalist board, the proposed spin-off and listing of Vividthree Productions Pte Ltd would allow it to attract the best talents for its management, and to raise the funds required for new growth trajectories in digital IP asset development without relying on the Group's financing. We believe the creation and ownership of unique copyrights, in the form of films, formats, events, concerts and others, will drive the Group's growth in the medium to the long term.

Overall, the Group will continue to 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) 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.

**11 If a decision regarding dividend has been made: (continued)**

- (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 third quarter and nine-month year period 31 December 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 third quarter and nine-month period ended 31 December 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:

	<b>Financial Institutions <sup>(i)</sup></b>	<b>Utilised</b>	<b>Unutilised</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Acquisition/joint ventures/strategic alliances	34,311	(34,311) <sup>(ii)</sup>	-
Investment in production/acquisition of movie rights	14,705	(11,939) <sup>(iii)</sup>	2,766
General working capital	1,000	(998) <sup>(iv)</sup>	2
	50,016	(47,248)	2,768

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\$34.3 million had been used in merger and acquisition activities, which includes S\$8.9 million for the acquisition of new cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd, S\$20.0 million of deferred consideration for the acquisition of UnUsUaL Limited, S\$1.4 million for the investment in associated companies and S\$4.0 million for the acquisition of Cathay Cineplexes Pte Ltd.

## 14 Update on use of proceeds (continued)

### (a) Placement of shares - Financial Institutions (continued)

(iii) An aggregate amount of S\$11.9 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	750
Additions in film products	1,346
Additions in investment in movie productions – third party	612
Additions in films under production (WIP)	9,231
	<u>11,939</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.

### (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 took 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 <sup>(i)</sup>	Utilised	Unutilised
	S\$'000	S\$'000	S\$'000
Acquisition/joint ventures/strategic alliances	14,960	(11,490)	3,470
General working capital	40	-	40
	<u>15,000</u>	<u>(11,490)</u>	<u>3,510</u>

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.
- (ii) The proposed acquisition of a stake in the Golden Village Cinema Business had not been completed as per the announcement on 10 August 2017, thus the net proceeds has been used to finance the acquisition of Cathay Cineplexes Pte. Ltd. As at the date of this announcement, an amount of S\$11.5 million had been used for this acquisition.

## 14 Update on use of proceeds (continued)

### (c) Use of IPO Proceeds

The Group refers to the aggregated gross proceeds of its subsidiary corporation, UnUsUaL Limited which amounted 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:

	<b>Amount allocated</b>	<b>Amount utilised</b>	<b>Amount unutilised</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
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)	-
	<b>19,398</b>	<b>(14,076)</b>	<b>5,322</b>

## 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 third quarter and nine month ended 31 December 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

07 February 2018