mm2 Asia Ltd.
Co. Reg. No.: 201424372N
1002 Jalan Bukit Merah
#07-11 Singapore 159456
www.mm2asia.com

Press Release

MM2 ASIA'S FY2016 NET PROFIT

ROSE 75% TO S$8.9 MILLION

1. ***Group revenue increased by 58% to S$38.3 million, with the core business growing by 22.6% and also boosted by additional revenue from its newly-acquired subsidiary and newly-acquired cinema business***
2. ***Expects productions in North Asia to contribute more revenue in the coming year***

SINGAPORE, 24 May 2016 – 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 that the financial results for the financial year ended 31 March 2016 ("**FY2016**") achieved a 75% increase in profit after tax to S$8.9 million.

"We will continue to build on our growth momentum following our strong FY2016 results. Not only has our core business continued to grow but our two acquired cinemas in Malaysia have also started their maiden contribution in the second half of FY2016," said mm2 Asia CEO Mr Melvin Ang (洪伟才) on the FY2016 results.

Today, we have a strong pipeline of productions, and have started expanding into the Chinese markets of North Asia with several projects. At the same time, we are continuing to explore avenues to better leverage on our content and create new entertainment platforms" Mr Ang added.

FY2016 Financial Highlights

In S$'million unless otherwise stated	FY2016	FY2015	Change
Revenue	38.3	24.3	**58%**
Gross Profit	18.4	9.6	**92%**
Gross Margin	48.0%	39.5%	**8.5%** [1]
Profit before tax	10.0	6.6	**52%**
Profit after tax	8.9	5.1	**75%**

Performance Review

The Group's FY2016 revenue increased by 57.6% to S$38.3 million from S$24.3 million in the financial year ended 31 March 2015 ("**FY2015**"). The increase was due to the 22.6% revenue increase in our core business to S$29.8 million, an additional revenue of S$3.6 million from our newly-acquired subsidiary and a recorded revenue of S$4.9 million generated from our newly-acquired cinema business during the year.

The Group's gross profit for FY2016 increased by 91.7% from S$9.6 million in FY2015 to S$18.4 million in FY2016, with overall gross profit margin improving from 39.5% in FY2015 to 48.0% in FY2016.

The Group incurred S$8.3 million in general and administrative expenses, which was an increase of 176.7% from S$3.0 million in FY2015. The Group saw higher employee compensation costs due to the increase in senior management and employees resulting from the Group's expansion as well as its acquisitions of a new subsidiary and cinema business. There was also an increase in professional fees of S$1.1 million, of which S$0.4 million was related to the existing business whereas the remaining S$0.7 million was due to non-recurring events which took place in FY2016. Depreciation costs also increased by S$0.5 million due to the acquisition of a new subsidiary and a new cinema business.

Finance costs also increased to S$387,000, mainly due to additional interest expenses for new convertible notes, interest expenses from the deferred payment of purchase consideration of a

[1] Gross Margin in FY2016 minus Gross Margin in FY2015

new cinema business and additional bank borrowings and finance lease taken up during FY2016.

As a result, net profit for FY2016 increased by 75% to S$8.9 million from S$5.1 million in FY2015. This translates into a net profit attributable to shareholders of S$8.2 million for FY2016.

Business Outlook

The Group continues to harness its capabilities 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. The Group has also continued to expand both within and outside the region through the acquisition of an increasing number of regional titles for distribution, and the significant increase in the number of productions and co-productions in Singapore, Malaysia, Hong Kong, Taiwan and China.

Productions in North Asia contributed approximately 30% of the Group's production revenue in FY2016, which was a healthy increase of 20%. The Group expects production from these markets to form a larger slice of revenue in the coming financial year.

The Group completed the acquisition of two cinemas in Malaysia on 1 November 2015 and after operating them for five months as at the end of FY2016, has gained vast experience from its entry into the film exhibition space. With the acquisition of three more cinemas in Malaysia from Mega Cinemas Management Sdn Bhd targeted to be completed in the first half of the new financial year, the Group is poised to further strengthen its network of international film producers and distributors.

The Group's recently acquired majority stake in Vividthree Productions Pte Ltd ("Vividthree") has also borne fruit as Vividthree has demonstrated its capability to develop intellectual property that can be monetised over long periods across territories and platforms, thereby expanding the Group's content library and recurrent income. The Group will also aggressively expand in the area of new media content as its majority stake in Millinillion Pte Ltd and an Over-the-top ("OTT") platform under development has put the Group in a position to produce, distribute and exhibit transmedia content, and enter new market segments in the near future.

For the financial year ending 31 March 2017 ("FY2017"), the Group will continue to expand in areas that complement its core business of regional film production and distribution. With its proposed acquisition of a majority stake in the UnUsUal Group of companies, the Group intends to unlock new revenue streams with the addition of its event and concert promotion arm. UnUsUal Group's strong presence in Asia and network of regional artistes will synergise with the Group's continuing growth in North Asia.

"***We are steadily growing both horizontally and vertically in order to fulfil our vision to become a global lifestyle and entertainment player. Our value chain currently comprises production, post-production and cinema operations, and we are building new distribution platforms like our OTT platform and adding on other entertainment arms such as our proposed acquisition of a major stake in the UnUsUal Group. We are also constantly looking at building up our pipeline of quality production projects and distribution titles. We will continue to acquire good scripts and films that we can bring to our audiences through various platforms,"*** Mr Ang concluded.

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Note to media: Please read this press release in conjunction with the Company's results announcement released on the 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, as well as the ownership of two 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 50 films across Asia since 2008 including co-producing well-known films such as the 'Ah Boys to Men' and 'Long Long Time Ago' 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: 43D), becoming the first Singapore film production company to achieve this.

For more information, please visit www.mm2asia.com

For media enquiries, please contact:

Issued on behalf of	**mm2 Asia Ltd**
By	Cogent Communications Pte Ltd
	51 Goldhill Plaza #22-05, Singapore 308900
Contact	Ms Emily Choo / Mr Gerald Woon
Email / DID / Mobile	emily@cogentcomms.com / (65) 6704 9283 / (65) 9734 6565 woon@cogentcomms.com / (65) 6704 9268 / (65) 9694 8364

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The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance who can be contacted at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone: 6415 9886.