

VIVIDTHREE HOLDINGS LTD.
(Incorporated in Singapore)
(Company Registration No. 201811828R)

**ENTRY INTO SHAREHOLDERS' AGREEMENT AND SHARE SUBSCRIPTION AGREEMENT
WITH KSTAR MANAGEMENT PTE LTD**

1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Vividthree Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**"), wishes to announce that the Company has on 23 August 2024 entered into a shareholders' agreement ("**JVSA**") and the share subscription agreement ("**SSA**" together with the JVSA, the "**Transaction Documents**") with Kstar Management Pte. Ltd. ("**KStar**") and the Company's wholly-owned subsidiary, K.Space Pte. Ltd. (formerly known as Beyond Digital Galaxy Pte. Ltd.) ("**JVCo**"), to establish a joint venture, pursuant to which the Company and KStar (collectively, the "**Parties**") will carry out the business of running a new chain of automated family karaoke lounges (the "**Joint Venture**") under the JVCo.

2. INFORMATION ON THE JOINT VENTURE PARTNER

KStar is a private company limited by shares incorporated in Singapore which owns and operates a chain of family-friendly themed karaoke bar in Singapore under the brand 'KStar'. KStar's management team had started the KStar brand in 2017 and has expanded to operating 4 outlets with over a total of 80 themed karaoke rooms, with each room capacities ranging from 4 to 65 persons, depending on the size or type of karaoke rooms.

As at the date of this announcement, KStar does not hold, directly or indirectly any shares in the Company. KStar has confirmed that its director and/or its shareholders (including any corporate shareholder and its ultimate beneficial owners) do not hold, directly or indirectly any shares in the Company.

3. SALIENT TERMS OF THE JVSA

3.1. Share Capital of the JVCo

The Parties will use the Company's wholly-owned subsidiary, K.Space Pte. Ltd., in which the Company holds 10,000 ordinary shares, for the Joint Venture.

Under the SSA, the Company and KStar will subscribe for ordinary shares in the JVCo ("**Subscription Shares**"), such that following the completion of the SSA, the JVCo will have an issued and paid-up share capital of S\$310,000 comprising 310,000 ordinary shares, which shall be subscribed for by the Parties in the following numbers and shareholding percentages:-

Name of Party	Number of Shares before Subscription of Shares	Number of Subscription Shares	Post-Completion number of shares	Total Shareholding percentage
KStar	-	139,500	139,500	45.0%
The Company	10,000	160,500	170,500	55.0%
Total	10,000	300,000	310,000	100.0%

3.2. Business of the JV Company

The JVCo will be principally engaged in developing and operating a new brand of automated family karaoke lounges.

3.3. **Capital Contribution**

Both Parties will contribute to the capital of the JVCo in proportion to their shareholding percentages. The total initial capital contribution will be determined based on the business plan and funding requirements of the Joint Venture.

3.4 **Board of the JVCo**

The board of directors of the JVCo shall comprise up to three (3) Directors: two (2) Directors nominated by the Company and one (1) Director nominated by KStar. The JVCo will start its operations with one (1) Director, being the Company's Chief Executive Officer, Yeo Eng Pu, Charles.

4. **RATIONALE FOR THE JOINT VENTURE**

The Joint Venture represents a strategic expansion of the Group's entertainment portfolio into immersive family entertainment centres, leveraging the expertise of KStar in the karaoke industry and the Company's capabilities in creating engaging entertainment experiences. The Joint Venture is expected to enhance shareholder value by tapping into the direct-to-consumer market with significant growth potential.

5. **FINANCIAL IMPACT**

The Company's subscription of shares in the JVCo will be funded through the Company's recent fundraising proceeds for new businesses. The JVCo is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the financial year ending 31 March 2025. The Company will update shareholders on any material developments as they arise.

6. **INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND PLACEE**

As at the date of this announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Joint Venture, other than by reason of their respective shareholding interest in the Company, where applicable.

7. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the JVSA and the SSA are available for inspection by the Shareholders at the registered office of the Company at 1093 Lower Delta Road, #05-10, Singapore 169204, during normal office hours for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Yeo Eng Pu, Charles
Chief Executive Officer
23 August 2024

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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