



Vividthree Holdings Ltd.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201811828R)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31 MARCH 2025**

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The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

Vividthree Holdings Ltd. and its Subsidiaries*(Incorporated in Singapore)***Unaudited Condensed Interim Financial Statements**

For The Six Months And Full Financial Year Ended 31 March 2025

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VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group Six months period ended			Group For the full financial year ended		
		31 Mar 2025 ("2H FY2025") (Unaudited)	31 Mar 2024 ("2H FY2024") (Unaudited)	Change %	31 Mar 2025 ("FY2025") (Unaudited)	31 Mar 2024 ("FY2024") (Audited)	Change %
		\$	\$		\$	\$	
Revenue	4	1,962,613	4,247,003	-53.8%	3,962,362	7,092,933	-44.1%
Cost of sales		(2,167,128)	(3,088,854)	-29.8%	(3,208,980)	(4,427,660)	-27.5%
Gross (loss)/profit		(204,515)	1,158,149	<i>NM</i>	753,382	2,665,273	-71.7%
<i>Other income</i>							
- Interest income	6.2	19,680	17,703	11.2%	47,099	48,748	-3.4%
- Others		110,594	83,405	32.6%	135,215	107,563	25.7%
<i>Other losses - net</i>							
- Total losses on fair value changes in assets and liabilities	6.1	(2,855,411)	3,487	<i>NM</i>	(2,855,411)	3,487	<i>NM</i>
- Total impairment losses on acquired rights, intangible assets and plant and equipment	6.1	(1,496,480)	-	<i>NM</i>	(1,496,480)	-	<i>NM</i>
- Impairment loss on goodwill	6.1	(2,851,917)	-	<i>NM</i>	(2,851,917)	-	<i>NM</i>
- Inventory written down	6.1	(800,000)	-	<i>NM</i>	(800,000)	-	<i>NM</i>
- Expected credit loss on financial assets, net	6.1	(879,108)	-	<i>NM</i>	(879,108)	-	<i>NM</i>
- Others		(90,667)	(57,620)	57.4%	43,697	(282,363)	-115.5%
<i>Expenses</i>							
- Administrative		(1,680,732)	(1,899,296)	-11.5%	(3,516,732)	(3,926,563)	-10.4%
- Finance	6.2	(84,401)	(80,707)	4.6%	(161,132)	(171,397)	-6.0%
Loss before income tax		(10,812,957)	(774,879)	1295.4%	(11,581,387)	(1,555,252)	644.7%
Income tax credit/(expense)	7	136,485	(9,488)	<i>NM</i>	130,996	(8,864)	<i>NM</i>
Net loss for the financial period/year		(10,676,472)	(784,367)	1261.2%	(11,450,391)	(1,564,116)	632.1%
Other comprehensive loss, net of tax:							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation - (losses)/gains		(9,766)	(22,342)	-56.3%	(45,448)	118,480	<i>NM</i>
Items that will not be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation - losses		(375)	-	<i>NM</i>	(375)	-	<i>NM</i>
Total comprehensive loss, for the financial period/year		(10,686,613)	(806,709)	1224.7%	(11,496,214)	(1,445,636)	695.2%

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group			Group		
		Six months period ended			For the full financial year ended		
		31 Mar 2025	31 Mar 2024	Change	31 Mar 2025	31 Mar 2024	Change
		("2H FY2025") (Unaudited)	("2H FY2024") (Unaudited)		("FY2025") (Unaudited)	("FY2024") (Audited)	
		\$	\$	%	\$	\$	%
<i>(continued)</i>							
Net (loss)/profit attributable to:							
Equity holders of the Company		(9,882,976)	(975,752)	912.9%	(10,724,145)	(1,777,813)	503.2%
Non-controlling interests		(793,496)	191,385	NM	(726,246)	213,697	NM
		<u>(10,676,472)</u>	<u>(784,367)</u>	1261.2%	<u>(11,450,391)</u>	<u>(1,564,116)</u>	632.1%
Total comprehensive (loss)/ income attributable to:							
Equity holders of the Company		(9,892,742)	(998,094)	891.2%	(10,769,593)	(1,659,333)	549.0%
Non-controlling interests		(793,871)	191,385	NM	(726,621)	213,697	NM
		<u>(10,686,613)</u>	<u>(806,709)</u>	1224.7%	<u>(11,496,214)</u>	<u>(1,445,636)</u>	695.2%
Loss per share attributable to equity holders of the Company							
Basic and diluted (cents)	8	<u>(2.31)</u>	<u>(0.26)</u>	788.5%	<u>(2.50)</u>	<u>(0.48)</u>	420.8%

NM - not meaningful

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		As at	As at	As at	As at
	Note	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		\$	\$	\$	\$
			(Restated) ⁽¹⁾		
ASSETS					
Current assets					
Cash and cash equivalents		177,898	1,425,134	512	133,621
Trade and other receivables	9	1,175,950	1,719,526	372,970	12,426,108
Deposits and prepayments	20	70,650	3,652,961	3,750	3,750
Inventories		-	800,000	-	-
Other current assets	21	320,859	742,019	-	-
		<u>1,745,357</u>	<u>8,339,640</u>	<u>377,232</u>	<u>12,563,479</u>
Non-current assets					
Other receivables	9	254,100	-	-	-
Plant and equipment	10	40,872	55,489	-	-
Right-of-use assets		149,595	395,713	-	-
Financial assets, at FVPL	11	10,000	1,545,922	10,000	850,000
Investments in films and entertainment events, at FVPL	12	7,243,516	5,687,995	-	-
Investments in subsidiaries	13	-	-	872,490	1,159,390
Goodwill arising on consolidation	14	606,529	3,458,446	-	-
Acquired rights	15	-	1,288,406	-	-
Intangible assets	16	29,774	204,862	-	-
		<u>8,334,386</u>	<u>12,636,833</u>	<u>882,490</u>	<u>2,009,390</u>
Total assets		<u>10,079,743</u>	<u>20,976,473</u>	<u>1,259,722</u>	<u>14,572,869</u>
LIABILITIES					
Current liabilities					
Trade and other payables	17	3,470,454	4,527,227	1,282,452	1,721,380
Contract liabilities	22	544,540	569,335	-	-
Borrowings	18	1,500,823	2,410,528	42,000	-
Lease liabilities		135,822	184,041	-	-
Derivative financial instruments	19	23,238	-	23,238	-
Current income tax liabilities		3,127	135,017	1,085	1,085
		<u>5,678,004</u>	<u>7,826,148</u>	<u>1,348,775</u>	<u>1,722,465</u>
Non-current liabilities					
Borrowings	18	802,106	549,821	639,465	-
Lease liabilities		19,709	219,308	-	-
Provisions		110,933	40,991	-	-
Deferred income tax liabilities		12,609	12,609	-	-
		<u>945,357</u>	<u>822,729</u>	<u>639,465</u>	<u>-</u>
Total liabilities		<u>6,623,361</u>	<u>8,648,877</u>	<u>1,988,240</u>	<u>1,722,465</u>
NET ASSETS/LIABILITIES		<u>3,456,382</u>	<u>12,327,596</u>	<u>(728,518)</u>	<u>12,850,404</u>
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	23	18,459,231	15,959,231	18,459,231	15,959,231
Merger reserve		2,921,000	2,921,000	-	-
Translation reserve		319,221	364,669	-	-
Accumulated losses	24	(18,261,271)	(7,537,126)	(19,187,749)	(3,108,827)
		<u>3,438,181</u>	<u>11,707,774</u>	<u>(728,518)</u>	<u>12,850,404</u>
Non-controlling interests		18,201	619,822	-	-
Total equity		<u>3,456,382</u>	<u>12,327,596</u>	<u>(728,518)</u>	<u>12,850,404</u>

⁽¹⁾ The Group's comparative figures for 31 March 2024 have been restated. Please refer to Note 26 for further details.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Merger reserve	Translation reserve	Accumulated losses		
	\$	\$	\$	\$	\$	\$
Group (Unaudited)						
At 1 April 2024, as previously reported	15,959,231	2,921,000	364,669	(7,537,126)	571,041	12,278,815
Prior year adjustments ⁽¹⁾	-	-	-	-	48,781	48,781
At 1 April 2024, as restated	15,959,231	2,921,000	364,669	(7,537,126)	619,822	12,327,596
Net loss for the financial year	-	-	-	(10,724,145)	(726,246)	(11,450,391)
Other comprehensive loss for the financial year	-	-	(45,448)	-	(375)	(45,823)
Total comprehensive loss for the financial year	-	-	(45,448)	(10,724,145)	(726,621)	(11,496,214)
Adjustment to non-controlling interest arising from prior year's business combination	-	-	-	-	(10,000)	(10,000)
Issuance of new shares in the Company pursuant to the shares placement (Note 23)	2,500,000	-	-	-	-	2,500,000
Issuance of new shares in a subsidiary to a non-controlling interest (Note 13)	-	-	-	-	135,000	135,000
At 31 March 2025	18,459,231	2,921,000	319,221	(18,261,271)	18,201	3,456,382
Group (Restated)						
At 1 April 2023	15,959,231	2,921,000	246,189	(5,759,313)	1,857	13,368,964
Net (loss)/profit for the financial year	-	-	-	(1,777,813)	213,697	(1,564,116)
Other comprehensive income for the financial year	-	-	118,480	-	-	118,480
Total comprehensive income/(loss) for the financial year	-	-	118,480	(1,777,813)	213,697	(1,445,636)
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	355,487	355,487
At 31 March 2024, as previously reported	15,959,231	2,921,000	364,669	(7,537,126)	571,041	12,278,815
Prior year adjustments ⁽¹⁾	-	-	-	-	48,781	48,781
At 31 March 2024, as restated	15,959,231	2,921,000	364,669	(7,537,126)	619,822	12,327,596

(1) The comparative figures for FY2024 have been restated. Please refer to Note 26 for further details.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

Company (Unaudited)

At 1 April 2024

Issuance of new shares in the Company pursuant to the private placement (Note 23)

Total comprehensive loss for the financial year

At 31 March 2025

At 1 April 2023

Total comprehensive loss for the financial year

At 31 March 2024

Attributable to equity holders of the Company

Share capital \$	Accumulated losses \$	Total equity \$
15,959,231	(3,108,827)	12,850,404
2,500,000	-	2,500,000
-	(16,078,922)	(16,078,922)
18,459,231	(19,187,749)	(728,518)
15,959,231	(2,445,458)	13,513,773
-	(663,369)	(663,369)
15,959,231	(3,108,827)	12,850,404

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	For the full financial year ended	
	FY2025	FY2024
	(Unaudited)	(Audited)
	\$	\$
Cash flows from operating activities		
Net loss for the financial year	(11,450,391)	(1,564,116)
Adjustments for:		
- Income tax (credit)/expense	(130,996)	8,864
- Interest income	(47,099)	(48,748)
- Finance expense	161,132	171,397
- Amortisation of intangible assets	139,896	92,376
- Amortisation of acquired rights	139,463	139,463
- Bad debts written off	45,174	-
- Depreciation of plant and equipment	37,289	61,910
- Depreciation of right-of-use assets	211,938	181,596
- Expected credit loss on financial assets	879,108	-
- (Gain)/loss on derecognition of leases	(43,747)	28
- Gain on fair value changes in derivative financial instruments	(32,901)	-
- Loss on disposal of plant and equipment	281	-
- Loss/(Gain) on fair value changes in investment in films and entertainment events	1,774,215	(65,747)
- Loss on fair value changes in financial assets, at FVPL	867,344	62,260
- Over recognition of receivable arising from the fair value of business combination in prior year	246,753	-
- Impairment loss on goodwill arising on consolidation	2,851,917	-
- Impairment loss on acquired rights	1,148,942	-
- Impairment loss on intangible assets	35,192	-
- Impairment loss on plant and equipment	312,346	-
- Inventory written down	800,000	-
- Inventory written off	1,209	-
- Plant and equipment written off	67,850	30,612
- Unrealised foreign currency exchange (gain)/loss	(94,392)	145,614
Operating cash flows before working capital changes	(2,079,477)	(784,491)
Change in working capital:		
- Trade and other receivables	(270,395)	603,776
- Deposits and prepayments	78,914	186,098
- Other current assets	435,284	398,097
- Inventories	(1,209)	-
- Trade and other payables	(887,386)	2,340,056
- Contract liabilities	(35,338)	(391,914)
Cash (used in)/generated from operations	(2,759,607)	2,351,622
Interest received	4,295	2,037
Income tax paid	(322)	(56,086)
Net cash (used in)/provided by operating activities	(2,755,634)	2,297,573
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	-	77,367
Proceeds from disposal of plant and equipment	1,972	-
Additions to plant and equipment	(334,700)	(17,681)
Income from investment in films and entertainment events	178,688	514,376
Proceeds from issuance of new shares in a subsidiary to a non-controlling interest	135,000	-
Net cash (used in)/provided by investing activities	(19,040)	574,062

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	For the full financial year ended	
	FY2025	FY2024
	(Unaudited)	(Audited)
	\$	\$
Cash flows from financing activities		
Interest paid	(123,528)	(171,397)
Proceeds from issuance of new shares pursuant to the private placement	2,500,000	-
Proceeds from issuance of convertible securities	700,000	-
Repayment of borrowings	(1,338,885)	(1,643,949)
Repayment of lease liabilities	(210,765)	(177,771)
Net cash provided by/(used in) financing activities	1,526,822	(1,993,117)
Net changes in cash and cash equivalents	(1,247,852)	878,518
Cash and cash equivalents		
Beginning of financial year	1,425,134	560,797
Effects of currency translation on cash and cash equivalents	616	(14,181)
End of financial year	177,898	1,425,134

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Vividthree Holdings Ltd. (the "Company") is listed on Catalist, the sponsor-supervised listing platform in Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of the Company's registered and principal place of business is located at Block 1093 Lower Delta Road #05-10 Singapore 169204.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are:

- (a) Motion picture, video and television programme post-production and content production activities;
- (b) Providing event management services; and
- (c) Providing advisory and consulting services and communication and media relations solutions.
- (d) Provision and operation family entertainment services

In the previous financial year, the holding company of the Company was mm2 Asia Ltd.. The mm2 Asia Ltd. is incorporated and domiciled in Singapore and listed on Main Board of Singapore Exchange Securities Trading Limited. With effective 1 November 2024, mm2 Asia Ltd. has determined that Vividthree Holdings Ltd. is an associated company as mm2 Asia Ltd did not have de facto control over the Company.

2 Basis of preparation

The condensed interim financial statements for the financial year ended 31 March 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and should be read in conjunction with the Group's latest audited consolidated financial statements as at and for the financial year ended 31 March 2024. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since latest audited annual financial statements for the year ended 31 March 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards ("SFRS(I)s"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

In the current financial year, the Group incurred a net loss of \$11.45 million (2024: \$1.56 million) as a result of recognition of losses from the fair value changes in assets and liabilities, the provision for impairment losses, amortisation charges, inventory write down and the expected credit losses (together referred as "Exceptional Items") which approximately \$8.85 million. Excluding these Exceptional Items, the Group's net loss would be \$2.60 million (2024: \$1.56 million). As at reporting date, the Group's current liabilities exceeded its current assets by \$3.93 million (2024: net current assets of \$0.51 million).

In the current financial year, the Company incurred a net loss of \$16.08 million (2024: \$0.66 million) as a result of provision of expected credit losses of \$14.31 million (2024: \$Nil) on intercompany balances and \$0.73 million (2024: \$Nil) on non-trade receivables. As at reporting date, the Company's current liabilities exceeded its current assets by \$0.97 million (2024: net current assets of \$10.84 million).

Apart from the Exceptional Items above, the Group's losses were mainly due to the change of Group's strategy to focus on intellectual property creation in the digital creative sector in FY2025. Therefore, the Group is prioritising opportunities in the rapidly expanding consumer out-of-home entertainment and edutainment markets across the region. Nonetheless, the Group continues its ongoing corporate actions to raise funds and is currently in negotiation with several strategic investors to raise further fundings for the Group to further strengthen the Group's financial position.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Basis of preparation (continued)

Accordingly, the directors of the Company are of the opinion that the going concern basis in preparing the consolidated financial statements under the going concern assumption of the financial year ended 31 March 2025 is appropriate.

The financial statements did not include any adjustments that may result the Group unable to continue as a going concern. In the event that the Group is unable to continue as a going concern, adjustments may need to be made to reflect the situation where assets may need to be realised other than at their current recorded amounts in the statements of financial position. Additionally, the Group may have to provide further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

2.1 New and amended standards adopted by the Group

The Group has adopted the new and revised SFRS(I)s and SFRS(I) INTs which are relevant to the Group's operations and become effective for financial periods beginning on or after 1 April 2024. The adoption of these new and revised SFRS(I)s and SFRS(I) INTs does not result in changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current and/or prior periods.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2025.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

(a) Impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. This requires an estimation of the recoverable amount of the cash-generating units ("CGU") to which the goodwill are allocated, through the valuation method of fair value less cost to disposal or value-in-use.

As disclosed in Note 14 to the Condensed Interim Financial Statements, impairment loss on goodwill is recognised as at 31 March 2025.

(b) Expected credit losses of trade and other receivables and deposits

Expected credit losses ("ECL") on trade and other receivables and deposits are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

In accordance with SFRS(I) 9 *Financial Instruments*, the Group determines the allowance for expected credit losses ("ECL") on trade receivables by assessing the lifetime ECL. This assessment takes into consideration the Group's historical default probabilities, which are adjusted for forward-looking factors and the specific economic environment relevant to the respective group of the debtors. Other receivables and deposits are generally measured at an amount equal to 12-months ECL. However, if the credit quality deteriorates and the credit risk associated with other financial assets significantly increases after their initial recognition, the 12-months ECL is replaced by the lifetime ECL.

As a result of assessment, the Group has recognised additional allowance for ECL on trade and other receivables of \$0.88 million in the current financial year.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

(c) Valuation of financial assets, at FVPL

The Group carries certain of its financial assets at fair value through profit or loss ("FVPL") and the changes in FVPL are recognised in profit or loss. Where available, fair value measurements are derived from prices quoted in active markets for identical assets. In the absence of such information, other observable inputs are used to estimate fair value. Inputs derived from external sources are corroborated or otherwise verified, as appropriate.

(d) Valuation of investments in films and entertainment events, at FVPL

Investments in films and entertainment events refer to the Group's participation in the films and entertainment events with an entitlement to share a certain percentage of income generated from the investment in accordance with the terms of the contractual agreement. The Group measured, at initial recognition, the cost of the investment based on the cash considerations for these investments. Their carrying amounts at the end of the reporting period represent the fair values of the estimated net future cash flows from these investments attributable to the Group.

(e) Valuation of acquired rights

The costs of acquired rights will be amortised over the economic benefits period (over maximum of 10 years' useful life or its contractual period). The amortisation period and method for these acquired rights will be reviewed annually and it will be subject to impairment assessment whenever there is an indication that it may be impaired. Additional amortisation and/or impairment are made if estimated projected cash flows are materially different from the previous estimation.

During the financial year ended 31 March 2025, the Group has considered the existence of impairment indicators resulting from external factors. Consequently, the management has assessed the recoverable amount of these acquired rights as at 31 March 2025. The determination of the recoverable amount was based on projected income throughout the remaining useful lives of these acquired rights ("projection"). As part of the impairment assessment, the management, at their best knowledge and experience, estimated the income that the Group is expected to generate from the exploitation and exhibition of these acquired rights throughout their remaining useful lives and/or its contractual period. As at 31 March 2025, additional impairment loss amounting to \$1.15 million has been recognised, as the recoverable amount of these acquired rights is lower than their carrying amount.

(f) Valuation of other current assets

Other current assets of the Group represents the assets recognised for costs incurred to fulfil a contract, which is the future events relating to digital media and digital and live experience production services. The Group shall recognise an impairment loss in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates less the costs that relate directly to providing those services and that have not been recognised as expenses.

In assessing the impairment of other current assets, judgements are used to estimate the remaining amount of consideration that the Group is expected to receive and the costs that relate directly to providing the services.

Management has assessed that the remaining amount of consideration less cost to complete is expected to be higher than the carrying amount of other current assets, accordingly, no impairment is required.

3 Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Segment and revenue information

The Group's Chief Operating Decision-Maker ("CODM") comprises the Chief Executive Officer, Chief Operating Officer, Chief Content Officer, Financial Controller, and the heads of each business within the operating segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The Group is organised into 2 operating segments, namely (a) Digital Media & Live Experience Production, comprising digital media production and digital & live experience production and (b) public relations services. This is based on the Group's internal organisation and management structure and the primary way in which the CODM is provided with the financial information.

The three operating segments are mainly:

(a) Digital Media & Live Experience Production

(i) Digital & live experience production

Digital & live experience production refers to the production of immersive experiential content for Meeting, Incentives, Conferences and Events (MICE) by developing the Group's digital intellectual property assets ("IP") or acquired IP from third parties, and licensing the IP to third parties such as venue owners and show promoters to use these for commercial, marketing and/or promotion purposes.

(ii) Digital media production

Digital media production refers to the services in visual effects, computer-generated imagery services and immersive media works for feature films, commercials, projection mapping and other post-production services. The services are mainly related to motion picture, video and television programme post-production services.

(b) Public Relations

Public relations services refers to the services in management consultancy services and communications and media relations solutions.

(c) Others

Others consist of revenue from provision of family entertainment service.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.1 Reportable segment

The segment information provided to the CODM for the reportable segments are as follows:

	Group Six months period ended			
	Digital Media & Live Experience Production \$	Public Relations \$	Others \$	Total \$
1 October 2024 to 31 March 2025 ("2H FY2025")				
Revenue				
- External parties	1,402,391	555,483	4,739	1,962,613
Loss before interest, tax, depreciation amortisation, impairment loss, fair value change and unrealised foreign exchange	(1,835,058)	(564,029)	(76,491)	(2,475,578)
Unrealised foreign exchange (losses)/gains	(29,828)	31	-	(29,797)
Amortisation of intangible assets	(59,647)	-	-	(59,647)
Amortisation of acquired rights	(36,131)	-	-	(36,131)
Depreciation of plant and equipment	(9,646)	(2,716)	(6,510)	(18,872)
Depreciation of right-of-use assets	(47,178)	(17,069)	(40,476)	(104,723)
Impairment loss on goodwill	(2,851,917)	-	-	(2,851,917)
Impairment loss on acquired rights	(1,148,942)	-	-	(1,148,942)
Impairment loss on intangible asset	(35,192)	-	-	(35,192)
Impairment loss on plant and equipment	-	-	(312,346)	(312,346)
Loss on fair value change for investment in films and entertainment events	(1,774,215)	-	-	(1,774,215)
Loss on fair value changes on financial assets	(867,344)	-	-	(867,344)
Over recognition of receivable arising from the fair value of business combination in prior year	-	(246,753)	-	(246,753)
Inventory written down	(800,000)	-	-	(800,000)
Gain on fair value changes for derivative financial instrument	32,901	-	-	32,901
Finance expenses	(70,899)	(9,718)	(3,784)	(84,401)
Loss before income tax	(9,533,096)	(840,254)	(439,607)	(10,812,957)
Income tax credit/(expense)	142,329	(5,844)	-	136,485
Net loss for the financial period	(9,390,767)	(846,098)	(439,607)	(10,676,472)

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.1 Reportable segment (Continued)

The segment information provided to the CODM for the reportable segments are as follows: (continued)

	Group			
	Six months period ended			
	Digital & Live Experience Production	Public Relations	Others	Total
	\$	\$	\$	\$
1 October 2023 to 31 March 2024 ("2H FY2024")				
Revenue				
- External parties	2,651,068	1,595,935	-	4,247,003
(Loss)/Gain before interest, tax, depreciation amortisation, impairment loss, fair value change and unrealised foreign exchange	(1,079,214)	348,894	-	(730,320)
Unrealised foreign exchange gains/(losses)	209,893	(12)	-	209,881
Gain on fair value change for investment in films and entertainment events	65,747	-	-	65,747
Amortisation of intangible assets	36,733	-	-	36,733
Amortisation of acquired rights	(93,308)	-	-	(93,308)
Depreciation of plant and equipment	(20,936)	(10,273)	-	(31,209)
Depreciation of right-of-use assets	(47,123)	(42,313)	-	(89,436)
Loss on fair value changes on financial assets	(62,260)	-	-	(62,260)
Finance expenses	(66,262)	(14,445)	-	(80,707)
(Loss)/profit before income tax	(1,056,730)	281,851	-	(774,879)
Income tax expense	-	(9,488)	-	(9,488)
Net (loss)/profit for the financial period	(1,056,730)	272,363	-	(784,367)

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.1 Reportable segment (continued)

The segment information provided to the CODM for the reportable segments are as follows: (continued)

	Group			
	For the full financial year ended			
	Digital & Live Experience Production \$	Public Relations \$	Others \$	Total \$
1 April 2024 to 31 March 2025 ("12M FY2025")				
Revenue				
- External parties	1,937,431	2,020,192	4,739	3,962,362
Loss before interest, tax, depreciation amortisation, impairment loss, fair value change and unrealised foreign exchange	(2,537,552)	(380,355)	(64,346)	(2,982,253)
Unrealised foreign exchange gains	94,275	117	-	94,392
Amortisation of intangible assets	(139,896)	-	-	(139,896)
Amortisation of acquired rights	(139,463)	-	-	(139,463)
Depreciation of plant and equipment	(24,720)	(6,059)	(6,510)	(37,289)
Depreciation of right-of-use assets	(94,329)	(77,133)	(40,476)	(211,938)
Impairment loss on goodwill	(2,851,917)	-	-	(2,851,917)
Impairment loss on acquired rights	(1,148,942)	-	-	(1,148,942)
Impairment loss on intangible assets	(35,192)	-	-	(35,192)
Impairment loss on plant and equipment	-	-	(312,346)	(312,346)
Loss on fair value change for investment in films and entertainment events	(1,774,215)	-	-	(1,774,215)
Loss on fair value changes on financial assets	(867,344)	-	-	(867,344)
Over recognition of receivable arising from the fair value of business combination in prior year	-	(246,753)	-	(246,753)
Inventory written down	(800,000)	-	-	(800,000)
Gain on fair value changes for derivative financial instrument	32,901	-	-	32,901
Finance expenses	(133,803)	(23,545)	(3,784)	(161,132)
Loss before income tax	(10,420,197)	(733,728)	(427,462)	(11,581,387)
Income tax credit	144,329	(13,333)	-	130,996
Net loss for the financial year	(10,275,868)	(747,061)	(427,462)	(11,450,391)

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.1 Reportable segment (Continued)

The segment information provided to the CODM for the reportable segments are as follows: (continued)

	Group			
	For the full financial year ended			
	Digital & Live Experience Production	Public Relations	Others	Total
	\$	\$	\$	\$
1 April 2023 to 31 March 2024 ("12M FY2024")				
Revenue				
- External parties	4,409,559	2,683,374	-	7,092,933
(Loss)/Gain before interest, tax, depreciation amortisation, impairment loss, fair value change and unrealised foreign exchange	(1,195,009)	428,626	-	(766,383)
Unrealised foreign exchange losses	(145,629)	15	-	(145,614)
Gain on fair value change for investment in films and entertainment events	65,747	-	-	65,747
Amortisation of intangible assets	(92,376)	-	-	(92,376)
Amortisation of acquired rights	(139,463)	-	-	(139,463)
Depreciation of plant and equipment	(55,420)	(6,490)	-	(61,910)
Depreciation of right-of-use assets	(98,936)	(82,660)	-	(181,596)
Loss on fair value changes on financial assets	(62,260)	-	-	(62,260)
Finance expenses	(147,536)	(23,861)	-	(171,397)
(Loss)/profit before income tax	(1,870,882)	315,630	-	(1,555,252)
Income tax expense	-	(8,864)	-	(8,864)
Net (loss)/profit for the financial year	(1,870,882)	306,766	-	(1,564,116)

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.2 Disaggregation of Revenue

The Group derives revenue from the transfer of services at a point in time in the following types of services and geographical regions.

	Group Six months period ended		Group For the full financial year ended	
	2H FY2025	2H FY 2024	FY2025	FY2024
	\$	\$	\$	\$
<i>At a point in time</i>				
Digital media production	1,402,391	818,840	1,935,841	1,603,931
Digital & live experience production	-	1,832,228	1,590	2,805,628
Others	4,739	-	4,739	-
	<u>1,407,130</u>	<u>2,651,068</u>	<u>1,942,170</u>	<u>4,409,559</u>
<i>At over time</i>				
Public relations services	555,483	1,595,935	2,020,192	2,683,374
	<u>1,962,613</u>	<u>4,247,003</u>	<u>3,962,362</u>	<u>7,092,933</u>

Geographical regions based on location of customers

Singapore	1,097,836	3,643,957	2,488,003	5,638,272
Malaysia	9,114	459,061	480,884	871,935
Japan	71,771	334	143,677	141,877
Taiwan	250,000	-	250,000	-
Thailand	411,811	-	411,811	-
China	-	110,000	-	355,000
Others	122,081	33,651	187,987	85,849
	<u>1,962,613</u>	<u>4,247,003</u>	<u>3,962,362</u>	<u>7,092,933</u>

4.2A Breakdown of sales

	Group		
	12-month period ended FY2025	12-month period ended FY2024	Increase/ (Decrease)
	\$	\$	
Revenue reported for the first half year	1,999,749	2,845,930	-30%
Loss after tax before deducting non-controlling interests reported for first half year	(773,919)	(779,749)	-1%
Revenue reported for the second half year	1,962,613	4,247,003	-54%
Loss after tax before deducting non-controlling interests reported for second half year	<u>(10,676,472)</u>	<u>(774,879)</u>	1278%

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and of the Company as at 31 March 2025 and 31 March 2024:

	Group		Company	
	As at 31 Mar 2025	As at 31 Mar 2024	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$	\$	\$
Financial assets at amortised cost	1,686,845	6,705,954	372,970	12,559,729
Financial assets, at FVPL	10,000	1,545,922	10,000	850,000
Investments in films and entertainment events	7,243,516	5,687,995	-	-
Financial liabilities, at FVPL	23,238	-	23,238	-
Financial liabilities at amortised cost	<u>5,928,914</u>	<u>7,890,925</u>	<u>1,963,917</u>	<u>1,721,380</u>

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Loss before taxation

6.1 Significant items in other gains/(losses)

	Group Six months period ended		Group For the full financial year ended	
	2H FY2025	2H FY 2024	FY2025	FY2024
	\$	\$	\$	\$
Gain on fair value changes in derivative financial instruments	32,901	-	32,901	-
(Loss)/Gain on fair value changes in investment in films and entertainment events	(1,774,215)	65,747	(1,774,215)	65,747
Loss on fair value changes in financial assets, at FVPL	(867,344)	(62,260)	(867,344)	(62,260)
Over recognition of receivable arising on fair value of business combination in prior year	(246,753)	-	(246,753)	-
<i>Total losses on fair value changes in assets and liabilities</i>	<i>(2,855,411)</i>	<i>3,487</i>	<i>(2,855,411)</i>	<i>3,487</i>
Impairment loss on acquired rights	(1,148,942)	-	(1,148,942)	-
Impairment loss on intangible assets	(35,192)	-	(35,192)	-
Impairment loss on plant and equipment	(312,346)	-	(312,346)	-
<i>Total impairment losses on acquired rights, intangible assets and plant and equipment</i>	<i>(1,496,480)</i>	<i>-</i>	<i>(1,496,480)</i>	<i>-</i>
Impairment loss on goodwill arising on consolidation	(2,851,917)	-	(2,851,917)	-
Inventory written down	(800,000)	-	(800,000)	-
Expected credit loss on financial assets, net	(879,108)	-	(879,108)	-

6.2 Other significant items

Loss before income tax is arrived at after charging/(crediting):

	Group Six months period ended		Group For the full financial year ended	
	2H FY2025	2H FY 2024	FY2025	FY2024
	\$	\$	\$	\$
Amortisation of intangible assets	59,647	(36,733)	139,896	92,376
Amortisation of acquired rights	36,131	93,308	139,463	139,463
Depreciation of plant and equipment	18,872	31,209	37,289	61,910
Depreciation of right-of-use assets	104,723	89,436	211,938	181,596
Employees compensation	1,570,829	1,914,789	3,416,294	3,591,451
Finance expenses	84,401	80,707	161,132	171,397
Interest income	(19,680)	(17,703)	(47,099)	(48,748)

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Loss before taxation (continued)

6.3 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	Group Six months period ended		Group For the full financial year ended	
	2H FY2025	2H FY 2024	FY2025	FY2024
	\$	\$	\$	\$
<u>Former holding company</u>				
Purchase of services	-	20,000	-	20,000
<u>Related parties</u>				
Sales of services	35,100	134,650	127,600	191,950
Purchase of services	20,000	-	20,806	-
Lease expenses	15,015	954	16,001	1,865

7 Taxation

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Group Six months period ended		Group For the full financial year ended	
	2H FY2025	2H FY 2024	FY2025	FY2024
	\$	\$	\$	\$
Tax expense attributable to loss is made up of:				
Loss for the financial year:				
- Current income tax	(5,844)	(9,488)	(13,334)	-
Over/(Under) provision in prior financial years:				
- Current income tax	142,329	-	144,330	(8,864)
Income tax credit/(expense)	136,485	(9,488)	130,996	(8,864)

8 Loss per share

The calculation of the basic loss per share is based on the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group Six months period ended		Group For the full financial year ended	
	2H FY2025	2H FY 2024	FY2025	FY2024
Net loss attributable to equity holders of the Company (\$)	(9,882,976)	(975,752)	(10,724,145)	(1,777,813)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share	428,332,245	371,511,764	428,332,245	371,511,764
Basic and diluted loss per share (cents)	(2.31)	(0.26)	(2.50)	(0.48)

The Company has up to 13,766,665 shares under the issuance of convertible securities on 8 August 2024 which represents approximately 2.97% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. These shares are not included in the calculation of diluted loss per share above because they are antidilutive and having the effect of decreasing the loss per share.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9 Trade and other receivables

	Group		Company	
	As at 31 Mar 2025	As at 31 Mar 2024	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$	\$	\$
Group				
Current				
Trade receivables				
- Non-related parties	735,758	530,778	-	-
- Related parties	196,946	5,962	-	-
- Unbilled receivables	4,631	135,164	-	26,300
	<u>937,335</u>	<u>671,904</u>	<u>-</u>	<u>26,300</u>
Less: Expected credit loss allowance				
- Non-related parties	(61,710)	(30,245)	-	-
Trade receivables - net	<u>875,625</u>	<u>641,659</u>	<u>-</u>	<u>26,300</u>
Other receivables				
- Non-related parties	1,228,478	1,107,136	734,976	70,193
- Subsidiaries	-	-	14,680,168	12,344,615
- Related parties	4,885	53,995	-	-
	<u>1,233,363</u>	<u>1,161,131</u>	<u>15,415,144</u>	<u>12,414,808</u>
Less: Expected credit loss allowance				
- Non-related parties	(933,038)	(83,264)	(734,976)	(15,000)
- Subsidiaries	-	-	(14,307,198)	-
	<u>300,325</u>	<u>1,077,867</u>	<u>372,970</u>	<u>12,399,808</u>
	<u>1,175,950</u>	<u>1,719,526</u>	<u>372,970</u>	<u>12,426,108</u>
Non-current				
Other receivables				
- Non-related parties	<u>254,100</u>	<u>-</u>	<u>-</u>	<u>-</u>

The non-current other receivables (non-related parties) are non-trade in nature, unsecured, interest-free and repayable in more than 12 months.

Related parties of the Group and of the Company are entities controlled and be able to exercise significant influence by mm2 Asia Ltd., the formerly holding company.

The trade receivables aging of the Group is analysed as follows:

	Group	
	As at 31-Mar-25	As at 31 Mar 2024
	\$	\$
Below 3 months	716,805	477,682
3 - 6 months	7,404	114,917
6 - 12 months	164,853	45,162
Above 12 months	<u>48,273</u>	<u>34,143</u>
	<u>937,335</u>	<u>671,904</u>
Expected credit loss allowance ("ECL")	<u>(61,710)</u>	<u>(30,245)</u>
	<u>875,625</u>	<u>641,659</u>

The Group reviews its accounts receivables on an ongoing basis. The Group's total trade and other receivables as at 31 March 2025 have decreased by \$0.29 million from \$1.72 million as at 31 March 2024 to \$1.43 million as at 31 March 2025, representing a 17% mainly due to recognition of expected credit loss allowance for other receivables in FY2025, which is offset against the increases of \$0.23 million in trade receivables from \$0.64 million as at 31 March 2024 to \$0.88 million as at 31 March 2025 as result of certain projects being completed and the relevant billings being issued in the same quarter. The Group will continue to monitor and increase its efforts to collect the receivables.

The Board of directors are of the view that the methodology used of expected credit loss is in line with the Group's accounting policies and SFRS(I) (as disclosed in Note 2.2 in this Condensed Interim Consolidated Financial Statements) and as a result of the assessment of the recoverability, the expected credit losses is adequate as at reporting date.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Plant and equipment

Group	\$
At 31 Mar 2025	
Carrying amount at beginning of financial year	55,489
Additions	404,642
Disposal	(2,253)
Depreciation during the financial year	(37,289)
Impairment during the financial year	(312,346)
Write off	(67,850)
Currency translation differences	479
Carrying amount at end of financial year	<u>40,872</u>
At 31 Mar 2024	
Cost	1,290,934
Accumulated depreciation	(1,235,445)
Carrying amount at end of financial year	<u>55,489</u>

The depreciation charge for the year is included in administrative expenses amounting to \$37,289 (FY2024: \$61,910).

11 Financial assets, at fair value through profit or loss ("FVPL")

	Group		Company	
	As at 31 Mar 2025	As at 31 Mar 2024	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$	\$	\$
Financial assets designated at FVPL:				
<u>Unquoted securities</u>				
- Singapore	-	140,000	-	140,000
- United States	10,000	10,000	10,000	10,000
	<u>10,000</u>	<u>150,000</u>	<u>10,000</u>	<u>150,000</u>
<u>Unquoted convertible loans</u>				
- Singapore	-	700,000	-	700,000
- Malaysia	-	695,922	-	-
	<u>-</u>	<u>1,395,922</u>	<u>-</u>	<u>700,000</u>
	<u>10,000</u>	<u>1,545,922</u>	<u>10,000</u>	<u>850,000</u>

The movement of the financial assets, FVPL of the Group and of the Company is as follows:

	Group		Company	
	As at 31 Mar 2025	As at 31 Mar 2024	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$	\$	\$
Beginning of financial year	1,545,922	1,649,029	850,000	900,000
Reclassification to non-trade receivables	(700,000)	-	(700,000)	-
Loss on fair value changes - net	(867,344)	(62,260)	(140,000)	(50,000)
Currency translation differences	31,422	(40,847)	-	-
End of financial year	<u>10,000</u>	<u>1,545,922</u>	<u>10,000</u>	<u>850,000</u>

The fair value of unquoted securities and convertible loans are classified in Level 3 of the fair value hierarchy (inputs for the asset or liability that are not based on observable market data (unobservable inputs)).

In the current financial year, an unquoted convertible bond amounting to \$700,000 have been reclassified to non-trade receivables upon its maturity.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12 Investments in films and entertainment events, at FVPL

The movement of investment in films and entertainment events designated at FVPL:

	Group	
	As at	As at
	31 Mar 2025	31 Mar 2024
	\$	\$
At the beginning of the year	5,687,995	6,215,828
Utilisation of deposit paid in prior years for investment in film (Note 20)	3,500,000	-
Disposal	-	(514,376)
Income from investments	(178,688)	-
(Loss)/gain on fair value changes - net	(1,774,215)	65,747
Currency translation differences	8,424	(79,204)
End of financial year	<u>7,243,516</u>	<u>5,687,995</u>

Investments in films and entertainment events refer to the Group's participation in the films and entertainment events with an entitlement to share a certain percentage of income generated from the investment in accordance with the terms of the contractual agreement. The Group measured, at initial recognition, the cost of the investment based on the cash considerations for these investments. Their carrying amounts at the end of the reporting period represent the fair values of the estimated net future cash flows from these investments attributable to the Group.

13 Investments in subsidiaries

	Company	
	As at	As at
	31 Mar 2025	31 Mar 2024
	\$	\$
<i>Equity investments at cost</i>		
Beginning of financial year	1,159,390	461,900
Additions	165,000 ^(a)	697,490 ^(b)
	<u>1,324,390</u>	<u>1,159,390</u>
Less: Impairment during the financial year	(451,900)	-
End of financial year	<u>872,490</u>	<u>1,159,390</u>

(a) On 23 August 2024, the Company subscribed additional shares of 160,500 in its subsidiary, K.Studio Entertainment Pte Ltd (formerly known as Beyond Digital Galaxy Pte Ltd) ("K.STUDIO"), for an amount of \$165,000. On the same date, K.STUDIO increased its paid-up ordinary shares from 10,000 shares to 310,000 shares, and K.Star Management Pte Ltd. subscribed 139,500 shares for cash consideration of \$135,000 in K.STUDIO. As a result, the Company's equity interest has diluted from 100% to 55% without loss of control.

(b) On 27 May 2023, the Company had completed a sale and purchase agreement ("SPA") with Quin Yeo Chow In and Foo JinZhong Jeremy (the "Vendor") for the acquisition 30% of issued and paid-up share capital in Elliot Communications Pte. Ltd. ("Elliot Communications") for a total purchase consideration of \$697,490. The purchase consideration was comprising \$308,000 for Vendor's shares and \$389,490 for subscription of new shares in Elliot Communications. On the same day, the Company, Vendor and Elliot Communications entered a shareholders agreement ("SHA"). Pursuant to the SHA, the Company had exercised its rights and had appointed a representative as a director and chairman of Elliot Communications that constituted a majority control in the board of Elliot Communications. In compliance with SFRS (I) 10 - *Consolidated Financial Statements*, management had assessed and determined that Elliot Communication is a subsidiary of the Company.

In the current financial year, the Company has recognised impairment losses of \$451,900 on its cost of investments in three wholly-owned subsidiaries, namely, Vividthree Co. Ltd, Vividthree Productions Pte Ltd and Vividthree Productions Sdn. Bhd..

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 Goodwill arising on consolidation

	Group	
	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$
		(Restated)
<i>Cost and carrying amount</i>		
Beginning of financial year		
- As previously reported	3,397,056	2,851,917
- Prior year adjustment (Note 26)	61,390	-
<i>At the beginning of the financial year, restated</i>	3,458,446	2,851,917
Additions	-	606,529
Impairment during the year	(2,851,917)	-
End of financial year	606,529	3,458,446

The acquisition of Elliot Communications Pte. Ltd. and its subsidiaries ("Elliot Communications") was completed during the financial year ended 31 March 2024. The initial purchase price allocation to identifiable net assets acquired was assessed and finalised during the financial year ended 31 March 2025. The changes in the fair values of the net assets acquired was retrospectively recognised in the financial year ended 31 March 2024 and the effect of the adjustments was disclosed in Note 26. The restated goodwill of \$606,529 is allocated to the Public Relations Segment.

The Group's impairment assessment on the recoverable amount involves significant judgement and estimation made by management in preparing cash flow projections to determine the recoverable amount of goodwill using the value in use method. As at 31 March 2025, the Group has recognised an impairment loss of \$2,851,917 on its Cash Generating Unit (CGU) in post-production business as the CGU's recoverable amount is lower than its carrying amount. There is no impairment is require for the CGU in Public Relations Segment as at 31 March 2025 as the CGU's recoverable amount exceeds its carrying amount.

15 Acquired rights

	Group	
	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$
Cost		
Beginning and end of financial year	1,673,893	1,673,893
Accumulated amortisation		
Beginning of financial year	385,487	246,024
Amortisation charge for the year	139,464	139,463
End of financial year	524,951	385,487
Accumulated impairment		
Beginning of financial year	-	-
Impairment during the year	1,148,942	-
End of financial year	1,148,942	-
Carrying amount		
End of financial year	-	1,288,406

Acquired rights comprised of intellectual property rights.

The amortisation charge for the year is included in cost of sales amounting to \$139,463 (FY2024: \$139,463).

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16 Intangible assets

	Group	
	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$
Cost		
Beginning of financial year	1,565,624	1,505,050
Additions	-	347
Write off	(320,002)	-
Acquisition of subsidiary	-	74,421
Currency translation differences	-	(14,194)
End of financial year	1,245,622	1,565,624
Accumulated amortisation		
Beginning of financial year	1,360,762	1,282,580
Amortisation charge for the year	139,896	92,376
Written off	(320,002)	-
Currency translation differences	-	(14,194)
End of financial year	1,180,656	1,360,762
Accumulated impairment		
Beginning of financial year	-	-
Impairment during the year	35,192	-
End of financial year	35,192	-
Carrying amount		
End of financial year	29,774	204,862

Intangible assets consist of self-developed immersive content, softwares and licenses. The accounting policy applied is in consistent with the recent annual report.

The amortisation charge for the year is included in cost of sales amounting to \$139,896 (FY2024:\$92,376).

17 Trade and other payables

	Group		Company	
	As at 31 Mar 2025	As at 31 Mar 2024	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$	\$	\$
Trade payables				
- Non-related parties	1,006,576	2,350,660	-	-
- Related parties	18,837	4,537	-	-
	1,025,413	2,355,197	-	-
Other payables				
- Non-related parties	350,476	272,000	169,360	162,710
- Former holding company	-	26,015	-	26,008
- Subsidiaries	-	-	534,800	379,192
- Related parties	298,780	1,391	46,237	229
- Director	216,272	-	-	-
	865,528	299,406	750,397	568,139
Accruals	1,105,513	1,089,564	532,055	653,241
Deposit received	474,000	783,060	-	500,000
	3,470,454	4,527,227	1,282,452	1,721,380

Related parties of the Group and of the Company are:

- entities controlled and be able to exercise significant influence by mm2 Asia Ltd., the formerly holding company.
- individuals who interest in the Company but not able to exercise significant influence by these individuals.

The other payable to a director is in relation to corporate and project expenses incurred by a director on behalf of the Group and are non-trade in nature, unsecured, interest-free and repayable on demand.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18 Bank borrowings

	Group	
	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$
<u>Amount repayable within one year</u>		
Bank borrowings	1,458,823	2,410,528
Convertibles securities	42,000	-
	<u>1,500,823</u>	<u>2,410,528</u>
<u>Amount repayable after one year</u>		
Bank borrowings	162,641	549,821
Convertibles securities	639,465	-
	<u>802,106</u>	<u>549,821</u>
<i>Total borrowings</i>		
Bank borrowings	1,621,464	2,960,349
Convertibles bonds	681,465	-
	<u><u>2,302,929</u></u>	<u><u>2,960,349</u></u>

The securities for the borrowings are as follow:

- (i) Bank borrowings amounted to \$1,330,544 (2024: \$2,520,736) is secured by corporate guarantees from the Company and fixed charge over proceeds account of a subsidiary; and
- (ii) Bank borrowings amounted to \$290,920 (2024: \$439,613) is secured by personal guarantee from a non-controlling interest.

On 8 August 2024, the Company entered into convertible bonds subscription agreement with various subscribers to issue unsecured convertible bonds totaling \$700,000 in aggregate principal amount at a conversion price of \$0.06 per share, carrying a coupon rate of 6% per annum and matures on the third anniversary of their respective dates of issue. As at 31 March 2025, the total amount of convertible securities is recorded at \$681,465, after taking into the consideration of the fair value of derivatives financial instruments (Note 19) and accounted as amortised cost.

At each reporting period, the Group is required to meet certain financial covenants imposed for the bank borrowings. In FY2025, the Group obtained a letter from a bank with a new condition that if the bank determined such financial covenant not be met by the Company in current financial year, the borrowing amounted to \$1.0 million as at 31 March 2025 will become repayable in 12 equal monthly instalments commencing 30 September 2025. However, the facility line will be reinstated once the bank is satisfied that all the financial covenants are met in subsequent periods. There is no effect to the presentation of the financial statements as such amount is classified as current liabilities in the statement of financial position as at 31 March 2025.

19 Derivative financial instruments

	Group	
	As at 31 Mar 2025	As at 31 Mar 2024
	\$	\$
Movement of derivative financial instruments are as follows:		
Beginning of the financial year	-	-
Initial recognition at date of issuance of convertible securities	56,139	-
Gain on fair value changes	(32,901)	-
End of the financial year	<u><u>23,238</u></u>	<u><u>-</u></u>

The derivative financial instruments arose from the issuance of unsecured convertibles securities issued by the Company to various subscribers on 8 August 2024. The derivative financial instruments are measured at fair value.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20 Deposits and prepayments

The deposit of the Group of \$3,500,000 from prior years was utilised for investments in films and entertainment events during this financial year and has been reclassified to investments in films and entertainment events. Refer Note 12.

21 Other current assets

Other current assets relate to costs incurred to fulfill revenue contracts related to direct costs incurred for revenue contracts in progress as at 31 March 2025 and 31 March 2024. The Group expects the capitalised costs to be fully recovered, hence no impairment loss has been recognised.

22 Contract liabilities

Contract liabilities related to billings in advance to customers for contract services to be fulfilled. The related amounts are recognised as revenue when the Group fulfils its performance obligation under the contract with the customers which generally does not exceed one year.

23 Share capital

	Group and Company	
	No. of shares	Amount \$
As at 31 March 2025		
Beginning of financial year	371,511,764	15,959,231
Additional	92,592,592	2,500,000
End of financial year	<u>464,104,356</u>	<u>18,459,231</u>
As at 31 March 2024		
Beginning and end of financial year	<u>371,511,764</u>	<u>15,959,231</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

There were no treasury shares and subsidiary holdings as at the end of the current financial year and as at the end of the corresponding period of the immediately preceding financial year.

Other than the convertible securities disclosed in Note 18, the Company does not have any other outstanding convertible securities.

On 12 July 2024, the Company had entered into placement agreement with subscribers to subscribe for the placement of an aggregate of 92,592,592 ordinary shares in the capital of the Company at a placement price of \$0.027 for each placement share for total consideration of \$2,500,000. The placement was completed on 24 September 2024.

24 Accumulated losses - Company

Movement in accumulated losses of the Company is as follows:

	Company	
	31 Mar 2025 \$	31 Mar 2024 \$
Beginning of financial year	(3,108,827)	(2,445,458)
Net loss during the year	<u>(16,078,922)</u>	<u>(663,369)</u>
End of financial year	<u>(19,187,749)</u>	<u>(3,108,827)</u>

Included in the net loss during the current financial year is provision of expected credit losses of \$14.31 million (2024: Nil) on the amount owing by subsidiaries and \$0.73 million (2024: Nil) on non-trade receivables.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25 Net asset value

	Group		Company	
	As at	As at	As at	As at
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	\$	\$	\$	\$
Net assets/(liabilities) value attributable to equity holders of the Company (\$)	<u>3,438,181</u>	<u>11,707,774</u>	<u>(728,518)</u>	<u>12,850,404</u>
Number of ordinary shares issued	<u>464,104,356</u>	<u>371,511,764</u>	<u>464,104,356</u>	<u>371,511,764</u>
Net asset value per ordinary share (cents)	<u>0.74</u>	<u>3.15</u>	<u>(0.16)</u>	<u>3.46</u>

26 Comparative figures

Certain comparative figures have been reclassified as result of completion of purchase price allocation to the identifiable assets and liabilities for the acquisition of subsidiary, Elliot Communications Pte Ltd and its subsidiaries, during the financial year ended 31 March 2024 (as disclosed in Note 14) and conform to current period presentation.

The effect of the abovementioned adjustments to the consolidated statement of financial position as at 31 March 2024 as follows:

Group	As previously reported S\$	Adjustment S\$	As restated S\$
31 March 2024			
Non-current assets			
Goodwill arising from consolidation	<u>3,397,056</u>	<u>61,390</u>	<u>3,458,446</u>
Non-current liabilities			
Deferred income tax liabilities	<u>-</u>	<u>(12,609)</u>	<u>(12,609)</u>
Equity			
Non-controlling interests	<u>(571,041)</u>	<u>(48,781)</u>	<u>(619,822)</u>

27 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

F. Other information required by Listing Rule Appendix 7C

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim statements of financial position of Vividthree Holdings Ltd. and its subsidiaries for the financial year ended 31 March 2025 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors of the Company.

1A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, the financial statements have been adequately disclosed.

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on.

REVIEW OF FINANCIAL PERFORMANCE (CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME)

FY2025 vs FY2024

Revenue

The Group's revenue decreased by approximately \$3.13 million or 44.1% compared to the corresponding last year, from \$7.09 million in FY2024 to \$3.96 million in FY2025. Revenue from Digital Media & Live Experience Production segment posted of \$1.9 million in FY2025, a decrease by approximately \$2.47 million or 56.0%, from \$4.41 million in FY2024 due to lower projects completed in FY2025, primarily due to the Group is prioritizing opportunities in the rapidly expanding consumer out-of-home entertainment and edutainment markets across the region in the current financial year.

The revenue from the Public Relations segment dropped by approximately \$0.66 million or 2.5% from \$2.68 million in FY2024 to \$2.02 million in FY2025, which was mainly due to lower projects were completed and revenue from certain ongoing projects were only recognised up the percentage of completion as at reporting date. The reduction in revenue in Public Relation segment mainly due to the segment focusing on higher margin projects since 4Q FY2025.

Cost of sales

Cost of sales decreased by approximately \$1.22 million or 27.5%, from \$4.43 million in FY2024 to \$3.21 million in FY2025. The decrease in cost of sales was in line with the decrease in revenue.

Gross profit

As a result of the above, the gross profit of the Group dropped by approximately \$1.92 million or 71.9%, from \$2.67 million in FY2024 to \$0.75 million in FY2025. The lower gross profit was primarily due to lower projects completed in FY2025 and cost incurred for pre-production cost for projects.

Other income

Other income slightly increased by \$0.02 million, from \$0.16 million in FY2024 to \$0.18 million in FY2025. The increase is primarily attributable to government grant and equipment rental income.

F. Other information required by Listing Rule Appendix 7C (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on. (continued)**

REVIEW OF FINANCIAL PERFORMANCE (CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME)
(continued)

FY2025 vs FY2024

Other losses - net

Other losses significantly increased by \$8.56 million from \$0.28 million in FY2024 to \$8.84 million in FY2025. The Significant increase in other losses was contributed by:

- (i) impairment loss of \$2.85 million on goodwill on the post-production business of Vividthree Production Pte Ltd. The impairment loss is primarily due to assessment in discounted cash flows, using the value-in-use (VIU) method, which resulted to be lower than the carrying amount of the goodwill. The impairment on goodwill is consistent with the Group's strategic pivot towards consumer-focused family entertainment and creating intellectual properties.
- (ii) Impairment loss on acquired rights of \$1.15 million and in intangible assets of \$0.04 million due to delay of utilising these acquired rights and intangible asset as the Group is focusing on new opportunities in the outdoor entertainment sector;
- (iii) impairment loss on plant and equipment of \$0.31 million is in relation to a subsidiary, K.Studio Entertainment Pte Ltd, its capital expenditure incurred for an outlet in JEM Mall, of which the sub-lease agreement was later terminated on 27 March 2025 by Cathay Cineplexes Pte Ltd due to closure of their operations in the JEM Mall. The subsidiary is in the midst of re-allocating of these capital expenditure to potential outlets;
- (iv) loss on fair value changes on film and entertainment investments amounted to \$1.77 million. This is primarily due to the delays in certain projects in FY2025 which led to lower estimated cash flows, than the investments' carrying amounts;
- (v) loss on fair value changes on financial assets amounted to \$0.87 million due to the estimated cashflow is lower than its carrying amount;
- (vi) loss on over-recognition of receivable arising from the fair value of business combination in prior year amounted to \$0.25 million;
- (vii) inventory, in relation to the developed concept with immersive content, was written down by an amount of \$0.80 million to its net realisable value;
- (viii) expected credit losses on financial assets amounted to \$0.88 million;
- (ix) gain on fair value change on derivative financial instruments of \$0.03 million arising from options embedded in the convertible securities issued by the Company; and

The aggregated of above from items (i) to (ix) are \$8.85 million of which the losses are arising from fair value changes, impairment losses and write-downs of inventories during the financial year.

Administrative expenses

Administrative expenses decreased by approximately \$0.41 million or 10.4%, from \$3.93 million in FY2024 to \$3.52 million in FY2025. The decrease in administrative expenses was primarily due to:

- (i) reduction in staff costs from \$2.40 million in FY2024 to \$2.17 million in FY2025, lower by \$0.23 million or 9.5%; and
- (ii) reduction in professional fees from \$0.63 million in FY2024 to \$0.49 million in FY2025, lower by \$0.14 million.

F. Other information required by Listing Rule Appendix 7C (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on. (continued)

REVIEW OF FINANCIAL PERFORMANCE (CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME)
(continued)

FY2025 vs FY2024**Finance expenses**

Finance expenses remained in line with FY2024, with a minimal decreased of only \$0.01 million in FY2025.

Loss before income tax

For the reasons set out above, the Group's loss before tax increased from \$1.56 million in FY2024 to \$11.58 million in FY2025, losses increased by \$10.02 million. The significant losses is contributed by the provisions for impairment losses, amortisation charges, inventory write down, expected credit losses, loss on fair value changes (together referred as "Exceptional Items") in FY2025.

Net loss for the financial year is analysed as follows:

	FY2025 \$'million	FY2024 \$'million
Reported loss for the financial year	(11.45)	(1.56)
Addback: Exceptional items	8.85	-
Pro forma loss before tax excluding exceptional items	<u>(2.60)</u>	<u>(1.56)</u>

Excluding these Exceptional Items, the Group's pro forma loss after tax would be approximately \$2.60 million in FY2025 as compared to loss of \$1.56 million in FY2024. The increase by \$1.04 million in net pro forma loss, is mainly due to the (i) decreases in revenue in both segment following the change of the Group's focus to consumer business in outdoor entertainment and (ii) increased expenditure on the development of the new businesses, family entertainment, as aforementioned.

REVIEW OF FINANCIAL POSITION (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

31 March 2025 vs 31 March 2024**Current assets**

Current assets decreased by approximately \$6.59 million or 79.0% from \$8.34 million as at 31 March 2024 to \$1.75 million as at 31 March 2025, which is mainly due to:

- (i) net decrease in cash and cash equivalents of approximately \$1.25 million as at 31 March 2024 to \$0.18 million as at 31 March 2025.
- (ii) net decrease in deposit and prepayment by approximately \$3.58 million to \$0.07 million as at 31 March 2025. The decrease in deposit and prepayment is mainly due to a project deposit from prior years amounting to \$3.5 million being utilised for investment in films during this financial year and subsequently reclassified to investments in films and entertainment events;
- (iii) net decrease in other current assets by \$0.42 million (i.e. comprised direct staff cost and subcontractors cost incurred for ongoing projects and such costs are recognised as Cost of Sales upon completion) mainly due to projects costs charged out to profit or loss upon completion, partially offset by the project costs incurred for ongoing; and
- (iv) net decrease in total trade and other receivables by approximately \$0.54 million to \$1.18 million as at 31 March 2025. The decrease is mainly due to significant expected credit loss allowances recognised for trade and other receivables in FY2025.

F. Other information required by Listing Rule Appendix 7C (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on. (continued)

REVIEW OF FINANCIAL POSITION (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

31 March 2025 vs 31 March 2024

Non-current assets

Non-current assets decreased by approximately \$4.31 million or 34.1%, from \$12.64 million as at 31 March 2024 to \$8.33 million as at 31 March 2025, which is mainly due to:

- (i) impairment loss of \$2.85 million on goodwill on the post-production business of Vividthree Production Pte Ltd. The impairment loss is primarily due to assessment in discounted cash flows, using the value-in-use (VIU) method, which resulted to be lower than the carrying amount of the goodwill. The impairment on goodwill is consistent with the Group's strategic pivot towards consumer-focused family entertainment and creating intellectual properties.
- (ii) investments in films and entertainment events increased by \$1.55 million due to utilisation and reclassification from a deposit paid in prior years for investments in films amounting to \$3.50 million. The increase is offset by the recognition of fair value loss of \$1.78 million from the assessment of the estimate cash flow of these investments as mentioned in the commentary in "Other Losses - net" in the profit or loss;
- (iii) financial assets decreased by \$1.54 million due to a recognition of fair value loss from the assessment of estimated cash flow as mentioned in the commentary in "Other Losses - net" in the profit or loss;
- (iv) acquired rights decreased by \$1.29 million due to recognition of fair value loss from the assessment the estimate cash flow;
- (v) plant and equipment decreased by \$0.02 mill, mainly due to recognition of impairment loss as mentioned in the commentary in "Other Losses - net" in the profit or loss.
- (vi) right-of-use assets decreased by \$0.25 million due to derecognition of leases;
- (vii) amortisation charges on acquired rights of \$0.25 million and intangible assets of \$0.14 million. Besides, impairment losses were also recognised for acquired rights and intangible assets amounting to \$1.15 million and \$0.04 million respectively in FY2025.

Current liabilities

Current liabilities decreased by approximately \$2.15 million or 27.5%, from \$7.83 million as at 31 March 2024 to \$5.68 million as at 31 March 2025, is mainly due to:

- (i) trade and other payables decreased by approximately \$1.06 million due to repayment to creditors and utilisation of deposit for placement of new shares and issuance convertible bonds;
- (ii) borrowings decreased by \$0.91 million mainly due to repayment of bank borrowings;
- (iii) lease liabilities decreased by \$0.04 million due to repayment and derecognition of leases; and
- (iv) contract liabilities decreased by \$0.03 million due to increased progress billings for ongoing projects which will be recognised as revenue when the Group as fulfilled its performance obligation.

Non-current liabilities

Non-current liabilities increased by approximately \$0.13 million or 15.85%, from \$0.82 million as at 31 March 2024 to \$0.95 million as at 31 March 2025, and is mainly derived from:

- (i) increase in borrowings by \$0.25 million due to issuance of convertible bonds of \$0.70 million on 8 August 2024 by the Company. The increase is offset by repayment for bank borrowings of \$1.34 million;
- (ii) increase in provision of restoration cost by \$0.07 million; and
- (iv) decrease in lease liabilities due to repayment of lease by approximately \$0.20 million.

F. Other information required by Listing Rule Appendix 7C (continued)

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on. (continued)

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOW)

Operating activities

Net cash utilised in operating activities before changes in working capital amounted to approximately \$2.76 million in FY2025 compared to \$0.78 million in FY2024. The changes in working capital in FY2025 provided a cash outflow of approximately \$0.68 million as follows:

- (i) increase in trade and other receivables by \$0.27 million;
- (ii) decrease in deposits and prepayments by \$0.08 million due to recognition of expenses from prepayment;
- (iii) decrease in other current assets by \$0.44 million due to charge out as cost of sales upon completion;
- (iii) decrease in trade and other payables by \$0.87 million; and
- (iv) decrease in contract liabilities by \$0.04 million due to most of projects completed in net financial year.

Investing activities

Net cash utilised in investing activities amounted to approximately \$0.02 million in FY2025 compared to the net cash inflow of \$0.57 million in FY2024. The net cash inflow used in investing activities in FY2025 was mainly arising from:

- (i) additions of plant and equipment of \$0.33 million; and

partially offset with the cash provided by:

- (ii) income from the investment in films and entertainment events by \$0.18 million; and
- (iii) proceeds from issuance new shares in a subsidiary to non-controlling interest of approximately \$0.14 million.

Financing activities

Net cash generated from financing activities amounted to approximately \$1.53 million in FY2025 as compared to net cash utilised amounting to \$1.99 million in FY2024. This was mainly due to:

- (i) proceeds from issuance of new shares of \$2.5 million pursuant to the private placement;
- (ii) proceeds from issuance of new convertible bonds amounting to \$0.7million; and

partially offset with the cash utilised in:

- (iii) payment of interests on bank borrowings of \$0.12 million;
- (iii) repayment of bank borrowings principal of \$1.34 million; and
- (iv) repayment of operating lease liabilities of \$0.21 million.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

F. Other information required by Listing Rule Appendix 7C (continued)

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

4 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In FY2025, the Group undertook a strategic transformation. Acknowledging that the traditional service-based, labour-intensive production model was becoming increasingly unsustainable — largely due to rapid technological advancements that have lowered barriers to entry and intensified competition, leading to shrinking margins — the Group made a decisive shift. The new business strategy leverages the Group's core strengths in the digital creative space, with a strong emphasis on developing proprietary intellectual property and integrating advanced technologies such as artificial intelligence and virtual reality. This includes the application of AI in entertainment content creation, as well as the delivery of innovative AI and VR solutions tailored for corporate B2B clients, such as marketing and advertising content creation.

The digital content landscape is evolving rapidly. Audiences are consuming more content across digital platforms, making the ownership and development of intellectual property increasingly valuable. At the same time, the integration of AI and VR is revolutionising both entertainment and business applications, enabling more immersive, interactive, and efficient experiences.

Furthermore, the out-of-home family entertainment and edutainment sectors are experiencing robust growth, fuelled by strong consumer demand for experiential and technology-enhanced activities. These sectors also present significant opportunities for regional expansion, allowing the Group to scale its offerings and reach new markets.

By realigning its business model to capitalise on these industry trends, the Group is now well-positioned to seize emerging opportunities, deliver innovative solutions to its clients and audiences, and create sustainable, long-term value for its shareholders.

5 Dividend information

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.

Not applicable

(d) Date Payable

Not applicable

(e) Record Date

The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

F. Other information required by Listing Rule Appendix 7C (continued)

6 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

There was no dividend declared or recommended for the current reporting period as the Group is in loss position.

7 If the group has obtained a general mandate from shareholders for interested person transactions("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, statement to that effect.

The Group does not have any general mandate from shareholders for interested person transactions pursuant to Rule 920.

During 1H FY2025, the Group entered a sub-tenancy lease agreement with Cathay Cineplexes Pte Ltd ("Cathay"), a previous related party wholly 100% owned by the Group's former holding company, mm2 Asia Ltd. However, the aforementioned tenancy agreement has been terminated by Cathay on 27 March 2025.

There were no IPT of \$100,000 and above in the current period under review.

8 Update on use of proceeds from issuance and allotment of new shares pursuant to the private placement and convertible bonds.

The Company refers to the net proceeds amounting to \$3.05 million raised from the private placement and issuance of convertible bonds during FY2025 (the "Fundraising"). The Fundraising was completed on 25 September 2024.

As at the date of this announcement, the status of the use of proceeds in Singapore dollars is as follows:

Use of proceeds from issuance and allotment of new shares pursuant to the Fundraising

New businesses and Acquisitions

General corporate and working capital purposes ⁽¹⁾

Total

Amount allocated	Amount utilised	Amount unutilised
\$'000	\$'000	\$'000
1,525	(1,525)	-
1,525	(1,525)	-
3,050	(3,050)	-

⁽¹⁾ Expenses incurred in relation to the Corporate expenses (\$0.16 million) and Project expenses (\$1.34 million).

9 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

10 Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

The Group does not have any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

F. Other information required by Listing Rule Appendix 7C (continued)

11 Disclosure on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

On 23 August 2024 ⁽¹⁾, the Company's wholly-owned subsidiary, K.Studio Entertainment Pte. Ltd. (formerly known as Beyond Digital Galaxy Pte. Ltd.) ("K.STUDIO"), increased its issued share capital from 10,000 paid-up ordinary shares to 310,000 shares. The Company subscribed for 160,500 additional shares in K.STUDIO for an amount of \$165,000, while the remaining 139,500 shares were subscribed by K.Star Management Pte. Ltd. for an amount of \$135,000. As a result, the Company's equity interest in K.STUDIO has reduced from 100% to 55% without loss of control.

⁽¹⁾ https://links.sgx.com/FileOpen/VV3_Entry%20into%20JV%20KStar%2023%20Aug%202024.ashx?App=Announcement&FileID=816696

12 Confirmation by Directors pursuant to Rule 705(5) of the SGT-ST Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the Interim financial statements for the six-months and full financial year ended 31 March 2025 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Charles Yeo Eng Pu
Chief Executive Officer and Executive Director

Wong Kim Soon Royson
Independent Director

30 May 2025