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mm2 Asia Ltd.

P R E S S R E L E A S E

mm2 Asia's FY2015 net profit rises 85% to S$5.1 million in its first set of results post-IPO

Financial highlights for FY2015

S$'000	FY2015	FY2014	+/(-) %
Revenue	24,287	16,121	51
Cost of Sales	(14,790)	(11,033)	34
Gross Profit	9,497	5,088	87
Profit before taxation	6,580	3,704	78
Profit attributable to equity holders of the Company	5,084	2,742	85

Singapore, 5 May 2015 – Local movie producer and distributor, **mm2 Asia Ltd.** ("**mm2 Asia**", the "**Company**" or together with its subsidiaries, the "**Group**") today announced a 85% year-on-year ("**y-o-y**") increase in the profit attributable to equity holders of the Company to S$5.1 million for the financial year ended 31 March 2015 ("**FY2015**"), from S$2.7 million in the previous financial year ("**FY2014**").

The Group's earnings was underpinned by a S$8.2 million or 51% y-o-y increase in its FY2015 revenue to S$24.3 million from S$16.1 million in FY2014 due to an increase in the number of productions which lifted Production revenue 135% y-o-y to S$15.0 million from S$6.4 million a year ago. Distribution revenue during the year also rose 20% to S$8.3 million from S$6.9 million in FY2014, thanks to contributions from a number of highly successful theatrical releases in Malaysia and Singapore.

Outpacing its robust topline growth, the Group's gross profit in FY2015 soared 87% y-o-y to S$9.5 million from S$5.1 million in FY2014. At the same time, gross profit margin improved to 39.1% compared to 31.6% a year ago as a bigger proportion or 62% of the Group's total revenue was derived from Production activities, which yielded a better margin of 56%.

The Group incurred S$2.9 million in general and administrative expenses in FY2015, an increase of S$1.6 million or 122.3% y-o-y from S$1.3 million in FY2014. This was mainly attributable to an increase in employee compensation of S$0.9 million from an increase in the number of senior management staff as well as expenses arising from mm2 Asia's IPO in December 2014, amounting to S$0.5 million. Meanwhile, finance costs decreased 60% y-o-y to S$27,000 from S$45,000 in FY2014 due mainly to no new bank borrowings and finance lease liabilities in FY2015.

Mr. Melvin Ang, CEO of mm2 Asia Ltd, said, "This is an encouraging first set of results after our IPO and it is setting us on a good footing as a publicly-listed company. Not only have we registered strong topline performance, our bottom line performance has also seen a significant improvement over the past year, despite increased expenses related to our IPO and our listed status. Our strengths as a one-stop movie producer-cum-distributor, our expertise and familiarity with the markets and consumer preferences, as well as our industry experience and strong network of relationships have contributed to the success of movies we produced and distributed last year, which helped boost our results tremendously. We are confident these strengths will help us sustain the good performance. "

Based on this set of results and a share capital of 206,729,032 shares, Earnings Per Share of the Group was S$0.02 in FY2015 while its Net Asset Value stood at S$0.09 per share as at 31 March 2015.

Future Plans

mm2 Asia has been actively rolling out plans to propel the Group to the next stage of growth since its listing. While the Group continues to produce local content for the Singapore and Malaysia markets, it also has plans to further its expansion outside of the region into Taiwan and Hong Kong via co-production projects to tap into larger markets such as the People's Republic of China ("**PRC**"). In the coming year, the Group intends to work on between two to three projects in Hong Kong, Taiwan and the PRC.

In April 2015, the Group acquired a majority interest in VividThree Productions Pte Ltd, a leading multi-award winning player in Singapore's 3D animation field, for S$3.06 million. Anticipating demand for such services to grow in the future, the Group expects this strategic investment to widen its capabilities to provide post production – computer graphics, animation and related services - to the production community.

Also in April 2015, in line with the Group's intention to diversify and expand into business opportunities in the value chain of film production, mm2 entered into a non-binding Memorandum of Understanding to acquire cinema businesses in Malaysia from Cathay Cineplexes Sdn Bhd.

Mr. Melvin Ang, added, “The Group has strengthened its footprint in the regional movie industry since its listing with its acquisition of VividThree Productions and the proposed acquisition of cinema businesses from Cathay Cineplexes in Malaysia. These moves are aligned with our plans to diversify and expand our capabilities both horizontally and vertically, as well as our geographical reach. While adding to our revenue streams, they will certainly open up new opportunities and widen our network of contacts for future growth.”

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About mm2 Asia Ltd.

Headquartered in Singapore, mm2 Asia is a producer of movies and TV/online content. As a producer, mm2 Asia provides services that cover the entire filmmaking process including securing financing, producing and distributing as well as securing advertising and sponsorship. In addition to Singapore, mm2 Asia also has a presence in Malaysia, Hong Kong, Taiwan and the PRC through its group of companies and/or strategic working partnerships. mm2 Asia has co-produced and/or distributed in excess of 20 movies across Asia since 2008 including co-producing well-known films such as the ‘Ah Boys to Men’ series; and distributing titles such as Malaysia’s ‘The Journey’ and Taiwan’s ‘Café Waiting Love’. In 2014, mm2 Asia made its debut on the Singapore Exchange Securities Trading Limited (SGX stock code: 41C), becoming the first Singapore movie production company to achieve this. For more information, please visit www.mm2asia.com

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