

mm2 Growth Momentum Continues Despite Challenging Market Environment

- Revenue improved to S\$68.4 million in 2QFY2020, bolstered by higher contributions from its Events and Post-Production businesses
- Achieved net profit of S\$5.3 million in 2QFY2020
- Core business remained steady, with increasing co-productions in Southeast Asia and a slate of deals related to theatrical movies and Over-The-Top (“OTT”) content production
- Cinema segment saw higher 2QFY2020 profit before tax, despite lower revenue, due to operational optimisation from inter-alia, increased cost efficiencies

S\$' Million	2QFY2020	2QFY2019	Change %	1HFY2020	1HFY2019	Change%
Revenue	68.4	64.9	5.4%	117.4	113.9	3.1%
Gross Profit	28.0	27.6	1.4%	58.2	60.5	-3.9%
Gross Margin (%)	40.9%	42.5%	N/A	49.6%	53.1%	N/A
Net Profit	5.3	5.5	-3.6%	12.8	14.6	-12.3%
Net Margin (%)	7.8%	8.4%	N/A	10.9%	12.8%	N/A
Net Profit To shareholders	2.2	3.7	-40.5%	9.2	11.0	-16.4%
EPS (cents)	0.19	0.32	-40.6%	0.79	0.94	-16.0%

SINGAPORE, 14 November 2019 – mm2 Asia Ltd. (“mm2 Asia”, “mm2 全亚影视娱乐有限公司” or collectively with its subsidiaries, the “Group”), today announced its financial results for the three-months ended 30 September 2019 (“2QFY2020”) and half-year ended 30 September 2019 (“1HFY2020”).

Chief Executive Officer of mm2 Asia, Mr Chang Long Jong (章能容), commented on the Group’s results, **“Amidst the challenging microeconomic landscape, we are heartened by significant improvements in our Events and Post-Production segments, which saw higher revenue contributions during the fiscal quarter, offset by lower contributions from our Core segment.**



Moving forward, we will continue to leverage on the power of our Out-Of-Home-Entertainment Platform, including ramping up our efforts particularly in our Core and Cinema segments, while constantly keeping a lookout for potential synergistic business opportunities.”

Financial Overview

During the fiscal quarter, the Group registered a revenue growth of 5.4% to S\$68.4 million from S\$64.9 million in its corresponding quarter. The higher revenue was mainly attributable to Events segment's promotion and production revenue increase of S\$10.8 million and Post-production segment's revenue increase of S\$1.1 million from its post-production works. This was offset by a revenue decrease of S\$7.6 million in its Core and Cinema segments. The revenue decline in the Core segment was mainly due to lower distribution income and fewer productions completed, as some of the projects were still ongoing at the end of the fiscal quarter. Revenue from the Cinema segment is dependent on movie titles released during 2QFY2020.

The Group's gross profit increased by S\$0.4 million, or 1.4%, from S\$27.6 million in 2QFY2019 to S\$28.0 million in 2QFY2020, mainly due to contributions from the Cinema, Event and Post-production segments, partially offset by the Core segment. Gross profit margin stood at 40.9% in 2QFY2020 as compared to 42.5% in 2QFY2019.

Excluding accretion of interest on lease liabilities of S\$1.4 million, 2QFY2020 interest expenses would have decreased by S\$1.3 million, mainly due to the Cinema segment which incurred a one-off interest expense from unwinding of discount on deferred consideration of S\$1.6 million in the prior period.

As a consequence of the aforementioned, the Group's 2QFY2020 profit before tax registered at S\$7.3 million, from S\$9.0 million in 2QFY2019, mainly contributed from Event, Post-production and Cinema segments. The Cinema segment recorded higher profit before tax year-on-year despite lower revenue, due to operational optimisation from inter-alia, increased cost efficiencies. The Group's net profit to shareholders stood at S\$2.2 million in 2QFY2020 and S\$9.2 million in 1HFY2020.



FY2020 Outlook

Executive Chairman of mm2 Asia, Mr Melvin Ang (洪伟才) noted, “**We remain confident in our key strategy and believe that we are on track to maintain our momentum in FY2020. Having established a strong foothold and proven track record in the Chinese markets in Asia, we are poised to take advantage of the opportunities arising from the surge in -demand for Asian content. Our regional presence and strong network in Southeast Asia and North Asia provide us direct strategic access to audiences, valued IPs and talents across multiple markets. Our Core and Cinema segments continued on a steady trajectory with a slate of production deals and a notable pipeline of blockbuster title releases in FY2020. The Group has also been gaining positive traction during the fiscal period, particularly in our Events and Post-Production segments, where UnUsUaL delivered an exceptional quarter and Vividthree posted turnaround earnings. We are encouraged by how far we have come, and will continue to drive the Group’s performance with the solid foundation that we have built across all our businesses.**”

– End of Press Release–

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 Ltd. champions “Content and Media for Asia”, with businesses in the production and distribution of film, TV and online content, post-production, cinema operation, event production and concert promotion in Singapore, Malaysia, Hong Kong, Taiwan, China and the U.S.

Since being listed on the SGX Catalist in December 2014 and transferring to the SGX Mainboard in August 2017, mm2 Asia has strengthened its competitive advantage through its acquisition of an immersive media and post-production company, Vividthree Holdings Ltd. (SGX stock code: OMK), and event-and-concert production 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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