
PROPOSED SUBSCRIPTION OF CONVERTIBLE NOTES IN GAMMAR PTE. LTD.

1. INTRODUCTION

The Board of Directors of Vividthree Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement dated 29 October 2021 (“**Previous Announcement**”) in relation to a potential collaboration with GammaR Pte. Ltd. (“**GammaR**”) and is pleased to announce that the Company had on 5 January 2022 entered into a convertible loan note agreement (“**Convertible Loan Note Agreement**”) with GammaR, pursuant to which the Company has agreed to subscribe up to S\$4.08 million (“**Loan**”) Convertible Loan Notes (“**Convertible Loan Note**”) in GammaR (“**Proposed Subscription**”).

2. INFORMATION ON GAMMAR

GammaR sets out to become a platform that helps NFT (“**Non-Fungible Token**”) game developers bring their innovations to market – it provides them with the resources to develop and monetise their ideas and innovations in the market, while riding the recent surge in popularity of digital assets, NFTs and the metaverse. GammaR is founded by Jonathan Zhang and is supported by a team from varied backgrounds spanning digital business, blockchain technology and mobile gaming. After serving professional stints in banking and services at management levels across industries in both public and private companies, he founded GammaR.

3. BACKGROUND AND RATIONALE OF PROPOSED SUBSCRIPTION

As part of the Group’s long-term strategy to build up its library of intellectual properties (“**IPs**”), the Group has been exploring opportunities in the fast-growing gaming sector to increase revenue streams, including capitalising on popular trends such as blockchain and NFT in the gaming sector.

The Group’s infrastructure and expertise in content production, management of IP and ability to scale concepts into reality through MICE activities are key factors to capitalise on the rapid growth of the global gaming industry in general, and surging interest in blockchain games. GammaR expertise in blockchain gaming is the fuel for the Group to grow in the said area.

The subscription of the Convertible Loan Note issued by GammaR provides the Company with a short term return, as well as a potential opportunity to take a controlling stake in the equity of GammaR.

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4. INFORMATION ON THE PROPOSED SUBSCRIPTION

Pursuant to the terms and conditions of the Convertible Loan Note Agreement, GammaR has agreed to issue, and the Company has agreed to subscribe for, an interest bearing Convertible Loan Note convertible into shares in the capital of GammaR with a term of 36 months from the date of the issuance of the Convertible Loan Note ("**Term**").

Loan	:	The aggregate principal amount of the Convertible Loan Note shall be up to S\$4,080,000. The Loan is expected to be funded through internal resources and if required, additional fund raising exercise.
Interest Rate	:	3.5% per annum on the outstanding Loan (on a 365-day pro-rata basis).
Term	:	The term of the Loan shall be for three years from the completion of subscription (" Subscription Date ").
Repayment	:	The Convertible Loan Note shall be repaid in full, together with all interest accrued (a) at the end of the Term or (b) immediately if an event of default occurs provided in the Convertible Loan Note Agreement.
Conversion Option	:	The Company shall have the right, but not the obligation to convert the Loan, at any time during the Term, in tranches of S\$500,000, without interest, into the Conversion Shares.
Conversion Shares	:	The new ordinary shares in GammaR to be issued and allotted to the Company following Conversion, such shares to rank <i>pari passu</i> with the then existing ordinary shares in the share capital of GammaR.
Conversion	:	The conversion by the Company of the Convertible Loan Note into Conversion Shares.
Event(s) of Default	:	The Convertible Loan Note shall be immediately redeemed at the principal amount, together with all interest accrued, if GammaR commits a material breach of any term of the Convertible Loan Note Agreement including but not limited to use of the proceeds of the Loan for any purpose other than as described in the Convertible Loan Note Agreement; and (b) any event or circumstance occurs which in the opinion of the Company has or may have a material adverse effect.
Borrower's Covenants and undertakings	:	GammaR is required to obtain the Company's approval on any change to including but not limited to, change in use of the Loan, its core business, principal activities and corporate structure.

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5. RELATIVE FIGURES

The relative figures for the Proposed Investment computed on the vases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") are set out below:

Rule 1006(a)	The net asset value ("NAV") of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.	Not applicable
Rule 1006(b)	The net profits/(loss) attributable to the assets acquired, compared with the Group's net profits/(losses).	Not material ⁽¹⁾
Rule 1006(c)	The aggregate value of the Consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	16.39% ⁽²⁾
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) The net profit/(loss) attributable to GammaR is not material as the company was newly incorporated in 18 October 2021. The Group's audited net loss for FY2021 was S\$4,551,214.
- (2) Based on the Loan amount of S\$4,080,000 and the Company's market capitalisation of approximately S\$24,891,288. The market capitalisation of the Company was computed based on 371,511,764 issued shares of the Company ("**Shares**") and the volume weighted average price of the Shares of S\$0.067 per Share on 4 January 2022 (being the last day on which the Shares were traded prior to the date of the Convertible Loan Note Agreement).

As the relative figure under Rule 1006(c) above exceeds 5%, accordingly, the Proposed Subscription is a "discloseable transaction" as defined in Rule 1010 of the Catalist Rules which does not require the prior approval of the shareholders of the Company.

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6. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The Proposed Subscription is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company for the current financial year ending 31 March 2022.

7. SERVICE CONTRACT

The Company will be appointing director(s) to GammaR after the completion of the Conversion Option. Save for the foregoing, there are no directors proposed to be appointed to the Company in connection with the Proposed Subscription.

8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or, to the best of the Company's knowledge, the substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Investment (other than through their respective shareholdings in the Company).

9. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. Completion of the Proposed Investment is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Investment will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Investment and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

VIVIDTHREE HOLDINGS LTD.
Registration No. 201811828R
(Incorporated in the Republic of Singapore)

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11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Convertible Loan Note Agreement will be available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 1093 Lower Delta Road, #05-10, Singapore 169204.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at 6270-0818 prior to making any visits to arrange for a suitable time slot of the inspection.

By Order of the Board

Yeo Eng Pu, Charles
Managing Director
5 January 2022

*This Announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("**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 or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lay Shi Wei - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com