

**Press Release**

**MM2 ASIA'S FY2017 NET PROFIT  
ROSE 147% TO S\$22 MILLION**

1. **Group revenue increased by 149% to S\$95.4 million, mainly due to significant increase in the Group's core business as well as additional revenue generated from its event and concert promotion and cinema business during the year**
2. **Expect increase in productions in North Asia with higher contribution from cinema business, concert and event production and promotion and other subsidiaries**

**SINGAPORE, 23 MAY 2017 – mm2 Asia Ltd.** (“mm2 Asia”, “mm2 全亚影视娱乐有限公司” or collectively with its subsidiaries, the “**Group**”), is pleased to announce its financial results for the full year ended 31 March 2017 (“**FY2017**”), with its net profit rising 147% to S\$22 million.

Commenting on the FY2017 results, mm2 Asia Executive Chairman, Mr Melvin Ang (洪伟才) said, “We have had a steady year-on-year growth since our listing in December 2014. Our production revenue from North Asia has increased and we expect a continuous growth in productions in this region. With a significant number of acquisitions, including the recent proposed acquisition of the Lotus cinemas in 13 locations in Malaysia, as well as the listing of one of our subsidiaries, UnUsUaL Limited, on the SGX, we are even more equipped and ready to grow further as a leading entertainment group in Asia. Along with the deep expertise of our new CEO Mr Chang Long Jong, we are excited about the various growth opportunities in the region that we can tap on in the coming years”.

**FY2017 Financial Highlights**

<b>In 'million, unless otherwise stated</b>	<b>FY2017</b>	<b>FY2016</b>	<b>Change</b>
<b>Revenue (S\$)</b>	95.4	38.3	149%
<b>Gross Profit (S\$)</b>	45.3	18.4	146%
<b>Profit Before Tax (S\$)</b>	25.9	10.0	159%
<b>Profit After Tax (S\$)</b>	22.0	8.9	147%

## **Performance Review**

The Group's revenue increased by 149% from S\$38.3 million for the financial year ended 31 March 2016 ("FY2016") to S\$95.4 million in FY2017. This increase was mainly due to additional revenue generated from the newly acquired subsidiary UnUsUaL Limited ("UnUsUaL"), an event and concert promotion company, which recorded revenue of S\$22.6 million, as well as additional distribution (cinema business) revenue of S\$7.7 million.

The Group's core business also saw a 86% increase in revenue from S\$29.8 million in FY2016 to S\$55.3 million in FY2017, with the Group's Post Production Business increasing by 33% from S\$3.6 million in FY2016 to S\$4.9 million in FY2017. Consequently, the Group's FY2017 gross profit increased by 146% from S\$18.4 million in FY2016 to S\$45.3 million in FY2017.

General and administrative expenses increased by 131% from S\$8.3 million in FY2016 to S\$19.2 million in FY2017. The increase was due to higher employee compensation costs arising from the increase in the number of senior management staff and other employees resulting from the Group's expansion as well as the recent acquisition of additional cinema businesses, such as Lotus cinemas, for the same period.

Finance costs also increased to S\$615,000 in FY2017, mainly as a result of increased bank borrowings of S\$520,000 to finance the acquisition of a cinema business during the year.

The Group's the net profit for FY2017 increased by 147% to S\$22.0 million from S\$8.9 million in FY2016. This translates into a net profit attributable to shareholders of S\$18.8 million for FY2017.

## **Business Outlook**

The Group's core business of movie and tv/online production and distribution continues to form the majority of the Group's revenue, contributing approximately 58% of the Group's revenue, with S\$55.3 million. The Group will also look into creating and producing formats as part of its television production business, following the format license agreement with Talpa Global B.V. to acquire the exclusive rights to

produce and broadcast the Singapore/Malaysia version of *The Voice*, Talpa's flagship talent format, in Mandarin.

In July 2016, the Group set up Dick Lee Asia Pte Ltd ("**Dick Lee Asia**") with local singer-songwriter Dick Lee to engage in music, artistes, creative direction and related businesses with Dick Lee. Alongside mm2 Asia's post-production arm, Vividthree Productions Pte Ltd ("**Vividthree**"), the Group expects its subsidiaries' projects, targeted to be completed in the coming financial year ending 31 March 2018 ("**FY2018**"), to also contribute to the Group's profitability.

The Group will continue to expand its focus on its core business in Singapore and Malaysia to Hong Kong, Taiwan, China and also the USA. The Group's Productions in North Asia contributed to 55.9% of the Group's production revenue, up from 35.7% in FY2016 and we expect productions in these markets to continue to form a bigger part of our revenue in FY2018.

The Group recently signed the agreement for the acquisition of cinema business from Lotus Fivestar Cinemas (M) Sdn Bhd in May 2017. With the completion targeted in September 2017, the Group will become the fourth largest cinema operator in Malaysia, with this new acquisition contributing to the Group's profitability. In the same month, the Group also signed a binding Memorandum of Understanding ("**MOU**") with Hong Kong based cinema management service provider, Cinema Pro Limited (影珀影院有限公司), and Kbro Media Co. Limited to acquire 19.68% of the enlarged share capital of Cinema Pro Limited. The Group will continue to source for opportunities to expand its cinema operations business in the region.

Concert and event promotion revenue from the newly-acquired subsidiary, UnUsUaL, contributed to 24% of the Group's FY2017 revenue. With the increase in demand for concerts and events by well-known entertainers and a steady stream of concerts and events in the region, UnUsUaL, as a listed company, will also continue to expand out of the Singapore and Malaysia region and moving up as an Originating Producer to sign artistes for regional tours.

**- End of Press Release -**



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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 is a producer of films 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.

mm2 Asia further strengthened its competitive advantage through acquiring a majority stake in local 3D animation company, Vividthree Productions and event and concert production company, UnUsUaL Limited (SGX stock code 1D1), The Group also established its own cinema chain, mmCineplexes, through the acquisition of five cineplexes in Malaysia.

In addition to Singapore, mm2 Asia also has a presence in Malaysia, Hong Kong, Taiwan and China through its group companies and/or strategic working partnerships. mm2 Asia has co-produced and/or distributed over 100 films across Asia since 2008.

In 2014, mm2 Asia made its debut on the Singapore Exchange Securities Trading Limited (SGX stock code: 1B0), becoming the first Singapore film production company to achieve this.

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

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This news release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited (the "Sponsor"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this document.

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