

IMMEDIATE RELEASE

Vividthree Holdings Posts Higher Year-on-Year Revenue and Profit for 2QFY2020

- Entered into a Memorandum of Understanding (“MOU”) to develop the Doraemon Experience (“DE”) show with integration of Virtual Reality (“VR”) and Augmented Reality (“AR”) elements
- Teamed with Resorts World Genting to create and develop the ‘Train to Busan Horror House’ show, a first-of-its-kind hyper-reality immersive experience
- Inked MOU with Malaysia Institute of Economic Research and Science Discoveries Sdn Bhd as the exclusive technology provider for a RM1.3 billion tourism mixed development in Malaysia

Singapore, 11 November 2019 - Vividthree Holdings Ltd. (SGX: OMK), a virtual reality, visual effects and computer-generated imagery production studio (“Vividthree”, the “Company” or the “Group”) today announced its financial results for the second quarter ended 30 September 2019 (“2QFY2020”) and half year ended 30 September 2019 (“1HFY2020”).

Financial Highlights

\$'000	2QFY2020	2QFY2019	Y-o-Y change (%)	1HFY2020	1HFY2019	Y-o-Y change (%)
<i>Revenue</i>	1,816.2	670.8	170.8	3,441.1	2,502.4	37.5
<i>Gross profit</i>	962.4	254.3	278.5	2,034.5	1,614.2	26.0
<i>Gross profit margin (%)</i>	53.0	37.9	-	59.1	64.5	-
<i>Net profit</i>	208.2	(456.7)	N.M.	523.2	564.0	(7.2)

In 2QFY2020, the Group recorded a revenue increase of \$1.15 million or 170.8% to \$1.82 million from \$0.67 million in its corresponding quarter. This is largely contributed from the completion of

post-production works in its Post-production segment such as Visual Effects (“**VFX**”) and Computer-Generating Imagery (“**CGI**”) for film producers.

The Group’s administrative expenses for 2QFY2020 decreased by \$0.08 million or 9.9% to \$0.72 million from \$0.80 million in 2QFY2019. The Group’s administrative expenses remained fairly consistent as compared to the last corresponding quarter except for the one-off initial public offering (“**IPO**”) costs amounting to \$0.17 million in 2QFY2019.

In tandem with higher y-o-y revenue for 2QFY2020, the Group recovered from a net loss of \$0.46 million in 2QFY2019 to achieve a net profit of \$0.21 million in 2QFY2020.

Moving Forward

The Group sees further opportunities in adapting the Train to Busan (“**TTB**”) Intellectual Property (“**IP**”) rights for different show concepts/immersive attractions based on the requirements of various venue operators. Vividthree has recently teamed up with Resorts World Genting to produce ‘**Train to Busan Horror House**’, a first-of-its-kind immersive experience for their visitors. The Group also expects that TTB IP shows will be able to gain more attention and interests as the sequel to the successful hit zombie movie ‘Train to Busan 2: Bando’ is slated for release in coming year 2020.

Continuing our momentum in the Content Production segment, on 13 August 2019, the Group entered into a MOU with Animation International Ltd to develop the Doraemon Experience (“**DE**”) show with the integration of the elements of virtual reality and augmented reality. The DE show is an immersive experience featuring one of the most iconic character and is anticipated to be made available in Singapore within the next 12 months.

Earlier in November 2019, the Group has also entered into a MOU with the Malaysia Institute of Economic Research (“**MIER**”) and Science Discoveries Sdn Bhd (“**SD**”) as the exclusive immersive technology, gamification and IT production provider for a RM1.3 billion tourism mixed development project- HeurêkaLand. SD has also appointed Vividthree as its exclusive partner in technology support, content creation and the main contractor for all its immersive experience projects, allowing Vividthree to tap on SD’s network and strong pipeline of projects to strengthen its market presence in Malaysia.

In addition, the Group sees potential in webcomics due to the increased usage of smart devices. The Group plans to target the tech-savvy millennial generation in our upcoming initiatives, in which

consumers can view comics on mobile platforms. The Group is planning to launch webcomics videos at the Singapore Comic Con¹ (SGCC 2019) in December 2019, bringing popular and quality content from established creators such as Dark Box Studio to consumers.

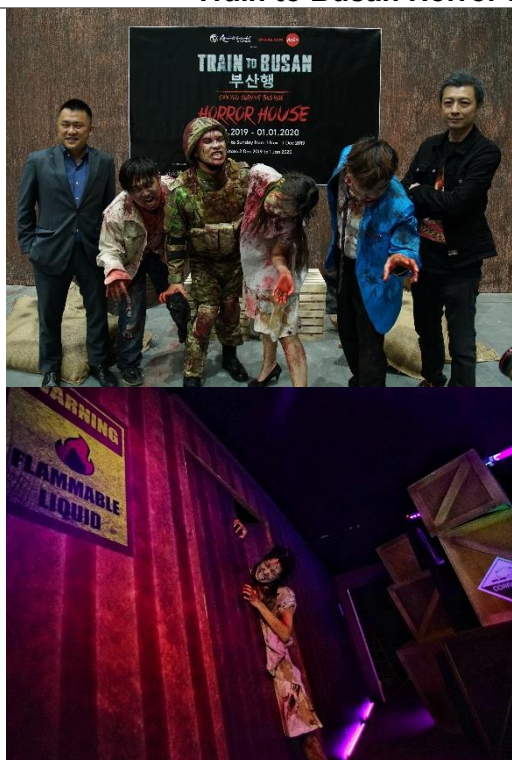
The Group remains optimistic for both its Content Production and Post-production segments, as Vividthree strives to achieve its leadership position as a digital content producer.

Managing Director of Vividthree, Mr Charles Yeo commented, ***“We are encouraged by the improvements we have seen in this set of results. Our Post-production segment continues to provide the base for the Group’s profitability in this quarter. We have been gaining positive traction in the Content Production segment after we rolled out TTB VR Tour Show in Beijing and Xiamen. We want to grab every opportunity to adapt and produce a different concept of immersive experiences like the recent launch of the ‘Train to Busan Horror House’ in Resorts World Genting. The Group continues to grow its content development capabilities with the recent announcement on the MOU to create and develop ‘Doraemon Experience’. We continue to be confident in maintaining our current position in this industry.”***

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¹ <https://www.singaporecomiccon.com/en-gb.html>

'Train to Busan Horror House' at Resorts World Genting



About Vividthree Holdings Ltd.

Established in 2006, Vividthree is a virtual reality (VR), visual effects (VFX) and computer-generated imagery studio that develops and creates digital intellectual property assets that primarily consists of storylines with accompanying characters and visual elements. Vividthree develops and/or acquires digital intellectual property assets to produce virtual reality products such as thematic tour shows, such as the recently announced Train to Busan.

Vividthree has a network presence in Singapore and Malaysia, focusing primarily on two business segments, namely, Post-production and Content Production.

In 2015, Vividthree Productions Pte. Ltd., which is now a subsidiary of the Company, was acquired by mm2 Asia Ltd., a Singapore based, SGX Mainboard-listed producer of films, TV and online content.

<https://www.vividthreeholdings.com/>

This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

This press release has not been examined or approved by the SGX-ST and SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance who can be contacted at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone: 6415 9886

Investor Relations Contact

Emily Choo

Mobile: +65 9734 6565

Email: emily@gem-comm.com

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This news release does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with, the full text of the Offer Document, including but not limited to the “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” sections of the Offer Document.

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