

ENTRY INTO BINDING TERM SHEET FOR THE ISSUE OF CONVERTIBLE BONDS

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or “**Directors**”) of Vividthree Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 31 May 2026, entered into a binding term sheet (the “**Term Sheet**”) with One and One Global Co., Ltd. (the “**Investor**”) in relation to the issue by the Company to the Investor of an aggregate principal amount of S\$1,000,000 in unlisted, interest-bearing, unsecured, redeemable, convertible bonds (“**CBs**”), such CBs being convertible into new ordinary shares in the share capital of the Company (“**Conversion Shares**”) at a conversion price of S\$0.0165 per Conversion Share (“**Conversion Price**”) (the “**Proposed Fundraising**”). The Company and the Investor shall hereinafter be collectively referred to as the “**Parties**” and each, a “**Party**”.
- 1.2. The Term Sheet is binding as to the commercial terms set out therein, subject to negotiation and execution of definitive documentation(s), including the bonds subscription agreement (“**Definitive Agreements**”), to be negotiated and entered into between the Parties in respect of the Proposed Fundraising.
- 1.3. The Proposed Fundraising (and the issuance and allotment of the Conversion Shares) will be undertaken by way of an exempt offering in Singapore in accordance with “safe harbour” exemptions under the Securities and Futures Act 2001 of Singapore (“**SFA**”). Accordingly, no prospectus, offer document or offer information statement will be issued by the Company in connection with the Proposed Fundraising.
- 1.4. No placement agent has been appointed in respect of the Proposed Fundraising and no introducer fee or commission was paid or is payable to any person in connection with the Proposed Fundraising.

2. INFORMATION ON THE INVESTOR

All information in respect of the Investor is based solely on information and representations made and provided by the Investor to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

- 2.1. The Investor is a company incorporated in Anguilla. The Investor is a pure investment holding company. Chen-Lung Tsai is the sole shareholder and director of the Investor. The Investor was identified through the Company’s network of contacts and has expressed interest in participating in the Proposed Fundraising for investment purposes.
- 2.2. As at the date of this announcement, neither the Investor and its director and shareholder nor its respective associates hold shares in the capital of the Company (“**Shares**”). The Investor and its director and shareholder do not have any connections (including business relationship) with the Company and/or any of the Directors or substantial shareholders (as defined in the Listing

Manual Section B: Rules of Catalist (“**Catalist Rules**”)) of the Company and/or their respective associates (as defined in the Catalist Rules). The Investor is also not a person to whom the Company is prohibited from issuing Shares to, as provided under Rule 812(1) of the Catalist Rules and is not co-operating or acting in concert with any other shareholders of the Company to obtain or consolidate effective control of the Company through the Proposed Fundraising.

3. KEY TERMS OF THE TERM SHEET AND THE CBS

3.1. Key Terms of the CBs

The principal terms and conditions of the CBs are set out as follows:

Issue Size	S\$1,000,000
Issue Price	100% of the principal amount of the CBs.
Maturity Date	Twenty-four (24) months from the date of issue of the CBs (“ Maturity Date ”).
Interest	<p>All CBs will bear interest at the rate of 2% per annum on the outstanding principal amount of the CBs from the issue date. Interest is payable annually in arrear with the first interest payment date commencing on the date falling one (1) year from the issue date. Each CB will cease to bear interest where the conversion right attached to it has been exercised or from the due date for redemption.</p> <p>For the avoidance of doubt, the Investor may elect to receive any accrued but unpaid interest on the CBs which are the subject of the Conversion Rights either (i) in cash or (ii) by way of issuance by the Company of Conversion Shares (to be issued at the Conversion Price).</p>
Conversion Rights	Unless previously redeemed or purchased and cancelled, and subject to the Definitive Agreements, the CBs may be convertible into Conversion Shares by the Investor at any time during the Conversion Period at the Conversion Price.
Conversion Price	<p>Subject to adjustments as set out in the Anti-dilution Protection clause below, each S\$1.00 of CBs can be converted into Conversion Shares at S\$0.0165 per Conversion Share, fractional entitlement to be disregarded.</p> <p>The Conversion Price of S\$0.0165 per Conversion Share was arrived at following discussions between the Company and the Investor, taking into account, among other things, the prevailing market price of the Shares. The Conversion Price represents a premium of approximately 26.92% to the VWAP of S\$0.0130 per Share for trades done on the Catalist of the SGX-ST on 28 May 2026, being the last full market day which the Shares were traded prior to the Company’s entry into the Term Sheet.</p>

Conversion Period	Subject to and in compliance with the terms and conditions of the CBs to be set out in the Definitive Agreements and any applicable fiscal or other laws or regulations, the Investor may exercise the right to convert the CBs, in whole or in part, into Conversion Shares at any time on or after the date falling 30 days after the issue date of the CBs up to the date falling 5 days prior to the Maturity Date.
Mandatory Conversion	In the event that the closing price of the Shares on the Catalist of the SGX-ST reaches or exceeds the Conversion Price for five (5) consecutive trading days (the “ Mandatory Conversion Event ”), all the aggregate principal amount (and accrued but unpaid interest) of the CBs outstanding shall be mandatorily converted into Conversion Shares.
Redemption	<p>Unless previously redeemed or converted in accordance with the Definitive Agreements, the CBs will be redeemed by the Company at the Maturity Date at a redemption price equal to (i) 100% of the outstanding principal amount of CBs; plus (ii) any accrued and unpaid interest on the outstanding principal amount at the Maturity Date.</p> <p>The Company shall at least one (1) month before the Maturity Date, send a notice of expiry to each holder of CBs, and shall make such announcement of such expiry as may be required under any applicable laws, regulations or the Catalist Rules.</p>
Ranking of CBs	The CBs constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking <i>pari passu</i> and rateably without any preference or priority among themselves and shall rank <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company from time to time outstanding.
Ranking of Conversion Shares	The Conversion Shares will be issued unencumbered and free from any security interests, claims (including pre-emptive rights) or liens and will be freely transferable and will rank <i>pari passu</i> in all respects with all the other existing shares of the Company, except that such Conversion Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which is before the date of allotment and issue of the Conversion Shares. “record date” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

Anti-dilution Protection	The Conversion Price shall from time to time be subject to market standard adjustments in relation to, inter-alia, share consolidation, subdivision or reclassification of Shares, capitalisation of profits or reserves, distributions, rights issues of Shares, options or other securities, issues at less than the Conversion Price then in effect, issues at less than current market price of the shares in Issuer, modification of rights of conversion and other offers to Issuer's shareholders. The adjustments to the Conversion Price will be determined in accordance with market standard formulas to be set out in the Definitive Agreements.
Events of Default	Customary Singapore market events of default in relation to the Company.
Modifications	Any material alteration to the terms and/or conditions of the CBs after the issue thereof to the advantage of the Bondholders must be approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the CBs.
Transferability	The Investor shall not have the right to assign any of its rights herein to any third party without the written consent of the Company.

3.2. Conversion Shares

On conversion of the CBs (including the principal amount and interest payable of S\$40,000 up to the end of Conversion Period), up to 63,030,303 Conversion Shares may be issued by the Company, representing 10.48% of the Company's existing share capital comprising 601,504,356 Shares and 9.48% of the Company's enlarged share capital comprising 664,534,659¹ Shares. The Proposed Fundraising will not result in any transfer of controlling interest in the Company.

The Conversion Shares will be allotted and issued pursuant to the general share issue mandate granted by shareholders of the Company ("**Shareholders**"), by way of an ordinary resolution ("**General Mandate**") at the annual general meeting of the Company held on 30 July 2025 ("**2025 AGM**"). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2025 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a pro-rata basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2025 AGM. As at the date of the 2025 AGM, the Company had 464,104,356 Shares in issue and accordingly, the Company had 232,052,178 Shares available for issuance under the General Mandate other than on a pro-rata basis.

The Company announced on 30 April 2026 and 19 May 2026, it had entered into a binding term sheet and a subscription agreement respectively, with China Music International Limited for the subscription by China Music International Limited of unlisted, interest-bearing, unsecured, redeemable, convertible bonds of an aggregate principal amount of S\$1,000,000 ("**Proposed**

¹ The enlarged share capital of the Company excludes up to 63,030,303 conversion shares which may be issued pursuant to the Proposed China Music International Bond Issuance.

China Music International Bond Issuance”), such convertible bonds being convertible into up to 63,030,303 new ordinary shares in the Company. Accordingly, 169,021,875 Shares available for issuance pursuant to the General Mandate. Therefore, the proposed allotment and issuance of up to 63,030,303 Conversion Shares falls within the limits of the General Mandate.

3.3. Existing warrants or other convertibles

As at the date of this announcement, the Company has S\$550,000 in aggregate principal amount of convertible bonds outstanding (“**Other CBs**”).² The Company is currently assessing if any adjustments have to be made to the number and/or conversion price of the Other CBs that remain outstanding following the completion of the Proposed Fundraising and will make the appropriate announcement and notify holders of such Other CBs if required.

In the event that additional shares are to be issued as a result of such adjustment, the Company will make a separate application to the SGX-ST through its Sponsor for the listing of and quotation for such additional shares on the Catalist of the SGX-ST. An appropriate announcement on the outcome of such application, if necessary, will be made in due course.

As at the date of this announcement, the subscription of the convertible bonds pursuant to the Proposed China Music International Bond Issuance has not yet been completed. The Company will make the appropriate announcements on material developments in relation to the same.

3.4. Conditions Precedent

The completion of the Proposed Fundraising is subject to the following conditions precedent, amongst others:

- (a) trading in Shares on the Catalist of the SGX-ST not being suspended at the time of completion (other than on a temporary basis at the request of the Company);
- (b) the General Mandate being valid, subsisting and adequate for the purposes of the issue of the Conversion Shares;
- (c) the receipt of the LQN (as defined below) for the Conversion Shares on the SGX-ST and the LQN not having been withdrawn, terminated or revoked for any reason prior to the time of completion and if the LQN is subject to conditions, such conditions being satisfied;
- (d) the resolutions of the board of directors of the Company approving the entry into and the completion of the Proposed Fundraising contemplated in the Term Sheet having been duly passed;
- (e) all representations, undertakings and warranties of the Investor in the Definitive Agreements being and continuing to be complied with, true, accurate and correct up to the date of issuance of the CBs and the Conversion Shares as if made on each day up to the date of issuance of the CBs and the Conversion Shares and the Investor not having breached in any manner the terms of the Definitive Agreements, whether such term or such breach is of a material nature, unless waived by the Company; and

² Please refer to the Company’s announcements dated 12 July 2024, 22 July 2024, 26 July 2024, 8 August 2024 and 8 October 2025 for further details on the issuance of the convertible bonds.

- (f) all relevant government or regulatory approvals and waivers and other third party approvals and consents (including but not limited to the SGX-ST), where applicable and/or required, and any conditions imposed by the authorities in giving such approval having been fulfilled (or waived), and such approvals, waivers and other third party approvals not being terminated, revoked or withdrawn, for the issue of the CBs and the Conversion Shares, and the execution, delivery and performance of the Definitive Agreements.

3.5. Deposit

- 3.5.1. The Investor shall pay to the Company an amount of S\$100,000 as deposit (the “**Deposit**”), as a show of good faith and commitment to subscribe for the CBs within three (3) Business Days from the date of signing of the Term Sheet.
- 3.5.2. The Deposit shall be credited in full against the subscription monies payable by the Investor for the issuance of the CBs, and shall not bear interest.
- 3.5.3. The Deposit shall be refunded to the Investor without interest and without deduction, within 14 calendar days in the following circumstances:
 - (a) the Term Sheet is terminated in accordance with paragraph 3.6 below; or
 - (b) the conditions precedent have not been satisfied in full or waived by the long stop date as set out in the Definitive Agreements.

3.6. Termination

- 3.6.1. The Term Sheet shall terminate, without prejudice to any rights or liabilities which may have accrued prior to such termination, upon occurrence of the earlier of:
 - (a) the entry by Parties into the Definitive Agreements;
 - (b) a written agreement by all Parties to terminate the Term Sheet; or
 - (c) thirty (30) days from the date of the Term Sheet.
- 3.6.2. The termination of the Term Sheet howsoever caused shall not affect the accrued rights, obligations and liabilities of the Parties in respect of, or arising out of or in connection with the Term Sheet prior to the date of termination or expiry, including but not limited to the right of any Party to recover losses, damages, costs and expenses against the other Parties.

4. **RATIONALE AND USE OF PROCEEDS**

- 4.1. The Proposed Fundraising will enable the Company to strengthen its financial position and enhance its cash flow, thereby supporting the Group’s working capital requirements, including funding for its ongoing operations and existing as well as new project opportunities. Accordingly, the Company is of the view that the Proposed Fundraising is beneficial to and in the interests of the Company and the Group. The Directors are of the opinion that, after taking into consideration all available financing options, the Proposed Fundraising represents the most appropriate and efficient fundraising option for the Group at this juncture, and that it is in the best interests of the Company to raise funds through the Proposed Fundraising.

- 4.2. The estimated net proceeds (after payment of approximately S\$80,000 in relevant expenses) from the Proposed Fundraising will be S\$920,000 and will be used by the Company for general working capital purposes.
- 4.3. In relation to the net proceeds to be used for general corporate and working capital purposes, it is expected to include corporate administrative expenses and operating expenses for the Group's existing and new projects opportunities. Pending the deployment of the net proceeds, the net proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion but subject to the terms of the Term Sheet, deem fit in the interests of the Company.
- 4.4. The Company will make periodic announcements of utilisation of the net proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and percentage allocated. The Company will also provide a status report on the use of proceeds in the Company's interim and full year financial statements and the Company's annual report. Where there is material deviation from the stated use of the net proceeds, the Company will announce the reasons for such deviation. Where the proceeds have been used for general corporate and/or working capital purposes, the Company undertakes to provide a breakdown with specific details on the use of the proceeds in the announcements and annual reports. Where there is a material deviation in the use of the proceeds, the Company will announce the reasons for such deviation.

5. ADDITIONAL LISTING APPLICATION

Upon entry into the Definitive Agreements, the Company's Sponsor, UOB Kay Hian Private Limited (the "**Sponsor**"), will be submitting an application on behalf of the Company to the SGX-ST for the listing of and quotation for the Conversion Shares on the Catalist of SGX-ST. The Company will make the necessary announcements once the listing and quotation notice ("**LQN**") for the listing of and quotation for the Conversion Shares are obtained from the SGX-ST.

6. DIRECTORS' OPINION

The Directors are of the opinion that, after taking into consideration:

- (a) the Group's present bank facilities, the working capital available to the Group are sufficient to meet its present requirements and the Proposed Fundraising is being undertaken for the purposes set out in paragraph 4 above; and
- (b) the Group's present bank facilities and the net proceeds of the Proposed Fundraising, the working capital available to the Group is sufficient to meet its present requirements.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Fundraising, other than through their respective directorships and/or shareholdings (if any) in the Company.

8. 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 matters stated herein, and the Company and its subsidiaries, 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.

9. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the Proposed Fundraising, including the signing of any Definitive Agreements.

10. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Fundraising will proceed to completion. Shareholders and potential investors are advised to read this announcement, and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Yeo Eng Pu, Charles
Executive Director and Chief Executive Officer

31 May 2026

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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. Lance Tan, Senior Vice President, at 83 Clemenceau Avenue #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.