



Press Release

**mm2 Asia Reports EBITDA of S\$6.2 million
for First Half FY2021;
Remains cautious but positive of Group's Business Outlook**

- Core Production gain industry recognition with Golden Horse nominations and box office successes in Taiwan
- Management is optimistic that once the COVID-19 situation improves, core businesses will bounce back

SINGAPORE, 14 November 2020 – mm2 Asia Ltd. (“mm2 Asia”, “mm2 全亚影视娱乐有限公司” or collectively with its subsidiaries, the “**Group**”), today reports its financial results for the half year ended 30 September 2020 (“**1HFY2021**”).

Chief Executive Officer of mm2 Asia, Mr Chang Long Jong (章能容), commented on the Group's results, ***“COVID-19 has led to massive disruptions in several of our business segments. Nevertheless, the underlying fundamentals of our business remain steadfast. Our production works continue to gain traction among consumers across the region, notably in Taiwan where the top five theatrical releases in 2020 were our productions registering a total box office of more than NT\$272 million (S\$12.8 million)¹. We are proud to share that our local veteran compère cum actor Mark Lee was nominated for Best Actor for the upcoming Golden Horse Awards for his role in our production, Number 1. All these help us to firmly establish mm2's branding in the region and will contribute to stronger business prospects for the Group when the COVID-19 situation eases.”***

¹ <https://www.asiaone.com/business/mm2-entertainment-taiwan-reports-strong-box-office-takings-despite-covid-19-pandemic>



Financial Overview

S\$' Million	1HFY2021	1HFY2020	1HFY2021 vs 1HFY2020 Change%
Revenue	19.91	117.43	-83.0%
Gross Profit	0.13	58.20	-99.8%
Gross Margin (%)	0.7%	49.6%	
EBITDA	6.23	50.14	-87.6%
Net (Loss)/Profit	(25.79)	12.79	-301.7%
Net Margin (%)	-129.6%	10.9%	
Net (Loss)/Profit To shareholders	(22.42)	9.18	-344.3%
(Loss)/Earnings per share (cents)	(1.93)	0.79	-344.3%

The Group's revenue declined by \$97.5 million or 83.0%, from \$117.4 million in 1HFY2020 to \$19.9 million in 1HFY2021, the contraction in revenue is due to the COVID-19 pandemic affecting the Cinema Box Office and Concert and Event businesses, which are not able to operate due to the lockdowns and constrained operating rules determined by authorities in the respective markets.

Revenue from Core business decreased by \$16.0 million or 54.4% year-on-year to \$13.4 million in 1HFY2021, mainly because of lesser number of projects delivered and lower distribution income due to the closure of cinemas during the first 3 months of the financial period. Revenue from the Cinema segment decreased by approximately \$45.9 million or 92.7% year-on-year to \$3.6 million in 1HFY2021. The Group's cinema operations were halted due to the directives implemented by both Singapore and Malaysia governments, from beginning of the financial period and only resumed operation in July 2020 with limited capacity because of social distancing measures. Revenue from the Concert and Event ("**Event**") segment decreased by approximately \$32.9 million or 96.8% year-on-year to \$1.1 million in 1HFY2021, as most of the large-scale projects deferred to contain the spread of COVID-19. Revenue from Post and digital content production ("**Post-production**") segment declined by approximately \$3.1 million or 91.9% year-on-year to \$0.30 million in 1HFY2021 as the segment did not produce any live entertainment such as new tour show/MICE ("**Meetings Incentives, Conferences and Exhibitions**") during this period. Many of its customers have also rescheduled the project handover dates due to uncertainty of COVID-19, although the segment has delivered some smaller scale post-production work projects.



The Group implemented cost containment measures at the beginning of this financial period, as administrative expenses decreased by approximately \$8.5 million or 27.4% year-on-year to \$22.5 million in 1HFY2021. Despite the cost-saving measures implemented, the Group registered a net loss to shareholders of \$22.4 million in 1HFY2021, although EBITDA remains positive at \$6.2 million.

Group's outlook beyond 2020

The markets which the Group operates in are gradually opening up and moving towards favourable conditions for the Group's businesses, particularly in China, Taiwan and Hong Kong. The Group remains cautious but optimistic about the market as content and entertainment remain part of many people's lifestyles, and an upswing demand can happen quickly once the economic activities resumed. The Group is confident our nimble operations are quick to adapt to combat the near to mid-term market uncertainties.

Executive Chairman of mm2 Asia, Mr Melvin Ang (洪伟才) annotated, ***"We believe that once the COVID-19 situation improves, we will make a strong comeback quickly. We kicked off July 2020 with the release of movies in Taiwan, Hong Kong, Singapore and Malaysia. The core production team has lined up a strong pipeline of movies slated for release up to June 2021."***

"The pandemic has also sped up our digital initiatives. Starting with the establishment of our one-stop digital agency, DD2 Media, and together with several digital content platforms, such as mPlay, a regional video streaming platform for quality Chinese language short-form content; Cathay CineHOME, a movie streaming platform to complement our Cinema business; and our existing AsiaOne, one of the leading digital news portals in Singapore. We have come a long way since we started the Company in 2008, growing from a local production house to an entertainment behemoth with diversified businesses across different geographical markets. We are confident with tenacity, clear-mindedness, cost control and discipline, we will overcome the current headwinds to our businesses. I strongly believe the worst is now behind us." Added Mr Melvin Ang.

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Note to media Please read this press release in conjunction with the Company's announcement released on SGXnet on the same date.

About mm2 Asia Ltd.

Headquartered in Singapore, mm2 Asia champions “Content and Media for Asia”, with integrated businesses across the content, immersive media, cinema, event and concert industries in Singapore, Malaysia, Hong Kong, Taiwan, China and the U.S.

Since being listed on the SGX Catalist in December 2014 and the successful transfer to the SGX Mainboard in August 2017, mm2 Asia has strengthened its competitive advantage through its acquisitions of a majority stake in an award-winning virtual reality, animation and visual effects studio, Vividthree Holdings Ltd. (SGX stock code: OMK), and event production and concert promotion company, UnUsUaL Limited (SGX stock code: 1D1). With the establishment of mmCineplexes and the acquisition of Cathay Cineplexes Pte Ltd, mm2 Asia is currently one of the key cinema operators in Malaysia and Singapore.

For more information, please visit <http://www.mm2asia.com>

For investor relations matters, please kindly email ir@mm2asia.com

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