

**TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF ALL INTELLECTUAL
PROPERTY RIGHTS OF SILENT HORROR IN DARKBOX STUDIOS PTE. LTD.**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Vividthree Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement on 26 December 2019 (the “**Announcement**”).

The Board wishes to announce that the Company has entered into a binding term sheet (the “**Term Sheet**”) with Darkbox Studios Pte Ltd (“**DBSPL**”) in connection with the proposed acquisition of:-

- (i) all intellectual property (“**IP**”) rights and all published and unpublished works for the “Silent Horror” owned by DBSPL and both Mr Goh Chun Hoong and Mr Goh Chun Keong (collectively, the “**Vendors**” and each a “**Vendor**”); and
- (ii) all rights and goodwill to the business name “Darkbox” and “Darkbox Studio” (the “**Proposed Acquisition**”) from the Vendors.

2. RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Company’s intention to expand the Company’s IP ownership in the comic video mass market. The Company believes this will widen the scope of future immersive services that the Company can offer to the mass market.

3. PURCHASE PRICE

- 3.1 Subject to the definitive sale and purchase agreement to be executed between the Company and the Vendors (“**Definitive Agreement**”), the purchase price for the Proposed Acquisition is SGD1.50 million (“**Purchase Consideration**”).

The Purchase Consideration shall be satisfied as follow:-

- (i) SGD0.5 million in cash; and
- (ii) SGD1.0 million in shares of the Company (“the **Consideration Shares**”)

The Consideration Shares will be issued pursuant to the general mandate obtained on 29 July 2019.

- 3.2 The Purchase Consideration was arrived at on a willing-buyer, willing-seller basis after taking into consideration the following factors:
- (i) Silent Horror’s more than 92 million views online;
 - (ii) capabilities and synergies between the Company and DBSPL (recently collaborated to launch the OTT video platform); and
 - (iii) the potential of the comic video business.

No valuation was carried out in connection with the Proposed Acquisition.

VIVIDTHREE HOLDINGS LTD.

Registration No. 201811828R

(Incorporated in the Republic of Singapore)

4. CONDITIONS PRECEDENT

Subject to the Definitive Agreement, the obligations of the Company and Vendors to enter into and complete the Proposed Acquisition is subject to the fulfilment by the Vendors, on or prior to the completion date, of the following conditions precedent, including:

- (a) Approval from DBSPL on the transfer of Silent Horror's IP rights, contracts and perpetual non-competition clause on all office bearers.
- (b) Execution of satisfactory legal documents for this IP transaction, to be entered into in respect of the DBSPL.
- (c) Receipt of consents and approvals from all government and regulatory authorities and other third parties which are necessary or appropriate for the subscription and issuance of the Consideration Shares by the Company, if applicable.

5. FUNDING FOR THE PROPOSED ACQUISITION

The Proposed Acquisition will be funded using the Company's internal resources and issuance of new ordinary shares in the capital of the Company.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, to the best of the Directors' knowledge, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition (other than through their direct or indirect shareholdings in the Company).

By Order of the Board

Yeo Eng Pu, Charles
Executive Director
11 February 2020

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