



Vividthree Holdings Ltd.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201811828R)

**FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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- 1 (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period/year of the immediately preceding financial period.

	Group		Change %
	For the financial year ended		
	31 Mar 2021 FY2021 (Unaudited) \$	31 Mar 2020 FY2020 (Audited) \$	
Revenue	2,027,213	6,136,474	-67.0%
Cost of sales	(3,657,155)	(4,081,854)	-10.4%
Gross (loss)/profit	(1,629,942)	2,054,620	-179.3%
<i>Other income</i>			
- Interest income	31,225	46,521	-32.9%
- Others	915,976	74,146	1135.4%
<i>Other (losses)/gains - net</i>			
- Expected credit loss on financial assets	(1,304,718)	(95,000)	1273.4%
- Other gains/(losses) - net	12,678	(28,727)	-144.1%
Administrative expenses	(2,390,913)	(2,855,903)	-16.3%
Finance expenses	(185,520)	(23,214)	699.2%
Loss before income tax	(4,551,214)	(827,557)	450.0%
Income tax credit	45,423	67,488	-32.7%
Net loss for the financial year	(4,505,791)	(760,069)	492.8%
Other comprehensive loss, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - gains/(losses)	13,927	(2,154)	-746.6%
Total comprehensive loss	(4,491,864)	(762,223)	489.3%
Loss attributable to:			
Equity holders of the Company	(4,502,429)	(760,069)	492.4%
Non-controlling interests	(3,362)	-	NM
	(4,505,791)	(760,069)	492.8%
Total comprehensive loss attributable to:			
Equity holders of the Company	(4,488,502)	(762,223)	488.9%
Non-controlling interests	(3,362)	-	NM
	(4,491,864)	(762,223)	489.3%

NM - not meaningful

1 (a)(ii) Notes to Consolidated Statement of Comprehensive Income.

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

	Group		Change %
	For the financial year ended		
	31 Mar 2021 FY2021 (Unaudited) \$	31 Mar 2020 FY2020 (Audited) \$	
Amortisation of intangible assets	1,115,897	294,828	278.5%
Depreciation of plant and equipment	403,937	356,237	13.4%
Depreciation of right-of-use assets	219,734	208,216	5.5%
Employees compensation	2,657,942	2,926,617	-9.2%
Finance expenses	185,520	23,214	699.2%
Expected credit losses on financial assets	1,304,718	95,000	1273.4%
Fair value losses on financial assets through profit and loss	80,550	62,350	29.2%
Interest income	(31,225)	(46,521)	-32.9%
Government grants	(848,086)	(59,154)	1333.7%
Loss/(gain) on disposal of plant and equipment	437	(800)	-154.6%
Foreign currency exchange losses, net	(93,665)	(32,823)	185.4%

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31 Mar 2021 (Unaudited) \$	As at 31 Mar 2020 (Audited) \$	As at 31 Mar 2021 (Unaudited) \$	As at 31 Mar 2020 (Audited) \$
ASSETS				
Current assets				
Cash and cash equivalents	1,367,394	2,122,618	204,760	279,392
Trade and other receivables	3,731,001	6,722,095	9,677,387	10,009,212
Deposits and prepayments	2,616,067	3,029,914	478,750	511,500
Inventories	1,600,000	-	-	-
Other current assets	2,232,913	3,783,725	-	-
	11,547,375	15,658,352	10,360,897	10,800,104
Non-current assets				
Deposits	3,500,000	3,500,000	-	-
Plant and equipment	533,676	882,382	-	-
Right-of-use assets	409,656	630,563	-	-
Financial assets, at FVPL	2,863,292	2,982,572	2,095,596	2,201,146
Investment in subsidiaries	-	-	451,900	446,400
Goodwill arising from consolidation	2,851,917	2,851,917	-	-
Intangible assets	8,208,389	2,537,878	-	-
	18,366,930	13,385,312	2,547,496	2,647,546
Total assets	29,914,305	29,043,664	12,908,393	13,447,650
LIABILITIES				
Current liabilities				
Trade and other payables	1,266,041	1,473,826	692,937	653,004
Contract liabilities	850,248	308,679	-	-
Borrowings	2,375,000	1,700,000	-	-
Lease liabilities	200,705	205,436	-	-
Current income tax liabilities	166,865	169,328	-	-
	4,858,859	3,857,269	692,937	653,004
Non-current liabilities				
Lease liabilities	191,599	393,109	-	-
Borrowings	4,555,556	-	-	-
Provisions	53,071	50,702	-	-
Deferred income tax liabilities	91,743	91,743	-	-
	4,891,969	535,554	-	-
Total liabilities	9,750,828	4,392,823	692,937	653,004
NET ASSETS	20,163,477	24,650,841	12,215,456	12,794,646
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	13,772,231	13,772,231	13,772,231	13,772,231
Merger reserve	2,921,000	2,921,000	-	-
Translation reserve	19,903	5,976	-	-
Retained profits/(accumulated losses)	3,449,205	7,951,634	(1,556,775)	(977,585)
	20,162,339	24,650,841	12,215,456	12,794,646
Non-controlling interest	1,138	-	-	-
Total equity	20,163,477	24,650,841	12,215,456	12,794,646

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less or on demand

As at 31 Mar 2021		As at 31 Mar 2020	
(Unaudited)		(Audited)	
Secured \$	Unsecured \$	Secured \$	Unsecured \$
2,375,000	-	1,700,000	-

Amount repayable after one year

As at 31 Mar 2021		As at 31 Mar 2020	
(Unaudited)		(Audited)	
Secured \$	Unsecured \$	Secured \$	Unsecured \$
4,555,556	-	-	-

Details of any collateral

The Group's bank borrowings are secured by way of corporate guarantee from the Company.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period/year of the immediately preceding financial period/year.

Consolidated Statement of Cash Flows

	Group	
	For the financial year ended	
	31 Mar 2021	31 Mar 2020
	FY2021	FY2020
	(Unaudited)	(Audited)
	\$	\$
Cash flows from operating activities		
Net loss for the financial year	(4,505,791)	(760,069)
Adjustments for:		
- Income tax credits	(45,423)	(67,488)
- Amortisation of intangible assets	1,115,897	294,828
- Depreciation of plant and equipment	403,937	356,237
- Depreciation of right-of-use assets	219,734	208,216
- Finance expenses	185,520	23,214
- Expected credit losses on financial assets	1,304,718	95,000
- Fair value losses on financial assets through profit and loss	80,550	62,350
- Interest income	(31,225)	(46,521)
- Losses/(Gains) on disposal of plant and equipment	437	(800)
- Unrealised foreign currency exchange gains	(92,368)	(69,544)
Operating cash flows before working capital changes	(1,364,014)	95,423
Change in working capital:		
- Trade and other receivables	1,744,130	264,970
- Deposits and prepayments	(86,316)	3,538,141
- Other current assets	(56,283)	(1,511,640)
- Trade and other payables	(93,049)	804,558
- Contract liabilities	542,123	(1,186,497)
Cash generated from operations	686,591	2,004,955
Income tax paid	(11,089)	(540,103)
Income tax refund	50,513	-
Net cash generated from operating activities	726,015	1,464,852
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	401	800
Additions to plant and equipment	(56,470)	(336,862)
Additions to intangible assets	(6,259,768)	(2,691,416)
Acquisition of financial assets, at FVPL	-	(2,225,000)
Interest received	6,111	14,656
Net cash used in investing activities	(6,309,726)	(5,237,822)
Cash flows from financing activities		
Interest paid	(183,152)	(20,739)
Proceeds from borrowings	6,000,000	1,700,000
Repayment of borrowings	(769,444)	-
Repayment of lease liabilities	(204,665)	(192,070)
Net cash generated from financing activities	4,842,739	1,487,191
Net changes in cash and cash equivalents	(740,972)	(2,285,779)
At beginning of financial year	2,122,618	4,380,750
Effects of currency translation on cash and cash equivalents	(14,252)	27,647
End of financial year	1,367,394	2,122,618

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year ended.

Consolidated Statement of Changes in Equity - Group

	← Attributable to equity holders of the Company →				Total	Non-controlling interests	Total equity
	Share capital	Merger reserve	Translation reserve	Accumulated profits			
Group (Unaudited)	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 April 2019	13,772,231	2,921,000	8,130	8,711,703	25,413,064	-	25,413,064
Net loss for the financial year	-	-	-	(760,069)	(760,069)	-	(760,069)
Other comprehensive loss for the financial year	-	-	(2,154)	-	(2,154)	-	(2,154)
Total comprehensive loss for the financial year	-	-	(2,154)	(760,069)	(762,223)	-	(762,223)
Balance as at 31 March 2020	13,772,231	2,921,000	5,976	7,951,634	24,650,841	-	24,650,841
Balance as at 1 April 2020	13,772,231	2,921,000	5,976	7,951,634	24,650,841	-	24,650,841
Net loss for the financial year	-	-	-	(4,502,429)	(4,502,429)	(3,362)	(4,505,791)
Other comprehensive income for the financial year	-	-	13,927	-	13,927	-	13,927
Total comprehensive income/(loss) for the financial year	-	-	13,927	(4,502,429)	(4,488,502)	(3,362)	(4,491,864)
Non-controlling interests arising from incorporation of a subsidiary	-	-	-	-	-	4,500	4,500
Balance as at 31 March 2021	13,772,231	2,921,000	19,903	3,449,205	20,162,339	1,138	20,163,477

	← Attributable to equity holders of the Company →		
	Share capital	Accumulated losses	Total equity
Company (Unaudited)	\$	\$	\$
Balance as at 1 April 2019	13,772,231	(499,540)	13,272,691
Total comprehensive loss for the financial year	-	(478,045)	(478,045)
Balance as at 31 March 2020	13,772,231	(977,585)	12,794,646
Balance as at 1 April 2020	13,772,231	(977,585)	12,794,646
Total comprehensive loss for the financial year	-	(579,190)	(579,190)
Balance as at 31 March 2021	13,772,231	(1,556,775)	12,215,456

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period/year reported on. State also the number of shares that may be issue on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period/year reported on and as at the end of the corresponding period/year of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period/year reported on and as at the end of the corresponding period/year of the immediately preceding financial year.

Shares Capital - Ordinary Shares

	Number of shares	Issued and paid-up share capital (\$)
Ordinary shares of the Company		
As at 31 March 2021	334,011,764	13,772,231
As at 31 March 2020	334,011,764	13,772,231

The Company did not have any outstanding options, convertibles or treasury shares as at 31 March 2021.

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period/year and as at the end of the immediately preceding year.

	31 Mar 2021	31 Mar 2020
Total number of shares issued	<u>334,011,764</u>	<u>334,011,764</u>

- 1 (d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period/year reported on.

The Company did not have any treasury shares as at 31 March 2021 and 31 March 2020.

- 1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period/year reported on.

There were no subsidiary holdings.

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

The figures have not been audited or reviewed by the auditors of the Company.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 3 (a) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, the financial statements have been adequately disclosed.

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

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

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5, the Group and the Company has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared to its audited financial statements for the financial year ended 31 March 2020.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations ("SFRS(I) INT") which became effective for the accounting periods beginning on or after 1 April 2020, where applicable. The adoption of these new and revised standards from the effective date is not expected to result in any material adjustments to the financial statements of the Group for the current financial period/year or prior financial periods/years.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Loss per share ("LPS")	Group FY2021	Group FY2020
Loss attributable to equity holders of the Company (\$)	(4,505,791)	(760,069)
Weighted average number of ordinary share issued	334,011,764	334,011,764
Basic and fully diluted basis LPS (cents) ^{(1) (2)}	(1.35)	(0.23)

Notes:

⁽¹⁾ The basic LPS of the Group for the respective financial years was calculated based on the weighted average number of ordinary shares in issue for the respective periods/years.

⁽²⁾ The fully diluted basis LPS of the Group for the respective financial years was calculated based on the weighted average number of ordinary shares in issue plus number of shares that may be issued on conversion of outstanding convertibles and share allotment for the respective financial periods/years. No outstanding convertibles and share allotment as at 31 March 2020 and 31 March 2021.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) Current financial period reported on; and
(b) Immediately preceding financial year.

	Group		Company	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Net asset value attributable to equity holders of the Company (\$)	20,163,477	24,650,841	12,215,456	12,794,646
Number of ordinary shares issued	334,011,764	334,011,764	334,011,764	334,011,764
Net asset value per ordinary share (cents)	6.04	7.38	3.66	3.83

- 8 **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)

FY2021 vs FY2020

Revenue

The Group's revenue declined by \$4.11 million or 67.0%, from \$6.14 million in FY2020 to \$2.03 million in FY2021 mainly due to the adverse impact from the outbreak of the COVID-19 pandemic since the beginning of January 2020 or 4th Quarter of previous financial year. The circuit breaker and other control measures implemented in the countries which the Group operates in, including Singapore, Malaysia and China, led to the disruption of the Group's business operations continually.

Revenue declined in FY2021 was attributable to both of the Group's business segment.

- (i) Revenue from Post-production segment achieved \$1.99 million in FY2021 from \$3.52 million in FY2020, decreased by \$1.53 million or 43.6%. The decrease was due to lesser projects completed as compared to previous financial year. Notwithstanding the COVID-19 pandemic impact on the Group, this segment delivered and completed several projects during FY2021.
- (ii) Content Production segment recorded a low revenue of \$41,640 in FY2021 as compared to \$2.62 million in FY2020. In FY2021, the continuity of travel restrictions and safe social distancing measures across the countries which the Group operates in, have resulted in a number of Meetings, Incentives, Conferences, Exhibitions ("MICE") and tour show projects to be postponed and several customers have been taking 'wait-and-see' approach to COVID-19. Hence, lower revenue has been recorded in this segment.

Cost of sales

Cost of sales decreased slightly by approximately \$0.42 million or 10.4%, from \$4.08 million in FY2020 to \$3.66 million in FY2021. The decrease in cost of sales was in line with the decrease in revenue. The Group's direct production cost of sales and direct staff costs decreased approximately by \$1.05 million and \$0.21 million respectively. This was partially offset by fixed depreciation and amortisation charges which saw an increase in amortisation by approximately \$0.79 million due to additional intangible assets acquired in FY2021.

Gross (loss)/profit

As a result of the above, the Group's revenue from both business segments declined significantly due to the adverse impact of COVID-19 pandemic, with recurring fixed costs (for e.g. depreciation and amortisation charges) and direct staff costs, the Group recorded a gross loss of approximately \$1.63 million in FY2021 as compared to a gross profit of \$2.05 million in FY2020.

Other income

Other income increased by approximately \$0.83 million, from \$0.12 million in FY2020 to \$0.95 million in FY2021 mainly due to the increase in government grants from Jobs Support Scheme ("JSS") of approximately \$0.85 million.

Other (losses)/gains - net

Other (losses)/gains, recorded net losses of \$1.29 million in FY2021 as compared to \$0.12 million in FY2020, an increase of approximately \$1.17 million arising from:

- (i) provision for expected credit losses on financial assets (i.e. trade receivables) of \$1.30 million mainly attributable to Content Production segment's trade receivables as affected by COVID-19 pandemic; and
- (ii) net fair value loss on investment in financial assets of \$0.08 million.

The above losses was partially offset by gains on foreign exchange of \$0.09 million.

- 8 **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)

FY2021 vs FY2020

Administrative expenses

The Group has implemented cost saving measures in the second quarter of FY2021 which saw administrative expenses reduced by \$0.46 million or 16.3%, from approximately \$2.85 million in FY2020 to \$2.39 million in FY2021. The decrease was largely due to decrease in staff costs of \$0.15 million due to group-wide salary reduction and other administrative expenses of \$0.35 million. This was partially offset by the increase in other administrative expenses including computer software renewal expenses, depreciation and amortisation charges of approximately \$0.04 million.

Finance expenses

Finance expenses increased by \$0.16 million, from \$0.02 million in FY2020 to \$0.19 million in FY2021 which was in line with the increase in bank borrowings in FY2021.

Loss before income tax

For the reasons set out above, the Group recorded a loss before tax of approximately \$4.55 million in FY2021 as compared to a loss before tax of \$0.83 million in FY2020.

- 8 **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 2021 vs 31 March 2020

Current assets

Current assets decreased by approximately \$4.11 million or 26.3%, from \$15.66 million as at 31 March 2020 to \$11.55 million as at 31 March 2021 mainly due to:

- (i) net reduction in trade and other receivables of approximately \$2.99 million, from \$6.72 million as at 31 March 2020 to \$3.73 million as at 31 March 2021. The reduction is in line with the lower revenue in FY2021 and additional provision for expected credit losses on receivables for approximately \$1.30 million also contributed to lower trade and other receivables;
- (ii) net reduction in project deposits of approximately \$0.41 million;
- (iii) net cash utilisation of approximately \$0.76 million as described in the commentary section of "Review of Cash Position";
- (iv) net reduction in other current assets of \$1.55 million due to reclassification of \$1.60 million to inventories; and

these were partially by an increase in:

- (v) inventories of \$1.60 million, mainly due to the reclassification from other current assets to inventories which the amount was incurred in prior financial year.

Non-current assets

Non-current assets increased by approximately \$4.98 million or 37.2%, from \$13.39 million as at 31 March 2020 to \$18.37 million as at 31 March 2021 mainly due to:

- (i) additions to plant and equipment of approximately \$0.05 million;
- (ii) additions to intangible assets of \$6.76 million comprising:
 - completed acquisition of new IP, Silent Horror, amounted to \$0.90 million. Included in this amount, \$0.50 million was reclassified from deposit which was incurred in the previous financial year;
 - acquired rights of \$5.78 million which allow the Group to participate in project's revenue as well as the potential opportunities for the Group in providing content and post-production services to these projects; and
 - development costs on Comic Vid apps and its contents amounted to \$0.08 million;

these were partially offset by:

- (iii) depreciation charges on plant and equipment of \$0.40 million and right-of-use of assets of \$0.22 million;
- (iv) amortisation charges on intangible assets of \$1.12 million; and
- (v) recognition of net fair value losses of \$0.80 million on investment in financial assets.

Current liabilities

Current liabilities increased by approximately \$1.00 million or 26.0%, from \$3.86 million as at 31 March 2020 to \$4.86 million as at 31 March 2021 mainly due to increases in:

- (i) net drawdown of short-term bank borrowing of \$0.67 million;
- (ii) contract liabilities of \$0.54 million due to progress billing for on-going projects; and

these were partially offset by a decrease in:

- (iii) trade and other payables of \$0.21 million due to reduction in payables and accruals.

Non-current liabilities

Non-current liabilities increased by approximately \$4.36 million or 813.4%, from \$0.53 million as at 31 March 2020 to \$4.89 million as at 31 March 2021. The increase was mainly due to increases in:

- (i) net drawdown of long-term bank borrowing of \$4.56 million; and

these were partially offset by a decrease in:

- (ii) net lease liabilities of \$0.20 million due to repayment of lease liabilities.

- 8 **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 outflows from operating activities before changes in working capital amounted to approximately \$1.36 million in FY2021 (FY2020: net cash inflow of \$0.10 million). The changes in working capital in FY2021 amounted to inflows of approximately \$2.10 million which comprises of reductions in trade and other receivables, increase in contract liabilities and tax refund. The inflows from these working capital were partially offset with increases in deposits and prepayments, other current assets, and reductions in trade and other payables. Accordingly, the Group's net cash inflows generated from operating activities amounted to \$0.73 million in FY2021 compared to net cash inflows of approximately \$1.46 million in FY2020.

Investing activities

Net cash used in investing activities amounted to approximately \$6.31 million in FY2021 as compared to \$5.24 million in FY2020. The net cash used in investing activities in FY2021 was mainly arising from:

- (i) intangible assets of \$6.26 million comprising:
 - newly completed acquisition of IP, Silent Horror amounted to \$0.40 million, being the remaining balance purchase price;
 - acquired rights of \$5.78 million which allow the Group to participate in project's revenue as well as the potential opportunities for the Group in providing content and post-production services to these projects; and
 - development costs on Comic Vid apps and its contents amounted \$0.08 million;
- (ii) additions of plant and equipment of \$0.06 million.

Financing activities

Net cash inflows generated from financing activities amounted to approximately \$4.84 million in FY2021 as compared to \$1.49 million in FY2020. This was mainly due to proceeds of \$6.00 million from drawdown of bank borrowings which was partially offset by:

- (i) payment of interests on bank borrowings of \$0.18 million;
- (ii) repayment of short-term bank borrowings of \$0.77 million; and
- (iii) repayment of operating lease liabilities of \$0.21 million.

9 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.

10 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.

The Group has two main business segments, namely Post-production and Content Production. With the outbreak of the COVID-19 pandemic, the Group has experienced a significant slowdown in both the Post-production and Content Production segments, with the latter coming to almost a standstill including the Group's joint venture with Quebec Leisure International Pte Ltd (Quebec), the events and entertainment arm of NTUC Club. A number of the Group's projects have also been deferred and customers taking a "wait and see" approach to resuming business activities.

On a positive note, during the financial year, the Group received a number of highly positive feedback for its 3D visual portrayal of the realistic golden bull charge project at Pavilion KL, which has created several new project leads for the Group. Riding on the positive momentum of the project, the Group will focus on securing more projects around the region to boost its Post-production order book during this difficult period. This includes the co-production of two local animation projects with Mirage works - Tiga Adiwira and Panic Room, which was announced on 12 November 2020. Tiga Adiwira is Malaysia's first time travel animated film, where three rivals in silat are transported to a different world in another dimension and must fight off the evil forces to rebuild peace in their world. Panic Room is an adaptation of the highly popular thriller webcomic by DarkBox Studio, which has gained over 1.5 million views.

For the Content Production segment, the Group is ready to participate in various projects where it is permitted by the local authorities. On 19 September 2020, the Group inaugurated The Beethoven Experience 《真情无界：纪念贝多芬诞辰250周年声音交互艺术体验大展》 at the Shanghai Concert Hall in China. This exhibition is co-presented with UnUsUaL Entertainment Pte Ltd, in partnership with global IP owners, DeSign Format Pte. Ltd. and the Metropolitan Festival Orchestra, and is an exhibition celebrating the 250th anniversary of the birth of Beethoven. The exhibition will tour around other China provinces, with safety measures in place. The Group will also continue to build on our portfolios of IPs by sourcing for quality content from renowned creators such as Darkbox Studios, to prepare for the eventual recovery of our Content Production segment, and the development of our online digital platform, ComicVid.

As the Group navigates through these trying times, the Group will stay vigilant with its cash flow management and remains confident that it can take on its fiscal responsibilities and operating capital requirements, and subsequent strategic opportunities to unravel the value of its assets.

11 If a decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

No.

(b) Amount per share in cents

Not applicable

(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. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable

Not applicable

(e) 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

12 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 year as the Group intends to conserve cash for expansion and other business opportunities.

- 13 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, a statement to that effect.**

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

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

- 14 Confirmation by Directors pursuant to Rule 705(5) of the SGX-ST Listing Manual.**

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group and the Company for the financial year ended 31 March 2021, to be false or misleading, in any material aspect.

- 15 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 procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720 (1).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16 Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Content Production		Post-production		Total	
	FY2021 (Unaudited) \$	FY2020 (Audited) \$	FY2021 (Unaudited) \$	FY2020 (Audited) \$	FY2021 (Unaudited) \$	FY2020 (Audited) \$
Revenue by Segment	41,640	2,616,488	1,985,573	3,519,986	2,027,213	6,136,474

**Revenue segmental by
by geographical locations:**

Singapore		1,788,969	2,664,874
Malaysia		18,416	2,198,738
China		44,828	1,019,362
Japan		165,000	41,500
Taiwan		-	212,000
Others		10,000	-
		2,027,213	6,136,474

**Adjusted earnings before
interest, tax, depreciation
and amortisation
("EBITDA")**

	(2,626,126)	54,938
Depreciation	(623,671)	(564,453)
Amortisation	(1,115,897)	(294,828)
Interest expense	(185,520)	(23,214)
Loss before income tax	(4,551,214)	(827,557)
Income tax credit	45,423	67,488
Net loss	(4,505,791)	(760,069)

- 17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Revenue from Post-production segment achieved \$1.99 million in FY2021 from \$3.52 million in FY2020, decreased by \$1.53 million or 43.6%. The decrease was due to lesser projects completed as compared to previous financial year. Notwithstanding the COVID-19 pandemic impact on the Group, this segment delivered and completed several projects during FY2021.

Content Production segment recorded a low revenue of \$41,640 in FY2021 as compared to \$2.62 million in FY2020. In FY2021, the continuity of travel restrictions and safe social distancing measures across the countries which the Group operates in, have resulted in a number of Meetings, Incentives, Conferences, Exhibitions ("MICE") and tour show projects to be postponed and several customers have been taking 'wait-and-see' approach to COVID-19. Hence, lower revenue has been recorded in this segment.

18 A breakdown of sales as follows:

	Group		
	For the financial year ended		
	31 Mar 2021	31 Mar 2020	Change
	FY2021	FY2020	
	(Unaudited)	(Unaudited)	
	\$	\$	%
Revenue reported for the first half year	299,816	3,441,066	-91%
(Loss)/Profit after tax for first half year	(1,502,909)	523,180	-387%
Revenue reported for the second half year	1,727,397	2,695,408	-36%
Loss after tax for second half year	(3,002,882)	(1,283,249)	134%

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

(a) Ordinary

Not applicable.

(b) Preference

Not applicable.

(c) Total

Not applicable.

20 Disclosure of person occupying a managerial position in the issuer of 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(13) of the Listing Manual, we confirm that there are no persons occupying a managerial position in the Company of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Charles Yeo Eng Pu
Managing Director

25 May 2021