



Vividthree Holdings Ltd.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201811828R)

**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

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		
	For the six months financial period ended		
	30 Sep 2020 1H FY2021 (Unaudited) \$	30 Sep 2019 1H FY2020 (Unaudited) \$	Change %
Revenue	299,816	3,441,066	-91.3%
Cost of sales	(908,276)	(1,406,566)	-35.4%
Gross (loss)/profit	(608,460)	2,034,500	-129.9%
<i>Other income</i>			
- Interest income	11,897	18,397	-35.3%
- Others	328,796	20,864	1475.9%
Other gains/(losses) - net	11,926	(20,047)	-159.5%
Administrative expenses	(1,169,402)	(1,417,046)	-17.5%
Finance expenses	(76,581)	(55)	NM
(Loss)/Profit before income tax	(1,501,824)	636,613	-335.9%
Income tax expense	(1,085)	(113,433)	-99.0%
Net (loss)/profit for the financial period	(1,502,909)	523,180	-387.3%
Other comprehensive (loss)/income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - losses	(1,217)	(35,516)	-96.6%
Total comprehensive (loss)/income	(1,504,126)	487,664	-408.4%

NM - not meaningful

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

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

	Group		
	For the six months financial period ended		
	30 Sep 2020 1H FY2021 (Unaudited) \$	30 Sep 2019 1H FY2020 (Unaudited) \$	Change %
Amortisation of intangible assets	260,719	57,586	352.7%
Depreciation of plant and equipment	202,535	206,411	-1.9%
Depreciation of right-of-use assets	110,483	99,044	11.5%
Employees compensation	1,060,783	1,454,280	-27.1%
Finance expenses	76,581	55	NM
Interest income	(11,897)	(18,397)	-35.3%
Government grants	(322,627)	(19,369)	1565.7%
Loss on disposal of plant and equipment	426	-	NM
Foreign exchange (gain)/loss, net	(12,352)	20,047	NM

NM - not meaningful

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 30 Sep 2020 (Unaudited) \$	As at 31 Mar 2020 (Audited) \$	As at 30 Sep 2020 (Unaudited) \$	As at 31 Mar 2020 (Audited) \$
ASSETS				
Current assets				
Cash and cash equivalents	1,467,962	2,122,618	132,391	279,392
Trade and other receivables	5,415,224	6,722,095	10,212,877	10,009,212
Deposits and prepayments	1,948,169	3,029,914	11,500	511,500
Other current assets	4,401,735	3,783,725	-	-
	<u>13,233,090</u>	<u>15,658,352</u>	<u>10,356,768</u>	<u>10,800,104</u>
Non-current assets				
Deposits	3,500,000	3,500,000	-	-
Plant and equipment	717,214	882,382	-	-
Right-of-use assets	519,590	630,563	-	-
Financial assets, at FVPL	3,029,731	2,982,572	2,251,146	2,201,146
Investment in subsidiaries	-	-	451,900	446,400
Goodwill arising from consolidation	2,851,917	2,851,917	-	-
Intangible assets	7,525,757	2,537,878	-	-
	<u>18,144,209</u>	<u>13,385,312</u>	<u>2,703,046</u>	<u>2,647,546</u>
Total assets	<u>31,377,299</u>	<u>29,043,664</u>	<u>13,059,814</u>	<u>13,447,650</u>
LIABILITIES				
Current liabilities				
Trade and other payables	696,853	1,473,826	683,619	653,004
Contract liabilities	624,230	308,679	-	-
Lease liabilities	205,701	205,436	-	-
Borrowings	2,100,000	1,700,000	-	-
Current income tax liabilities	166,460	169,328	-	-
	<u>3,793,244</u>	<u>3,857,269</u>	<u>683,619</u>	<u>653,004</u>
Non-current liabilities				
Lease liabilities	289,212	393,109	-	-
Borrowings	4,000,000	-	-	-
Provisions	51,886	50,702	-	-
Deferred income tax liabilities	91,743	91,743	-	-
	<u>4,432,841</u>	<u>535,554</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,226,085</u>	<u>4,392,823</u>	<u>683,619</u>	<u>653,004</u>
NET ASSETS	<u>23,151,214</u>	<u>24,650,841</u>	<u>12,376,195</u>	<u>12,794,646</u>
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	4,759	5,976	-	-
Retained profits/(accumulated losses)	6,448,724	7,951,634	(1,396,036)	(977,585)
	<u>23,146,714</u>	<u>24,650,841</u>	<u>12,376,195</u>	<u>12,794,646</u>
Non-controlling interests	4,500	-	-	-
Total equity	<u>23,151,214</u>	<u>24,650,841</u>	<u>12,376,195</u>	<u>12,794,646</u>

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

Amount repayable in one year or less or on demand

As at 30 Sep 2020		As at 31 Mar 2020	
(Unaudited)		(Audited)	
Secured \$	Unsecured \$	Secured \$	Unsecured \$
2,100,000	-	-	-

Amount repayable after one year

As at 30 Sep 2020		As at 31 Mar 2020	
(Unaudited)		(Audited)	
Secured \$	Unsecured \$	Secured \$	Unsecured \$
4,000,000	-	-	-

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 six months financial period ended	
	30 Sep 2020 1H FY2021 (Unaudited) \$	30 Sep 2019 1H FY2020 (Unaudited) \$
Cash flows from operating activities		
Net (loss)/profit for the financial period	(1,502,909)	523,180
Adjustments for:		
- Income tax expense	1,085	113,433
- Amortisation of intangible assets	260,719	57,586
- Depreciation of plant and equipment	202,535	206,411
- Depreciation of right-of-use assets	110,483	99,044
- Finance expenses	76,581	55
- Interest income	(11,897)	(18,397)
- Loss on disposal of plant and equipment	426	-
- Unrealised currency translation gain	(15,250)	(9,302)
Operating cash flows before working capital changes	<u>(878,227)</u>	<u>972,010</u>
Change in working capital:		
- Trade and other receivables	1,325,801	1,054,447
- Deposits and prepayments	581,711	2,805,433
- Other current assets	(619,478)	(1,476,330)
- Trade and other payables	(818,131)	335,211
- Contract liabilities	315,666	(1,176,384)
Cash (used in)/provided by operations	(92,658)	2,514,387
Income tax paid	(4,113)	(273,171)
Net cash (used in)/generated from operating activities	<u>(96,771)</u>	<u>2,241,216</u>
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	416	-
Additions to plant and equipment	(38,364)	(265,219)
Additions to intangible assets	(4,749,261)	(1,957,524)
Acquisition of financial assets, at FVPL	-	(1,850,000)
Interest received	5,634	9,397
Net cash used in investing activities	<u>(4,781,575)</u>	<u>(4,063,346)</u>
Cash flows from financing activities		
Interest paid	(75,397)	(55)
Proceeds from borrowings	5,000,000	-
Repayment of lease liabilities	(103,334)	(99,043)
Repayment of borrowings	(600,000)	-
Net cash generated from/(used in) financing activities	<u>4,221,269</u>	<u>(99,098)</u>
Net changes in cash and cash equivalents	(657,077)	(1,921,228)
At beginning of financial period	2,122,618	4,380,750
Effects of currency translation on cash and cash equivalents	2,421	(213)
End of financial period	<u><u>1,467,962</u></u>	<u><u>2,459,309</u></u>

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			
<u>Group (Unaudited)</u>	\$	\$	\$	\$	\$	\$	\$
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 period	-	-	-	523,180	523,180	-	523,180
Other comprehensive loss for the financial period	-	-	(35,516)	-	-	-	(35,516)
Total comprehensive loss for the financial period	-	-	(35,516)	523,180	487,664	-	487,664
Balance as at 30 September 2019	13,772,231	2,921,000	(27,386)	9,234,883	25,900,728	-	25,900,728
Balance as at 1 April 2020	13,772,231	2,921,000	5,976	7,951,633	24,650,840	-	24,650,840
Net loss for the financial period	-	-	-	(1,502,909)	-	-	(1,502,909)
Other comprehensive loss for the financial period	-	-	(1,217)	-	-	-	(1,217)
Total comprehensive loss for the financial period	-	-	(1,217)	(1,502,909)	(1,504,126)	-	(1,504,126)
Non-controlling interests arising from incorporation of a subsidiary	-	-	-	-	-	4,500	4,500
Balance as at 30 September 2020	13,772,231	2,921,000	4,759	6,448,724	23,146,714	4,500	23,151,214

	← Attributable to equity holders of the Company →		
	Share capital	Accumulated losses	Total equity
<u>Company (Unaudited)</u>	\$	\$	\$
Balance as at 1 April 2019	13,772,231	(499,540)	13,272,691
Total comprehensive loss for the financial period	-	(123,154)	(123,154)
Balance as at 30 September 2019	13,772,231	(622,694)	13,149,537
Balance as at 1 April 2020	13,772,231	(977,585)	12,794,646
Total comprehensive loss for the financial period	-	(418,451)	(418,451)
Balance as at 30 September 2020	13,772,231	(1,396,036)	12,376,195

- 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 30 September 2020	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 30 September 2020.

- 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.

	30 Sep 2020	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 30 September 2020 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 has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period 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 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.

	Group For the six months financial period ended 30 Sep 2020 1H FY2021	Group For the six months financial period ended 30 Sep 2019 1H FY2020
(Loss)/Earnings per share ("LPS" / "EPS")		
(Loss)/Profit attributable to equity holders of the Company (\$)	(1,502,909)	523,180
Weighted average number of ordinary share issued	334,011,764	334,011,764
Basic and fully diluted basis (LPS)/EPS (cents) ^{(1) (2)}	(0.45)	0.16

Notes:

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

⁽²⁾ The fully diluted basis (LPS)/EPS of the Group for the respective financial periods 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. No outstanding convertibles and share allotment as at 30 September 2019 and 30 September 2020.

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	
	30 Sep 2020	31 Mar 2020	30 Sep 2020	31 Mar 2020
Net asset value attributable to equity holders of the Company (\$)	23,151,214	24,650,841	12,376,195	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)	6.93	7.38	3.71	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)

1H FY2021 vs 1H FY2020

Revenue

The Group's revenue declined by \$3.14 million or 91.3%, from \$3.44 million in 1H FY2020 to \$0.30 million in 1H FY2021. This is mainly attributable to the impact from the outbreak of the COVID-19 pandemic since the beginning of January 2020, the circuit breaker and control measures implemented in the countries which the Group operates in, including Singapore, Malaysia and China, which led to the disruption of the Group's business operations continually.

Post-production and Content Production segments have recorded decline in revenue of \$2.32 million and \$0.82 million respectively. The 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 in the Content Production segment, and many of the projects in Post-production segment to be rescheduled by the customers to a later date. Nevertheless, with the COVID-19 situation, the Group managed to complete some smaller scale projects in the Post-production segment.

Cost of sales

Cost of sales decreased by approximately by \$0.50 million or 35.4%, from \$1.41 million in 1H FY2020 to \$0.91 million in 1H FY2021, the decrease was in-line with the decrease in revenue. The Group also incurred fixed depreciation and amortisation charges, and direct staff costs in connection with non-project related works during 1H FY2021.

Gross (loss)/profit

As the Group's revenue in both business segments have declined significantly due to the adverse impact of COVID-19 pandemic, with recurring fixed costs and direct staff costs for non-project related works, the Group recorded a gross loss of approximately \$0.61 million in 1H FY2021 as compared to a gross profit of \$2.03 million in 1H FY2020.

Other income

Other income increased by approximately \$0.30 million or 767.8%, from \$0.04 million in 1H FY2020 to \$0.34 million in 1H FY2021 mainly due to the grant receipts of approximately \$0.3 million from Jobs Support Scheme ("JSS") grant received during the financial period under review.

Other (losses)/gains - net

Other (losses)/gains - net, reported net losses of \$20,047 in 1H FY2020 compared to net gains of \$11,926 in 1H FY2021, mainly due to foreign exchange gains.

Administrative expenses

The Group has implemented cost containment measures at the beginning of this financial period which saw administrative expenses reduced by \$0.25 million or 17.5%, from approximately \$1.42 million in 1H FY2020 to \$1.17 million in 1H FY2021. The decrease is largely due to decrease in (i) staff costs of \$0.14 million due to group-wide salary reduction; (ii) office expenses and utilities of \$0.04 million; and (iii) travelling expenses of \$0.09 million. This was partially offset by the increase in other administrative expenses of approximately \$0.02 million, mainly derived from computer software renewal expenses, depreciation and amortisation charges.

Finance expenses

Finance expenses increased by \$76,526 from \$55 in 1H FY2020 to \$76,581 in 1H FY2021. This was mainly due to the increase in bank borrowing.

(Loss)/Profit before income tax

For the reasons set out above, the Group recorded a loss before tax of approximately \$1.50 million in 1H FY2021 as compared to a profit before tax of \$0.64 million in 1H 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)

30 September 2020 vs 31 March 2020

Current assets

Current assets decreased by approximately \$2.43 million or 15.5%, from \$15.66 million as at 31 March 2020 to \$13.23 million as at 30 September 2020 due to decreases in:

- (i) net reduction of trade and other receivables of approximately \$1.31 million mainly arising from collections, from \$6.72 million as at 31 March 2020 to \$5.42 million as at 30 September 2020;
- (ii) net reduction in project deposits of approximately \$0.58 million;
- (iii) reclassification of deposit paid of \$0.50 million to intangible assets in non-current assets upon completion of acquisition of an IP, Silent Horror, from Darkbox Studio Pte. Ltd.;
- (iv) net cash utilisation of approximately \$0.66 million as described in the commentary section of "Review of Cash Position"; and

partially offset with increase in:

- (v) other current assets of \$0.62 million (i.e. refers to cost incurred in on-going projects) due to production costs incurred for on-going projects and some projects handover dates have been rescheduled by the customers due to COVID-19 pandemic.

Non-current assets

Non-current assets increased by approximately \$4.76 million or 35.6%, from \$13.38 million as at 31 March 2020 to \$18.14 million as at 30 September 2020 mainly due to increases in:

- (i) additions to plant and equipment of approximately \$0.04 million;
- (ii) intangible assets of \$5.25 million comprising:
 - newly completed acquisition of IP, Silent Horror amounted to \$0.90 million
 - acquired rights of \$4.27 million in respect of investments in projects in connection with Content Production segment
 - development costs on Comic Vid apps amounted \$0.08 million;
- (iii) investment in financial assets of \$0.04 million;

partially offset with:

- (iv) depreciation charges on plant and equipment of \$0.20 million and right-of-use of assets of \$0.11 million; and
- (v) amortisation charges on intangible assets of \$0.26 million.

Current liabilities

Current liabilities decreased by approximately \$0.06 million or 1.7%, from \$3.85 million as at 31 March 2020 to \$3.79 million as at 30 September 2020 mainly due to decreases in trade and other payables of \$0.78 million arising mainly from payment of payables and reduction in accruals, partially offset with increases in:

- (i) contract liabilities of \$0.32 million due to progress billing for on-going projects; and
- (ii) net drawdown of bank borrowing of \$0.40 million.

Non-current liabilities

Non-current liabilities increased by approximately \$3.90 million or 727.7%, from \$0.54 million as at 31 March 2020 to \$4.43 million as at 30 September 2020. The increase was mainly due to drawdown of bank borrowing of \$4.00 million and partially offset with repayment of lease liabilities of \$0.10 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 CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOW)

Operating activities

Net cash outflows from operating activities before changes in working capital amounted to approximately \$0.88 million in 1H FY2021. The changes in working capital amounted to outflows of approximately \$0.78 million which comprises inflows from trade and other receivables, deposits and prepayments and contract liabilities, partially offset with outflows from other current assets, trade and other payables and tax payments. Accordingly, the Group's net cash outflows from operating activities amounted to \$0.10 million in 1H FY2021 compared to net cash inflows of approximately \$2.24 million in 1H FY2020.

Investing activities

Net cash used in investing activities amounted to approximately \$4.78 million in 1H FY2021 as compared to \$4.06 million in 1H FY2020. The net cash outflows in investing activities in 1H FY2021 was mainly due to:

- (i) intangible assets of \$4.75 million comprising:
 - newly completed acquisition of IP, Silent Horror amounted to \$0.40 million
 - acquired rights of \$4.27 million in respect of investments in projects in connection with Content Production segment
 - development costs on Comic Vid apps amounted \$0.08 million;
- (ii) additions of plant and equipment of \$0.04 million.

The above outflows were partially offset with the cash inflows from interest received of \$0.01 million.

Financing activities

Net cash inflows from financing activities amounted to approximately \$4.22 million in 1H FY2021. This was mainly due to proceeds of \$5.00 million from drawdown of bank borrowings in 1H FY2021 which was partially offset by:

- (i) payment of interests from borrowings of \$0.08 million;
- (ii) repayment of short-term bank borrowings (outstanding as at 31 March 2020) of \$0.60 million; and
- (iii) repayment of operating lease liabilities (i.e. rental payments) of \$0.10 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 experienced a slowdown in its projects in the Post-production and Content Production segments because of the pandemic which has brought exceptionally challenging global conditions. In addition, several projects in the Post-production segment has been deferred. The Group's Meetings, Incentives, Conferences, Exhibitions ("MICE") and tour show projects in the Content Production segment are still ongoing although clients adjourned most of these projects' handover dates. The Group is tracking the situation and are maintaining close communications with our clients, as the Group looks forward to crystallising its pipeline as swiftly as the condition permits.

On 28 September 2020, the Group announced that RSG Resurgence Esports Pte. Ltd. ("Resurgence") is in discussion with the team to co-create new e-sports events, which is the Group's first potential foray into the fast-growing e-sports market. However, the proposed collaboration will not have a material impact on the Group's earnings for the current financial year ending 31 March 2021. Depending on the pandemic situation, the planned events will commence from 2021 onwards, and will incorporate state-of-the-art immersive technology into e-sports content production, such as exhibiting high fidelity statistics, visualisations, and data-driven narratives that throw them deeper insights into the live game; offering unique sports events for offline and online attendees.

The Group has recently joined forces with its affiliate, UnUsUaL Limited, to co-present 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》 in Shanghai, China. The entire exhibition comprises eleven experiential zones, accompanied by the iconic musical works of Beethoven, and is in commemoration of the 250th anniversary of Beethoven's birth. We have inaugurated the exhibition on 19 September 2020 at the Shanghai Concert Hall for a minimum of six months, before progressing to other China provinces. As a venture capitalist in the exhibition which just started its tour, the Group does not foresee it to have a material impact on the Group's earnings for the financial year ending 31 March 2021.

On 5 October 2020, the Group announced that it is co-organising Masters of Speed ("MOS") Go Kart Time Attack at The Karting Arena, Singapore's first electric Go Kart Circuit from 1 November to 26 December 2020. The event will abide to social distancing measures to safeguard all the staff and visitors. This is the first project by V&N Entertainment Pte. Ltd, the joint venture between Vividthree and Quebec Leisure International Pte Ltd, the events and entertainment arm of NTUC Club, set up earlier in the year, to co-develop, curate, bid for and produce thematic experiential content and event projects in Singapore and the region.

As the Group navigates through these trying times, the Group will remain vigilant with its cash flow management and remained 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 period 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.

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 period ended 30 September 2020, 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).

16 Disclosure pursuant to Rule 704(30) of the Listing Manual - Update on use of IPO proceeds.

The Company refers to the gross proceeds amounting to \$12.95 million raised from the IPO on the Catalist Board of the SGX-ST on 25 September 2018.

Further to the use of IPO proceeds from the full year results announcement on 25 May 2020 and pursuant to Rule 704(30) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Group wishes to announce the reallocation of the use of gross proceeds raised by the IPO ("IPO Proceeds"), as well as provide an update on the use of the IPO Proceeds as follows:

Use of IPO proceeds

	Amount allocated	Amount utilised	Reallocation amount ⁽¹⁾	Amount unutilised
	\$'000	\$'000	\$'000	\$'000
General working capital purposes, including production of virtual reality content and immersive media	7,825	(7,825)	-	-
Expansion through development and/or acquisition of intellectual property and acquisition, joint ventures and/or strategic alliances	3,354	(3,529)	175	-
IPO expenditure	1,771	(1,596)	(175)	-
Total	12,950	(12,950)	-	-

Notes:

⁽¹⁾ As no further payment to professional parties and vendors relating to the IPO is required, the unutilised amount of \$175,000 allocated for IPO expenses has been re-allocated to the Company's expansion through development and/ or acquisition of intellectual property and acquisition, joint ventures and/or strategic alliances.

Save as disclosed above, the above utilisation of gross proceeds is in line with the intended use and allocation of gross proceeds as set out in the Company's offer document dated 17 September 2018.

BY ORDER OF THE BOARD

Charles Yeo Eng Pu
Managing Director

9 November 2020