

MM2 ASIA LTD.

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

FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 MARCH 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements of opinions made or reports contained in this announcement.

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

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

	Group		
	For the year ended		
	31 Mar 2015 (Unaudited) SGD'000	31 Mar 2014 (Audited) SGD'000	Change %
Revenue	24,287	16,121	51%
Cost of sales	(14,790)	(11,033)	34%
Gross profit	9,497	5,088	87%
Other income			
- Interest income from bank deposits	3	3	0%
- Other gain/(losses) - net	23	(26)	188%
Expenses:			
- Administrative	(2,925)	(1,316)	122%
- Finance	(18)	(45)	-60%
	(2,943)	(1,361)	116%
Profit before taxation	6,580	3,704	78%
Income tax expense	(1,496)	(667)	124%
Profit for the year	5,084	3,037	67%
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation difference arising from consolidation	(53)	12	NM
Total comprehensive income for the year	5,031	3,049	65%
Profit for the year attributable to :			
Equity holders of the Company	5,084	2,742	85%
Non-controlling interests	-	295	NM
	5,084	3,037	85%
Total comprehensive income for the year attributable to :			
Equity holders of the Company	5,031	2,746	83%
Non-controlling interests	-	303	NM
	5,031	3,049	83%

NM - not meaningful

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

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

	Group		
	For the year ended		
	31 Mar 2015	31 Mar 2014	Change
	(Unaudited)	(Audited)	
	SGD'000	SGD'000	%

Notes to Consolidated Statement of Comprehensive Income

Personnel expenses	1,764	842	110%
Travelling expenses	181	119	52%
Finance costs	18	45	-60%
Depreciation	45	42	7%
Entertainment	168	40	320%
Rental expenses	99	58	71%
Professional fee	344	84	310%
Amortisation costs	3,249	3,405	-5%
(Gain)/loss on disposal of property, plant & equipment	16	-	NM
Write down of investment	126	-	NM
IPO expenses	240	-	NM
Interest income	(3)	(3)	0%
Foreign exchange (gain)/loss, net	(23)	26	NM

NM - not meaningful

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

	Group		Company ⁽¹⁾
	31 Mar 2015 (Unaudited) SGD'000	31 Mar 2014 (Audited) SGD'000	31 Mar 2015 (Unaudited) SGD'000
ASSETS			
Current assets			
Cash and cash equivalents	5,755	601	3,987
Trade and other receivables	20,336	11,363	6,555
Film products and films under production	4,773	1,608	-
	<u>30,864</u>	<u>13,572</u>	<u>10,542</u>
Non-current assets			
Property, plant and equipment	99	101	-
Investment in subsidiaries and associate companies	- ⁽²⁾	-	37,498
Film rights	6,349	3,645	-
Deferred income tax assets	14	137	-
	<u>6,462</u>	<u>3,883</u>	<u>37,498</u>
Total assets	<u><u>37,326</u></u>	<u><u>17,455</u></u>	<u><u>48,040</u></u>
LIABILITIES			
Current Liabilities			
Trade and other payables	14,770	11,385	639
Deferred income	1,146	238	-
Borrowings	97	101	-
	<u>16,013</u>	<u>11,724</u>	<u>639</u>
Non-current liabilities			
Borrowings	209	1,024	-
Deferred income tax liabilities	1,923	935	-
	<u>2,132</u>	<u>1,959</u>	<u>-</u>
Total liabilities	<u><u>18,145</u></u>	<u><u>13,683</u></u>	<u><u>639</u></u>
NET ASSETS	<u><u>19,181</u></u>	<u><u>3,772</u></u>	<u><u>47,401</u></u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	47,884	83	47,884
Other reserves	(37,387)	4	-
Retained profits	8,684	3,559	(483)
	<u>19,181</u>	<u>3,646</u>	<u>47,401</u>
Non-Controlling Interests	-	126	-
Total equity	<u><u>19,181</u></u>	<u><u>3,772</u></u>	<u><u>47,401</u></u>

(1) There are no comparative figures for the preceding financial period for the Company as it was incorporated in 20 August 2014.

(2) Less than \$1,000.

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 March 2015		As at 31 March 2014	
(Unaudited)		(Audited)	
Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
97	-	100	-

Amount repayable after one year

As at 31 March 2015		As at 31 March 2014	
(Unaudited)		(Audited)	
Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
84	125	169	855

Details of any collateral

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

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

Consolidated Statement of Cash Flows

	Group	
	For the year ended	
	31 Mar 2015 (Unaudited) SGD'000	31 Mar 2014 (Audited) SGD'000
Cash flows from operating activities		
Net profit	5,084	3,036
Adjustments for:		
- Income tax expense	1,497	667
- Amortisation of intangible assets	3,248	3,405
- Depreciation of property, plant & equipment	45	42
- Write down of investment	126	-
- Loss on disposal of property, plant & equipment	16	-
- Interest income	(3)	(3)
- Interest expense	18	45
- Currency translation difference	(62)	22
	<u>9,969</u>	<u>7,214</u>
Change in working capital:		
- Trade and other receivables	(7,773)	(2,994)
- Film products and films under production	(8,514)	(6,799)
- Trade and other payables	3,323	2,712
- Deferred income	908	133
Cash generated from operations	<u>(2,087)</u>	<u>266</u>
Cash flows from investing activities:		
Interest received	3	3
Income tax paid	(74)	-
Net cash generated from operating activities	<u>(2,158)</u>	<u>269</u>
Cash flows from investing activities		
Deposit to acquire film right	(1,200)	-
Additions of script rights	(743)	(517)
Additions to property, plant and equipment	(31)	(7)
Interest received	-	-
Net cash used in investing activities	<u>(1,974)</u>	<u>(524)</u>
Cash flows from financing activities		
Fixed deposit pledged to bank	-	2
Proceeds from issuance of convertible bonds	3,300	200
Issuance of shares	6,385	-
Proceeds from borrowings	125	375
Repayment of borrowings	(477)	(72)
Repayment of lease liabilities	(15)	(27)
Interest paid	(18)	(15)
Net cash provided by financing activities	<u>9,300</u>	<u>463</u>
Net increase in cash and cash equivalents	5,168	208
Cash and cash equivalents		
Beginning of financial year	506	298
End of financial year	<u>5,674</u>	<u>506</u>
Cash and cash equivalents comprise:		
Cash and bank balances	5,674	519
Overdraft	-	(14)
	<u>5,674</u>	<u>506</u>
Cash and Cash equivalents		
Cash and bank balances (as above (b)(i))	5,755	601
Less : Bank deposits pledged	(81)	(81)
Less : Bank overdrafts	-	(14)
Cash and cash equivalents per combined statement of cash flows	<u>5,674</u>	<u>506</u>

- 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 year.

Statement of Changes in Equity

Group (Unaudited)	----- Attributable to equity holders of the Company -----					
	Share capital SGD'000	Other reserve SGD'000	(Accumulated losses)/retained earnings SGD'000	Total SGD'000	Non-controlling interest SGD'000	Total equity SGD'000
Balance as at 1 April 2014	83	4	3,559	3,646	126	3,772
Total comprehensive income for the year	-	-	5,084	5,084	-	5,084
Currency translation difference on consolidation	-	(53)	-	(53)	-	(53)
	-	(53)	5,084	5,031	-	5,031
<i>Transaction with equity holders of the Company</i>						
Adjustment pursuant to the restructuring exercise	(83)	(37,338)	41	(37,380)	(126)	(37,506)
Issuance of new shares pursuant to the restructuring exercise	37,498	-	-	37,498	-	37,498
Issue of shares from conversion of convertible loan	4,000	-	-	4,000	-	4,000
Issue of new shares pursuant to IPO	7,750	-	-	7,750	-	7,750
Share issue expense	(1,364)	-	-	(1,364)	-	(1,364)
Balance as at 31 March 2015	47,884	(37,387)	8,684	19,181	-	19,181
Company (Unaudited)						
Balance as at 1 April 2014	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(483)	(483)	-	(483)
Issuance of new shares pursuant to the restructuring exercise	37,498	-	-	37,498	-	37,498
Issue of shares from conversion of convertible loan	4,000	-	-	4,000	-	4,000
Issue of new shares pursuant to IPO	7,750	-	-	7,750	-	7,750
Share issue expense	(1,364)	-	-	(1,364)	-	(1,364)
Balance as at 31 March 2015	47,884	-	(483)	47,401	-	47,401

- 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.

Shares Capital - Ordinary Shares

	Number of shares	Issued and paid-up share capital (\$\$)
Issued and paid-up shares as at date of incorporation: 20 August 2014	1	1
Sub-Division	7,500	1
Issuance of 149,992,500 Consideration Shares pursuant to the completion of the Restructuring Exercise ⁽¹⁾	149,992,500	37,498,125
Issue of Conversion Shares to the Pre-IPO Investors pursuant to the conversion of the Convertible Bonds	<u>25,729,032</u>	<u>4,000,000</u>
Pre-placement issued and paid-up share capital	175,729,032	41,498,126
New Shares issued pursuant to the Placement	<u>31,000,000</u>	<u>7,750,000</u>
Post-Placement issued and paid-up share capital	<u>206,729,032</u>	<u>49,248,126</u> ⁽²⁾

Notes:

(1) The Consideration Shares were issued to shareholders of mm2 Entertainment Pte Ltd pursuant to the Restructuring Exercise.

(2) After deducting share issue expenses incurred in relation to the Placement of approximately S\$1.4 million which is capitalised against share capital as described in the section entitled 'Use of Proceeds and Listing Expenses'.

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

- (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 Mar 2015</u>	<u>31 Mar 2014</u>
Total number of issued shares	206,729,032	N/A

The Company did not have any treasury shares as at 31 March 2015 and 31 March 2014.

"N/A" denotes not applicable as the Company was only incorporated on 20 August 2014.

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

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

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

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

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

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

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

Same as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year compared to the audited financial statements for the financial year ended 31 March 2014 as set out in the Offer Document dated 9 December 2014.

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

The Group has adopted all new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("Int FRS") that are relevant to its operations and effective for the financial period on or after 1 April 2014, where applicable. The adoption of these new and revised standards from the effective date is not expected to result in any material adjustments to the financial statements of the Group for the current financial reporting year.

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

	For the year ended 31 Mar 2015	For the year ended 31 Mar 2014
Earnings per share ("EPS")		
Profit attributable to shareholders of the Company (S\$)	5,083,524	2,742,189
Basic and fully diluted basis EPS (S\$) ^{(1) (2)}	0.02	NM

Notes:

(1) For illustrative purposes, the basic and fully diluted basis EPS of the Group for 2015 and 2014 was calculated based on the post sub-division issued ordinary share capital of 206,729,032 shares.

(2) Comparison with the EPS for the corresponding period of the immediately preceding financial year is not meaningful as no shares existed for the Group in 2013/14.

- 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 ⁽¹⁾
	31 Mar 2015	31 Mar 2014	31 Mar 2015
Net asset value (\$\$)	19,180,627	3,772,431	47,400,890
Number of ordinary shares in issue	206,729,032	175,729,032	206,729,032
Net asset value per ordinary share (\$\$)	0.09	0.02	0.23

Notes:

(1) There are no comparative figures for the preceding financial period for the Company as it was incorporated in 20 August 2014.

- 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.

Consolidated Statement of Comprehensive Income

Revenue

2015 vs 2014

Our Group's revenue had increased by S\$8.2 million or 50.7% in our Group's revenue, from S\$16.1 million, in FY2014, to approximately S\$24.3 million in FY2015. The increase was mainly due to revenue generated from production which recorded an increase of S\$8.6 million or 134.6% from S\$6.4 million in FY2014 to S\$15.0 million in FY2015. This was due to the increase in the number of productions in FY2014.

Cost of sales

2015 vs 2014

Cost of sales increased by S\$3.8 million or 34.1%, from S\$11.0 million in FY2014 to S\$14.8 million in FY2015. The increase was in tandem with higher movie production and distribution due to the increase in the number of movies produced and released during the year.

Amortisation of Film rights slightly decreased by S\$31,000 from FY2014 to FY2015.

Gross profit / Operating profit

2015 vs 2014

Our gross profit margin increased from 31.6% in FY2014 to 39.1% in FY2015 as a bigger proportion of our revenue in FY2015 was derived from production revenue, which has a better margin.

Other gains/(losses) - net

2015 vs 2014

The foreign currency exchange translation gain from the fluctuations of the Malaysian ringgit against Singapore dollar resulted in a total net gain of S\$49,000 from a loss of approximately S\$26,000 in FY2014 to a gain of S\$23,000 in FY2015.

General and administrative expenses

2015 vs 2014

General and administrative expenses increased in FY2015 by S\$1.6 million or 122.3% from S\$1.3 million in FY2014 to S\$2.9 million in FY2015. This was mainly attributable to an increase in employee compensation of S\$0.9 million or 109.5% due to an increase in the number of senior management staff. Besides that, the increase was also due to the increase in professional fees of S\$260,000 or 309.5%, and IPO expenses of S\$240,000, arising from the IPO of the Company in December 2014.

Finance costs

2015 vs 2014

Finance costs decreased by S\$27,000 or 60.0% from S\$45,000 in FY2014 to S\$18,000 in FY2015 mainly due to no new bank borrowings and finance lease liabilities during the year. It was also partly due to reversal of redeemable convertible loan interest after it had been converted into shares during the IPO of the Company.

Profit before tax

2015 vs 2014

As a result from the above, we recorded an increase of S\$2.9 million or 77.6% in profit before tax from S\$3.7 million in FY2014 to S\$6.6 million in FY2015.

Consolidated Statement of Financial Position

Non-current assets

Our non-current assets increased by S\$2.6 million or 66.4% from S\$3.9 million as at 31 March 2014 to S\$6.5 million as at 31 March 2015. This was mainly due to the increase in film rights of S\$2.7 million or 74.2% from S\$3.6 million as at 31 March 2014 to S\$6.3 million as at 31 March 2015. The increase was on the back of more movies completed and released during the year.

Current assets

Our current assets increased by S\$17.3 million or 127.4% from S\$13.6 million as at 31 March 2014 to S\$30.9 million as at 31 March 2015, constituting 82.7% of our total assets and comprise the following:

(i) Cash and cash equivalents increased by S\$5.2 million or 857.6% from S\$0.6 million as at 31 March 2014 to S\$5.8 million as at 31 March 2015. This was mainly due to the cash proceeds from issuance of share of approximately S\$6.4 million;

(ii) Trade and other receivables increased by S\$9.0 million or 79.0% from S\$11.4 million as at 31 March 2014 to S\$20.3 million as at 31 March 2015. This was mainly due to higher production income; and

(iii) Capitalisation of all costs in relation to the production of our movies (including all film products and film under production) prior to the release of the movies increased by S\$3.2 million or 196.8% from S\$1.6 million as at 31 March 2014 to S\$4.8 million as at 31 March 2015. This was mainly due to the increase in number of movies under production, which will be released to movie distributors and/or theatres in the next financial year.

Non-current liabilities

Our non-current liabilities increased by S\$0.2 million or 8.8% from S\$1.9 million as at 31 March 2014 to S\$2.1 million as at 31 March 2015. This was mainly due to the conversion of convertible notes of S\$0.5 million and the repayment of long-term borrowings of S\$0.4 million.

Current liabilities

Our current liabilities increased by S\$4.3 million or 36.6% from S\$11.7 million as at 31 March 2014 to S\$16.0 million as at 31 March 2015, representing 88.3% of our total liabilities and comprised the following:

(i) Trade and other payables increased by S\$3.4 million or 29.7% from S\$11.4 million as at 31 March 2014 to S\$14.8 million as at 31 March 2015. This was mainly due to the increase in production and distribution costs;

(ii) Deferred income increased by S\$0.9 million or 381.5% from S\$0.2 million as at 31 March 2014 to S\$1.1 million as at 31 March 2015. This was mainly due to higher films rights sale which will be recognized when the movie is released in the next financial year; and

(iii) Borrowings slightly decreased by S\$4,000 or 4.0%, this was mainly due to the repayment of bank borrowings during the year.

Consolidated Statement of Cash Flow

As at 31 March 2015, our cash and cash equivalents amounted to S\$5.7 million as compared to cash and cash equivalents amounted to S\$0.5 million as at 31 March 2014.

Net cash generated from operating activities

We generated a net cash inflow of S\$10.0 million from operating activities before working capital changes of approximately S\$12.1 million.

Our net working capital outflow was mainly due to cash outflows of S\$7.8 million from an increase in trade and other receivables and S\$8.5 million from additional movies under production. Our cash inflow was due to an increase in trade and other payables of approximately S\$3.3 million.

The increase in trade and other receivables was due to the increase in net receipts from the numerous movies released at the end of FY2015. The increase in trade and other payables was due to an increase in the production and distribution costs incurred.

Our net cash generated from operating activities amounted to S\$2.2 million, largely due to increase in trade receivables for approximately S\$1 million from a sales contracts concluded in March 2015 and increase in Work-in-progress for two movies '1965' & '3688' total approximately S\$2.8 million for which both movies will be released later in 2nd half of 2015.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$2.0 million mainly due to the addition to movie rights which represent payments made for script rights. In addition, S\$31,000 worth of property, plant and equipment were acquired in FY2015.

Net cash generated from financing activities

Net cash generated from financing activities of S\$9.3 million was mainly due to the cash inflow from the issuance of share of S\$6.4 million, issuance of convertible notes of S\$3.3 million, and cash outflow from the repayment of borrowings of S\$0.5 million.

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

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

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

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

In the past one year, our pilot movie projects in Hong Kong and China have provided us deep learning curve to position for more projects in the future. In coming year, we will continue to do two to three projects in Hong Kong, Taiwan and China. Our presence in these new markets also provide us opportunities to network with leading and reputable studios in their respective markets, which may lead to co-production and distribution business opportunities.

Our recent acquisition in VividThree Productions Pte Ltd allows us to widen our capability to provide post production - computer graphics, animation and related services - to the production community. The demand for such services with unique creative skills are likely to grow in the region.

In line with the Group's intention to diversify and expand into business opportunities in the value chain of film production, we entered into a non-binding MOU to acquire cinema businesses in Malaysia from Cathay Cineplexes Sdn Bhd in April this year.

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

11 Dividend

(a) Current Financial Period Period Reported On: Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year: Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable:

Not applicable.

(d) Books closure date:

Not applicable.

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

No dividend has been declared or recommended for 2015.

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

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

There were no IPT of S\$100,000 and above for 2015.

14 **Use of IPO proceeds**

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

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

Use of IPO Proceeds

	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Expansion of out Group's business via acquisitions, joint ventures and/or strategic alliances	2,347	10	2,337
Investment in Production activities or acquisition of Movie rights	1,700	475	1,225
General working capital	1,700	1,673	27
IPO expenditure	2,003	1,603	400 ⁽¹⁾
Total	7,750	3,761	3,989

(1) The unutilised amount will form part of the Company's future working capital.

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

Out of S\$1.7 million, S\$273,000 have been used for the Company's operating expenses and S\$1.4 million have been used for funding subsidiary, MM2 Entertainment Pte Ltd's operation and working capital.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 15 Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Group		
	For the year ended		
	31 Mar 2015	31 Mar 2014	Change
	SGD'000	SGD'000	%
Turnover			
Production	14,955	6,376	135%
Distribution	8,272	6,888	20%
Sponsorship	1,060	2,857	-63%
	<u>24,287</u>	<u>16,121</u>	
Production value			
Singapore	13,038	3,391	284%
Malaysia	487	1,185	-59%
Others	1,376	1,800	-24%
	<u>14,901</u>	<u>6,376</u>	
Distribution value			
Singapore	4,679	1,855	152%
Malaysia	2,725	4,277	-36%
Others	867	756	15%
	<u>8,272</u>	<u>6,888</u>	
Sponsorship value			
Singapore	946	1,387	-32%
Malaysia	114	3	3700%
Others	-	1,467	-100%
	<u>1,060</u>	<u>2,857</u>	
Cost of sales			
Production costs	6,605	4,373	51%
Distribution costs	7,364	4,935	49%
Sponsorship costs	821	1,725	-52%
	<u>14,790</u>	<u>11,033</u>	
Gross Profit			
Production	8,350	2,003	317%
Distribution	908	1,953	-54%
Sponsorship	239	1,132	-79%
	<u>9,497</u>	<u>5,088</u>	

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The turnover for Production segment increased by approximately S\$8.6 million or 134.6% from S\$6.4 million in FY2014 to S\$15.0 million in FY2015. Compared to Distribution segment, where the turnover increased by S\$1.4 million or 20.1% from S\$6.9 million in FY2014 to S\$8.3 million in FY2015. This is mainly due to the Production activities during the year had increased significantly as compared to Distribution activities.

17 A breakdown of sales as follows:

	Group		
	For the year ended		
	31 Mar 2015	31 Mar 2014	Change
	SGD'000	SGD'000	%
(a) Sales reported for first half year	9,679	5,307	82%
(b) Operating profit/loss after tax before deducting minority interest reported for first half year	3,621	(299)	1311%
(a) Sales reported for second half year	14,608	10,814	35%
(b) Operating profit/loss after tax before deducting minority interest reported for second half year	1,410	3,348	58%

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

(a) Ordinary

Not applicable.

(b) Preference

Not applicable.

(c) Total

Not applicable.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.