



(Incorporated in the Republic of Singapore)
(Company Registration No. 201424372N)

**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

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 Three months period ended			Group Nine months period ended		
	31 Dec 2018 3Q FY2019 (Unaudited) S\$'000	31 Dec 2017 3Q FY2018 (Restated) S\$'000	Change %	31 Dec 2018 9M FY2019 (Unaudited) S\$'000	31 Dec 2017 9M FY2018 (Restated) S\$'000	Change %
	Revenue	74,050	52,394	41.3%	187,963	108,413
Cost of sales	(44,283)	(29,105) ⁽¹⁾	52.1%	(97,653)	(55,231) ⁽¹⁾	76.8%
Gross profit	29,767	23,289	27.8%	90,310	53,182	69.8%
Other income	450	138	226.1%	1,494	759	96.8%
Other gains/(losses) - net	15	358	-95.8%	65	246	-73.6%
Administrative expenses	(18,785)	(14,239)	31.9%	(51,031)	(26,571)	92.1%
Finance expenses	(4,276)	(1,134)	277.1%	(13,021)	(1,504)	765.8%
Share of (loss)/profit of associated companies and joint venture	(12)	162	-107.4%	(21)	(48)	-56.3%
Profit before income tax	7,159	8,574	-16.5%	27,796	26,064	6.6%
Income tax expense	(2,459)	(1,743) ⁽¹⁾	41.1%	(8,513)	(5,145) ⁽¹⁾	65.5%
Net profit for the financial period	4,700	6,831	-31.2%	19,283	20,919	-7.8%
Other comprehensive income/(loss), net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation - gains/(losses)	126	255	-50.6%	(78)	79	-198.7%
Total comprehensive income	4,826	7,086	-31.9%	19,205	20,998	-8.5%
Profit attributable to :						
Equity holders of the Company	1,960	4,782	-59.0%	12,941	15,725	-17.7%
Non-controlling interests	2,740	2,049	33.7%	6,342	5,194	22.1%
	4,700	6,831	-31.2%	19,283	20,919	-7.8%
Total comprehensive income attributable to:						
Equity holders of the Company	2,125	5,037	-57.8%	12,902	15,809	-18.4%
Non-controlling interests	2,701	2,049	31.8%	6,303	5,189	21.5%
	4,826	7,086	-31.9%	19,205	20,998	-8.5%

⁽¹⁾ The results for 3Q FY2018 and 9M FY2018 have been restated upon finalisation of Purchase Price Allocation (PPA) exercise for acquisitions of Cathay Cineplexes Pte Ltd and cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd.

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

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

	Group Three months period ended			Group Nine months period ended		
	31 Dec 2018 3Q FY2019 (Unaudited) S\$'000	31 Dec 2017 3Q FY2018 (Restated) S\$'000	Change %	31 Dec 2018 9M FY2019 (Unaudited) S\$'000	31 Dec 2017 9M FY2018 (Restated) S\$'000	Change %
	Amortisation of film rights	2,716	2,318	17.2%	3,555	3,388
Amortisation of film intangibles and film inventories	571	402	42.0%	920	966	-4.8%
Amortisation of brand	140	146	-4.1%	421	434	-3.0%
Amortisation of intangible assets - others	73	5 ⁽¹⁾	1360.0%	239	76 ⁽¹⁾	214.5%
Employees compensation	5,152	5,129	0.4%	19,015	12,034	58.0%
Depreciation of property, plant and equipment	2,674	1,465	82.5%	7,558	2,885	162.0%
Interest expenses	4,276	1,134	277.1%	13,021	1,504	765.8%
Gain on disposal of property, plant and equipment	-	(8)	-100.0%	(6)	(6)	0.0%
Foreign exchange (gain)/loss, net	(15)	(350)	-95.7%	(59)	(240)	-75.4%
Interest income	(48)	(77)	-37.7%	(204)	(340)	-40.0%
Bad debt recovered	-	-	NM	-	(213)	-100.0%
Other income	(402)	(61)	559.0%	(1,290)	(206)	526.2%

NM - not meaningful

⁽¹⁾ The results for 3Q FY2018 and 9M FY2018 have been restated upon finalisation of Purchase Price Allocation (PPA) exercise for acquisitions of Cathay Cineplexes Pte Ltd and cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd.

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

	Group		Company	
	31 Dec 2018 FY2019 (Unaudited) S\$'000	31 Mar 2018 FY2018 (Restated) S\$'000	31 Dec 2018 FY2019 (Unaudited) S\$'000	31 Mar 2018 FY2018 (Audited) S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	35,698	93,180	1,550	47,605
Trade and other receivables	152,545	115,279	288,553	75,882
Inventories and contract assets	14,247	6,507	-	-
Film products and films under production	25,565	20,686	-	-
	228,055	235,652	290,103	123,487
Non-current assets				
Available-for-sale financial asset	710	710	-	-
Investments in subsidiaries	-	-	69,459	66,035
Investments in associated companies	2,643	2,555	2,544	2,430
Investment in a joint venture	70	73	-	-
Property, plant and equipment	37,505	42,094 ⁽¹⁾	-	-
Intangible assets and goodwill ⁽²⁾	302,076	290,295 ⁽¹⁾	-	-
Film rights	16,632	4,694	-	-
Film intangibles and film inventories	11,987	4,184	-	-
Deferred income tax assets	1,297	1,297	-	-
	372,920	345,902	72,003	68,465
Total assets	600,975	581,554	362,106	191,952
LIABILITIES				
Current liabilities				
Trade and other payables	76,949	273,590 ⁽¹⁾	71,200	31,527
Contract liabilities	4,749	2,164	-	-
Deferred income	7,530	955	-	-
Borrowings	108,260	4,972	103,016	3,200
Current income tax liabilities	8,725	9,235	-	-
	206,213	290,916	174,216	34,727
Non-current liabilities				
Trade and other payables	2,786	2,869	-	-
Borrowings	107,072	60,970	49,814	8,000
Provisions	4,782	4,978	-	-
Derivative financial instruments	6,874	6,874	-	-
Deferred income tax liabilities	6,174	6,299 ⁽¹⁾	-	-
	127,688	81,990	49,814	8,000
Total liabilities	333,901	372,906	224,030	42,727
NET ASSETS	267,074	208,648	138,076	149,225
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	152,870	152,870	152,870	152,870
Reserves	(12,726)	(30,907)	-	-
Retained profits/(accumulated losses)	69,735	56,794 ⁽¹⁾	(14,794)	(3,645)
	209,879	178,757	138,076	149,225
Non-controlling interests	57,195	29,891	-	-
Total equity	267,074	208,648	138,076	149,225

⁽¹⁾ The statement of financial position of the Group for the financial year ended 31 March 2018 has been restated upon finalisation of Purchase Price Allocation (PPA) exercise for acquisitions of Cathay Cineplexes Pte Ltd and cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd.

⁽²⁾ Included in this amount is goodwill arising from consolidation amounted to S\$259,671,000 (31 March 2018 (restated): S\$260,717,000).

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

Amount repayable in one year or less or on demand

As at 31 Dec 2018 (Unaudited)		As at 31 Mar 2018 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
108,260	-	4,972	-

Amount repayable after one year

As at 31 Dec 2018 (Unaudited)		As at 31 Mar 2018 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
107,072	-	60,970	-

Details of any collateral

The Group's secured portion of borrowings are secured by corporate guarantees from the Company and its subsidiaries, subsidiaries' ordinary shares and subsidiary's leasehold property.

- 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 period ended		Nine months period ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	3Q FY2019	3Q FY2018	9M FY2019	9M FY2018
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit	4,700	6,831 ⁽¹⁾	19,283	20,919 ⁽¹⁾
Adjustments for:				
- Income tax expenses	2,459	1,743 ⁽¹⁾	8,513	5,145 ⁽¹⁾
- Depreciation of property, plant and equipment	2,674	1,465	7,558	2,885
- Interest income	(48)	(77)	(204)	(340)
- Interest expense	4,276	1,134	13,021	1,504
- Amortisation of film rights	2,716	2,318	3,555	3,388
- Amortisation of film intangibles and film inventories	571	402	920	966
- Amortisation of brand	140	146	421	434
- Amortisation of intangible assets - others	73	5 ⁽¹⁾	239	76 ⁽¹⁾
- Share of losses of associated companies	12	(162)	21	48
- Gain on disposal of property, plant and equipment	-	(8)	(6)	(6)
- Unrealised currency translation gain	17	765	954	473
- Performance share plan expenses	-	152	-	406
Operating cash flow before working capital changes	17,590	14,714	54,275	35,898
Change in working capital, net of effects from acquisition of subsidiary:				
- Trade and other receivables	(14,019)	(15,411)	(37,242)	(28,712)
- Inventories and contract assets	1,793	(347)	(7,740)	(81)
- Film products and films under production	(1,410)	(159)	(7,959)	(10,255)
- Film intangible and film inventories	(374)	(1,314)	(8,756)	(3,078)
- Trade and other payables	15,446	26,460	18,373	20,454
- Deferred income	1,657	(1,428)	6,575	761
- Contract liabilities	2,600	430	2,585	1,521
Cash provided by operations	23,283	22,945	20,111	16,508
Income tax paid	(3,589)	(1,454)	(9,148)	(4,311)
Net cash provided by operating activities	19,694	21,491	10,963	12,197
Cash flows from investing activities				
Acquisition of a subsidiary corporation, net of cash acquired	-	(5,773)	-	(5,773)
Acquisition of an associated company and joint venture	-	(403)	(114)	(2,998)
Additions of film rights	(12,028)	(1,053)	(12,402)	(1,057)
Additions to software	-	(10)	-	(40)
Additions to property, plant and equipment	(455)	(7,210)	(3,565)	(8,874)
Additions of interest of subsidiary from non-controlling shareholders	-	-	(422)	-
Acquisition of business assets	-	-	-	-
Acquisition of intangible assets	(13,104)	(26,304)	(13,594)	(34,826)
Interest received	48	77	204	340
Proceeds from disposal of property, plant and equipment	76	516	149	524
Proceeds from disposal of partial investment in a subsidiary ⁽²⁾	-	-	25,800	-
Repayment of deferred purchase consideration	-	-	(215,000)	(20,000)
Net cash used in investing activities	(25,463)	(40,160)	(218,944)	(72,704)

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 period ended		Nine months period ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	3Q FY2019	3Q FY2018	9M FY2019	9M FY2018
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Fixed deposit pledged released from bank	(23)	(270)	977	12
Interest paid	(3,603)	(220)	(6,683)	(590)
Dividend paid by a subsidiary to non-controlling interest	-	(123)	-	(123)
Proceeds from issuance of shares of the Company	-	-	-	14,915
Proceeds from issuance of shares of subsidiaries ⁽³⁾	165	-	11,519	17,542
Proceeds from issuance of shares of subsidiary to non-controlling interests	-	-	490	-
Proceeds from share allotment account	-	-	-	49,168
Proceeds from issuance of convertible bonds and notes	-	-	-	67,645
Proceeds from borrowings	1,000	28,663	177,000	28,663
Repayment of borrowings	(1,761)	(73,534)	(31,769)	(78,867)
Repayment of finance lease liabilities	(17)	(25)	(33)	(70)
Net cash (used in)/generated from financing activities	(4,239)	(45,509)	151,501	98,295
Net (decrease)/increase in cash and cash equivalents	(10,008)	(64,178)	(56,480)	37,788
Cash and cash equivalents				
Beginning of financial period	45,826	126,783	92,180	24,858
Effects of currency translation on cash and cash equivalents	(120)	(310)	(2)	(351)
End of financial period	35,698	62,295	35,698	62,295
Cash and cash equivalent comprise:				
Cash and bank balances	31,698	36,429	31,698	36,429
Fixed deposits	4,000	26,771	4,000	26,771
	35,698	63,200	35,698	63,200
Cash and cash equivalents				
Cash and bank balances	35,698	63,200	35,698	63,200
Less : Fixed deposits pledged	-	(905)	-	(905)
Cash and cash equivalents as per consolidated statement of cash flows	35,698	62,295	35,698	62,295

⁽¹⁾ The consolidated statement of cash flows for the period ended 3Q FY2018 and 9M FY2018 have been restated upon finalisation of Purchase Price Allocation (PPA) exercise for acquisitions of Cathay Cineplexes Pte Ltd and cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd.

⁽²⁾ The disposal of partial investment in an indirect subsidiary, UnUsUaL Limited, does not result loss in control over the subsidiary.

⁽³⁾ Funds raised by the Group's subsidiaries, Vividthree Holdings Ltd and UnUsUaL Limited, upon listing on Catalist SGX in September 2018 and April 2017 respectively. Amounts stated are net of listing expenses.

- 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 -->					
	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
As at 1 April 2018 (as previously stated)	152,870	(30,907)	60,695	182,658	29,891	212,549
Prior year adjustments ⁽¹⁾	-	-	(3,901)	(3,901)	-	(3,901)
As at 1 April 2018 (restated)	152,870	(30,907)	56,794	178,757	29,891	208,648
Net profit for the period	-	-	7,245	7,245	1,876	9,121
Other comprehensive gain for the period	-	32	-	32	12	44
Total comprehensive income for the period	-	32	7,245	7,277	1,888	9,165
	152,870	(30,875)	64,039	186,034	31,779	217,813
Dilution of interest in subsidiary without loss of control	-	(171)	-	(171)	171	-
Disposal of partial shareholdings in a subsidiary without loss of control ⁽²⁾	-	13,003	-	13,003	12,797	25,800
As at 30 June 2018/ 1 July 2018	152,870	(18,043)	64,039	198,866	44,747	243,613
Net profit for the period	-	-	3,736	3,736	1,727	5,463
Other comprehensive loss for the period	-	(269)	-	(269)	21	(248)
Total comprehensive income for the period	-	(269)	3,736	3,467	1,748	5,215
	152,870	(18,312)	67,775	202,333	46,495	248,828
Dilution of interest in subsidiary without loss of control ⁽³⁾	-	5,625	-	5,625	7,931	13,556
Non-controlling interests arising from incorporation of a subsidiary	-	-	-	-	490	490
Acquisition of non-controlling interest	-	-	-	-	(422)	(422)
As at 30 September 2018/ 1 October 2018	152,870	(12,687)	67,775	207,958	54,494	262,452
Net profit for the period	-	-	1,960	1,960	2,740	4,700
Other comprehensive loss for the period	-	(39)	-	(39)	(39)	(78)
Total comprehensive income for the period	-	(39)	1,960	1,921	2,701	4,622
As at 31 December 2018	152,870	(12,726)	69,735	209,879	57,195	267,074

⁽¹⁾ The results for 3Q FY2018 and 9M FY2018 have been restated upon finalisation of Purchase Price Allocation (PPA) exercise for acquisitions of Cathay Cineplexes Pte Ltd and cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd.

⁽²⁾ The disposal of partial investment in an indirect subsidiary, UnUsUaL Limited, does not result loss in control over the subsidiary.

⁽³⁾ The dilution of interest in a subsidiary, Vividthree Holdings Ltd, upon listing on Catalist SGX in September 2018 does not result loss in control over the subsidiary.

- 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 - Group (Unaudited) (continued)

	<-- Attributable to equity holders of the Company -->					
	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
As at 1 April 2017 (as previously stated)	88,212	(37,298)	35,618	86,532	7,943	94,475
Prior year adjustments ⁽⁴⁾	-	59	(1,403)	(1,344)	3,382	2,038
As at 1 April 2017 (restated)	88,212	(37,239)	34,215	85,188	11,325	96,513
Net profit for the period	-	-	6,341	6,341	1,333	7,674
Other comprehensive loss for the period	-	(158)	-	(158)	(6)	(164)
Total comprehensive income for the period	-	(158)	6,341	6,183	1,327	7,510
	88,212	(37,397)	40,556	91,371	12,652	104,023
Dilution of interest in subsidiary without loss of control	-	6,873	-	6,873	10,669	17,542
Issuance of new shares pursuant to performance share plan (PSP)	574	-	-	574	-	574
As at 30 June 2017/ 1 July 2017	88,786	(30,524)	40,556	98,818	23,321	122,139
Net profit for the period	-	-	4,595	4,595	1,753	6,348
Other comprehensive loss for the period	-	(6)	-	(6)	(6)	(12)
Total comprehensive income for the period (as previously stated)	-	(6)	4,595	4,589	1,747	6,336
Prior year adjustments ⁽¹⁾	-	-	(54)	(54)	-	(54)
Total comprehensive income for the period (restated)	-	(6)	4,541	4,535	1,747	6,282
Issuance of new shares pursuant to:						
- placement agreement with financial institutions	49,084	-	-	49,084	-	49,084
- placement agreement with Starhub Ltd	15,000	-	-	15,000	-	15,000
As at 30 September 2017/1 October 2017	152,870	(30,530)	45,097	167,437	25,068	192,505
Net profit for the period	-	-	6,310	6,310	2,049	8,359
Other comprehensive loss for the period	-	255	-	255	-	255
Total comprehensive income for the period (as previously stated)	-	255	6,310	6,565	2,049	8,614
Prior year adjustments ⁽¹⁾	-	-	(1,528)	(1,528)	-	(1,528)
Total comprehensive income for the period (restated)	-	255	4,782	5,037	2,049	7,086
Dividend paid by subsidiary corporation to non-controlling interests	-	-	-	-	(123)	(123)
As at 31 December 2017	152,870	(30,275)	49,879	172,474	26,994	199,468

⁽⁴⁾ Certain comparative figures have been reclassified as result of completion of purchase price allocation to the identifiable assets and liabilities for the acquisition of subsidiary, UnUsUaL Limited and its subsidiaries.

- 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.

Statement of Changes in Equity - Company (Unaudited)

	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
As at 1 April 2018	152,870	(3,645)	149,225
Net loss for the financial period	-	(2,507)	(2,507)
As at 30 June/1 July 2018	152,870	(6,152)	146,718
Net loss for the financial period	-	(4,196)	(4,196)
As at 30 September 2018/ 1 October 2018	152,870	(10,348)	142,522
Net loss for the financial period	-	(4,446)	(4,446)
As at 31 December 2018	152,870	(14,794)	138,076
As at 1 April 2017 (as previously stated)	88,212	(1,405)	86,807
Prior year adjustments ⁽¹⁾	-	(798)	(798)
As at 1 April 2017 (restated)	88,212	(2,203)	86,009
Net loss for the financial period	-	(1,110)	(1,110)
	88,212	(3,313)	84,899
Issuance of new shares pursuant to performance share plan (PSP)	574	-	574
As at 30 June /1 July 2017	88,786	(3,313)	85,473
Net loss for the financial period	-	595	595
Issuance of new shares pursuant to:			
- placement agreement with financial institutions	49,084	-	49,084
- placement agreement with Starhub Ltd	15,000	-	15,000
As at 30 September 2017/1 October 2017	152,870	(2,718)	150,152
Net loss for the financial period	-	(1,786)	(1,786)
As at 31 December 2017	152,870	(4,504)	148,366

⁽¹⁾ Certain comparative figures have been reclassified as result of completion of purchase price allocation to the identifiable assets and liabilities for the acquisition of subsidiary, UnUsUaL Limited and its subsidiaries.

- 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 (\$)
Ordinary shares of the Company		
As at 31 December 2018	1,162,804,610	152,869,417
As at 31 March 2018	1,162,804,610	152,869,417

- 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 December 2018</u>	<u>31 March 2018</u>
Total number of issued shares	<u>1,162,804,610</u>	<u>1,162,804,610</u>

The Company did not have any treasury shares as at 30 September 2018 and 31 March 2018.

- 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 year 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 current financial year, 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.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period ended 31 December 2018 compared to the audited financial statements for the financial year ended 31 March 2018.

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 Singapore Financial Reporting Standards (International) (“SFRS(I)”) and all the new and revised standards and Interpretations of FRS (“Int FRS”) that are relevant to its operations and effective for the financial period on or after 1 April 2018, 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.

Earnings per share (“EPS”)	Group		Group	
	Three months period ended		Nine months period ended	
	31 Dec 2018 3Q FY2019	31 Dec 2017 3Q FY2018	31 Dec 2018 9M FY2019	31 Dec 2017 9M FY2018
Profit attributable to equity holders of the Company (S\$’000) ⁽¹⁾	1,960	4,782	12,941	15,725
Weighted average number of ordinary share in issue	1,162,804,610	1,162,804,610	1,162,804,610	1,121,186,420
Basic and fully diluted basis EPS (cents) ^{(2) (3) (4)}	0.17	0.41	1.11	1.40

⁽¹⁾ The results for 3Q FY2018 and 9M FY2018 have been restated upon finalisation of Purchase Price Allocation (PPA) exercise for acquisitions of Cathay Cineplexes Pte Ltd and cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd.

⁽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.

⁽⁴⁾ The Group’s outstanding convertible bonds/notes were issued by the Company’s wholly-owned subsidiary, mm Connect Pte. Ltd. which is convertible to mm Connect Pte. Ltd. shares. Accordingly, the Group’s outstanding convertible bonds/notes do not have impact to the Company’s ordinary shares.

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 2018	31 Mar 2018	31 Dec 2018	31 Mar 2018
Net asset value attributable to equity holders of the Company (S\$’000)	209,879	178,757 ⁽¹⁾	138,076	149,225
Number of ordinary shares in issue	1,162,804,610	1,162,804,610	1,162,804,610	1,162,804,610
Net asset value per ordinary share (S\$)	0.18	0.15	0.12	0.13

⁽¹⁾ The net asset value of the Group for financial year ended 31 March 2018 has been restated to include the amortisation charges and the corresponding tax adjustment upon finalisation of Purchase Price Allocation (PPA) exercise for acquisitions of Cathay Cineplexes Pte Ltd and cinema business assets from Lotus Fivestar Cinemas (M) Sdn Bhd.

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 FY2019 vs 3Q FY2018

Revenue

Our Group recorded higher revenue by S\$21.7 million, or 41.3% from the corresponding quarter in FY2018 to approximately S\$74.1 in 3Q FY2019. The increase in revenue was mainly contributed by our cinema business which is acquired in 3Q FY2018. The increase in revenue was also contributed by our core business and event production and concert promotion business.

Cost of sales

Cost of sales increased by approximately S\$15.2 million, or 52.1% from the corresponding quarter in FY2018 to approximately S\$44.3 million in 3Q FY2019. The increase was largely in line with higher revenue from our core business, cinema business and event production and concert promotion business.

Gross profit

Our Group's gross profit increased by S\$6.5 million, or 27.8% from the corresponding quarter in FY2018 to approximately S\$29.8 million in 3Q FY2019. The increase was in tandem with revenue growth registered by our core business, cinema business, and event production and concert promotion. As a result of the reclassification of direct costs for 1Q FY2019, 2Q FY2019 and 3Q FY2019 from administrative expenses to cost of sales, as disclosed in cost of sales above, the gross profit for quarter ended is generally lower as compared to gross profit margin for the nine month period ended.

Other income

Other income increased by S\$312,000, or 226.1% from S\$138,000 in 3Q FY2018 to S\$450,000 in 3Q FY2019. This was mainly contributed by our cinema business.

Other gains/(losses) - net

There was a net gain of S\$15,000 in 3Q FY2019, as compared to a gain of S\$358,000 in 3Q FY2018. The net gain in 3Q FY2019 was due to the fluctuation arising from foreign currency translation.

Administrative expenses

Administrative expenses increased by S\$4.5 million or 31.9% from the corresponding quarter in FY2018 to approximately S\$18.8 million in 3Q FY2019. The increase in administrative expenses was mainly due to higher employees' costs, depreciation charges, utilities and rental expenses as contributed by our expanded cinema business in 3Q FY2018.

Finance expenses

Finance expenses increased by S\$3.1 million or 277.1%, from the corresponding quarter in FY2018 to approximately S\$4.3 million in 3Q FY2019. The higher finance expenses was due to additional borrowings and the issuance of medium term note in the same period and convertible bonds and notes in 4Q FY2018.

Share of profit/(loss) of associated companies and joint venture

The share of profit of associated companies and joint venture decreased by S\$174,000, from profit of S\$162,000 in 3Q FY2018 to a loss of S\$12,000 in 3Q FY2019.

Profit before income tax

As a result of the analysis above, we have registered a profit before tax of S\$7.2 million in 3Q FY2019, compared to a profit before tax of S\$8.6 million in corresponding period of last year.

REVIEW OF FINANCIAL POSITION (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

As at 31 December 2018 vs as at 31 March 2018

Current assets

Our current assets decreased by S\$7.6 million or 3.2%, from S\$235.7 million as at 31 March 2018 to S\$228.1 million as at 31 December 2018. This represents 37.9% of our total assets and comprised the following:

- (i) Cash and cash equivalents reported at S\$35.7 million as at 31 December 2018, representing a decrease of S\$57.5 million or 61.7%, from S\$93.2 million as at 31 March 2018 due to cash utilisation for operations as follows:
 - (a) A decrease of S\$53.2 million as at 31 December 2018 in our core business, mainly due to payment of deferred consideration for the acquisition of our subsidiary, Cathay Cineplexes Pte. Ltd. for approximately S\$215.0 million, offset by net proceeds from borrowing by approximately S\$170.2 million and repayment of bank borrowings for approximately S\$15.0 million;
 - (b) A decrease of S\$6.8 million as at 31 December 2018 in cinema operation, mainly due to repayment of bank borrowings for approximately S\$10.0 million;
 - (c) A decrease of S\$2.6 million as at 31 December 2018 in event production and concert promotion;
 - (d) An increase of S\$4.6 million as at 31 December 2018 in post-production and context production, which was largely contributed by the proceeds from the issuance of shares of subsidiary upon listing on Catalist SGX in 2Q FY2019; and
 - (e) An increase of S\$0.5 million as at 31 December 2018 in others segment which consist of café operations and social media advertising activities.
- (ii) Trade and other receivables reported at S\$152.5 million as at 31 December 2018, representing an increase of S\$37.3 million or 32.3% from S\$115.3 million as at 31 March 2018. This was mainly due to:
 - (a) An increase of S\$16.1 million in our core business;
 - (b) An increase of S\$2.1 million in cinema operation;
 - (c) An increase of S\$13.6 million in event production and concert promotion;
 - (d) An increase of S\$5.2 million in post-production and context production; and
 - (e) An increase of S\$0.3 million in others segment which consist of café operations and social media advertising activities.
- (iii) Inventories and contract assets reported at S\$14.2 million as at 31 December 2018, representing an increase of S\$7.7 million or 118.9%, from S\$6.5 million as at 31 March 2018. This was largely contributed by our core business.
- (iv) Film products and films under production reported at S\$25.6 million as at 31 December 2018, representing an increase of S\$4.9 million or 23.6% from S\$20.7 million as at 31 March 2018. This was mainly due to the increased number of movies and films under production in our core business.

Non-current assets

Non-current assets increased by S\$27.0 million or 7.8%, from S\$345.9 million as at 31 March 2018 to S\$372.9 million as at 31 December 2018. Main variances are as follows:

- (i) Property, plant and equipment decreased by S\$4.6 million;
- (ii) Intangible assets and goodwill increased by S\$11.8 million, which mainly due to the deposit paid for project/event/concert rights in the financial period, whereby the actual project/event/concert are only scheduled to take place after 12 months;
- (iii) Film rights increased by S\$12.0 million due to the completion of our productions during the period under review; and
- (iv) Film intangibles and film inventories increased by S\$7.8 million due to an addition of movies during the period under review.

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

As at 31 December 2018 vs as at 31 March 2018

Current liabilities

Our current liabilities decreased by S\$84.7 million or 29.1%, from S\$290.9 million as at 31 March 2018 to S\$206.2 million as at 31 December 2018, representing 61.8% of our total liabilities.

- (i) Trade and other payables reported at S\$76.9 million as at 31 December 2018, representing a decrease by S\$196.7 million or 71.9%, from S\$273.6 million as at 31 March 2018. The decrease was mainly due to payment of the deferred purchase consideration for the acquisition of our cinema business subsidiary, Cathay Cineplexes Pte. Ltd., which amounted to S\$215.0 million;
- (ii) Contract liabilities reported at S\$4.7 million as at 31 December 2018, representing an increase by S\$2.6 million or 119.5%, from S\$2.2 million as at 31 March 2018. The decrease was mainly due to our core business;
- (iii) Deferred income reported at S\$7.5 million as at 31 December 2018, representing an increase by S\$6.6 million or 688.5%, from S\$1.0 million as at 31 March 2018. This was income attributable to the following quarters of the financial year;
- (iv) Borrowings reported at S\$108.3 million as at 31 December 2018, representing an increase by S\$103.3 million or 2077.4%, from S\$5.0 million as at 31 March 2018. The significant increase was due to additional loans obtained from banks and a drawdown of revolving credit facilities for the payment of deferred purchase consideration as described in Note (i) above.
- (v) Current income tax liabilities reported at S\$8.7 million as at 31 December 2018, representing a decrease by S\$0.5 million or 5.5%, from S\$9.2 million as at 31 March 2018.

Non-current liabilities

Our non-current liabilities reported at S\$127.7 million as at 31 December 2018, representing an increase by S\$45.7 million or 55.7%, from S\$82.0 million as at 31 March 2018. The increase was mainly due to the additional loans obtained from banks for the payment of deferred purchase consideration as described under Current Liabilities, Note (i) and (iv).

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOW)

As at 31 December 2018 (9M FY2019), our cash and cash equivalents amounted to approximately S\$35.7 million, as compared to S\$62.3 million as at 31 December 2017 (9M FY2018).

Net cash used in operating activities

In 9M FY2019, we generated a net cash inflow of approximately S\$54.3 million from operating activities before net working capital changes. After applying net working capital changes, there was a net cash outflow of approximately S\$43.3 million arising from the following:

- (1) S\$37.2 million from an increase in trade and other receivables;
- (2) S\$7.7 million from an increase in inventories and work-in-progress;
- (3) S\$8.0 million from additional film products and films under production;
- (4) S\$9.1 million in tax paid during the quarter;
- (5) S\$8.8 million from an increase in film intangibles and film inventories; and offset by
- (6) S\$18.3 million from a decrease in trade and other payables;
- (7) S\$6.6 million from an increase in deferred income; and
- (8) S\$2.6 million from an increase in contract liabilities.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$218.9 million, mainly due to:

- (1) Payment of the deferred purchase consideration of S\$215.0 million for the acquisition of our subsidiary, Cathay Cineplexes Pte. Ltd. in 3Q FY2018;
- (2) S\$3.5 million paid for the purchase of property, plant and equipment;
- (3) S\$12.4 million paid for the acquisition of film rights;
- (4) S\$13.6 million paid for the acquisition of intangible assets;
- (5) S\$0.4 million paid for the purchase of shares of subsidiary from non-controlling shareholders;
- (6) S\$0.1 million paid for the consideration of joint venture with Academia of Stars Pte. Ltd.; and offset by
- (7) S\$25.8 million in proceeds from a partial divestment of our stake in a subsidiary;
- (8) S\$0.2 million of interest earned from fixed deposit; and
- (9) S\$0.1 million in proceeds from disposal of property, plant and equipment.

Net cash generated from financing activities

Net cash of approximately S\$151.5 million generated from financing activities was mainly due:

- (1) S\$1.0 million fixed deposit pledged released from bank;
- (2) S\$11.5 million proceeds from issuance of shares by a subsidiary, Vividthree Holdings Ltd;
- (3) S\$177.0 million in proceeds from the bank loan;
- (4) S\$0.5 million proceeds from issuance of shares of subsidiary to non-controlling interests; and offset by
- (5) A cash outflow of S\$38.5 million for the repayment of bank loans, a finance lease and interest payments.

Net decrease in cash and cash equivalents

As a result, the Group recorded a net cash decrease of approximately S\$56.5 million in 9M FY2019, as compared to a net increase of approximately S\$37.8 million in 9M FY2018.

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.

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

(i) Regional expansion

The Group continues to enter into slate deals to co-produce high-quality digital and live content with international content distributors. North Asia, in particular Taiwan and Hong Kong, contributed 34% of the Group's revenue in FY2018, and remains a region brimming with growth opportunities. In December 2018, a regional Chinese movies channel announced their intention to invest in, and co-produce a slate of four feature films developed by mm2 Entertainment Pte. Ltd. Previously, in May 2018, mm2 formed a slate financing partnership with South Korea's major content player whereby mm2 will co-finance six Southeast Asian films, over the 3 years. On the other hand, in July 2018, UnUsUaL Limited completed its take-up of a 49% interest in Beijing Wish Entertainment Co., Ltd, strengthening its network in Greater China. Furthermore, in April 2018, UnUsUaL Limited also welcomed strategic participation from influential regional investors, which will give UnUsUaL enhanced access to business networks in the region. In September 2018, the Group appointed Haitong International Securities (Singapore) Pte Ltd as its financial adviser, to complete a strategic review of the businesses of the Group. The Group aims to further enhance its corporate profile, branding and market awareness in the North Asia markets where it currently operates; and to explore the possibility of seeking a foreign listing of some of the Group's key assets and businesses, which may include the cinema operations, to further enhance shareholder value.

(ii) Synergised content and platform businesses

The Group sees great potential in developing strategic platforms and capabilities to deliver our content to urbanising Asian audiences, primarily through cinemas, concerts, virtual reality tour shows and digital platforms. In September 2018, our subsidiary, Vividthree Holdings Ltd was successfully listed on the SGX Catalist board, under the stock code SGX:OMK. Notably, Vividthree is currently staging the Train to Busan Virtual Reality Tour Show in Beijing. The Group's newly invested 51%-owned subsidiary, AsiaOne Online Pte Ltd, with minority stake held by Singapore Press Holdings Limited, will also be promoting entertainment-focused content to an increasingly digitally apt content consumers. In July 2018, the Group took up a minority stake in a kids performing arts school, Académie of Stars Pte Ltd, to enhance our ability to scout and groom budding talents.

(iii) Content creation capabilities

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

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.

(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 and the reason(s) for the decision.

There was no dividend declared or recommended for the current reporting period as the Group intends to conserve cash for expansion and other business opportunities.

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 in the current year under review.

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	(34,311) ⁽ⁱⁱ⁾	-
Investment in production/acquisition of movie rights	14,705	(14,705) ⁽ⁱⁱⁱ⁾	-
General working capital	1,000	(998) ^(iv)	2
	50,016	(50,014)	2

14 Update on use of proceeds (continued)

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

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

- (i) As per the announcement on 15 June 2017, the Group intend to use 70% and 30% of the net proceeds of the placement of shares to finance acquisitions and for general working capital purposes respectively, where investment in production/acquisition of movie rights also form part of the general working capital of the Group.
- (ii) An amount of 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\$0.9 million for the investment in associates, S\$0.4 million for the investment in available-for-sale financial asset, S\$0.1 million for the acquisition of a joint venture and S\$4.0 million for the acquisition of Cathay Cineplexes Pte Ltd.
- (iii) An aggregate amount of S\$14.7 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	1,321
Additions in film products	1,346
Additions in investment in movie productions – third party	612
Additions in films under production (WIP)	11,426
	<u>14,705</u>

- (iv) Approximate amount of S\$1.0 million had been used for professional fees and expenses in relation to this placement of shares – Financial Institutions.

(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 ⁽ⁱ⁾	Utilised	Unutilised
	S\$'000	S\$'000	S\$'000
Acquisition/joint ventures/strategic alliances	14,960	(14,960)	-
General working capital	40	-	40
	<u>15,000</u>	<u>(14,960)</u>	<u>40</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 intended to use the net proceeds to finance the proposed acquisition of a stake in the Golden Village Cinema Business in Singapore and new productions while the balance of the net proceeds will be utilised for general working capital purposes.
- (ii) The proposed acquisition of a stake in the Golden Village Cinema Business did not occur as announced on 10 August 2017. The unutilised portion of the net proceeds was used to finance the acquisition of Cathay Cineplexes Pte. Ltd.

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 3 months financial period ended 31 December 2018, 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

12 February 2019