Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Vividthree Holdings Ltd.

Stock code: OMK

Meeting details:
Date: 27 July 2020
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q1. As noted in the managing director's statement, the group's post-production segment registered an increase in revenue in FY2020, partially offset the decline in revenue due to the deferment of the immersive shows.

For the financial year ended 31 March 2020, post-production revenue increased from $2.54 million to $3.52 million. This accounted for approximately 57% of the group's total revenue of $6.14 million. The group stated that it believes that the post-production segment will remain stable and will continue to be the sustenance of the group.

As disclosed in Note 35 (page 104 – Segment information), post-production refers to "the services in visual effects, computer-generated imagery services and immersive media works for feature films, commercials, projection mapping and other post-production services. The services are mainly related to motion picture, video and television programme post-production services".

(i) **Can management elaborate further on the impact of the pandemic on the group's post-production segment?**

(ii) **In particular, how much of its revenue is related to motion pictures? How is the group managing the negative impact on the post-production segment arising from the closure of cinemas and the delay/cancellation of movie launches?**

(iii) **How does the group secure new projects in the post-production segment? Since its listing, has the group been able to expand its client base?**

Q2. Would management provide shareholders with better clarity on the group's business model? Specifically:

(i) **Immersive shows: What is the typical investment amount required to develop an immersive VR show, such as the Train to Busan VR tour show, from scratch? With crowd control and social distancing measures implemented by governments to combat the spread of COVID-19, how will the business model be affected?**

(ii) **ComicVid: Can management elaborate further on the strategic value of ComicVid?**

(iii) **XMI:** On 25 June 2019, the company entered into a legally binding term sheet with XMI Group Pte. Ltd. ("XMI") to subscribe up to $1.5 million in convertible notes in XMI. **What is the level of influence and oversight by management on the operational and strategic matters of XMI?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

(iv) **Unquoted securities:** As shown in Note 16 (page 85 – Financial assets, at FVPL), the group has $1.7 million invested in unquoted securities. **Would management clarify the nature of such investments? What are the underlying securities?**

Q3. On 12 February 2020, the company announced a proposed placement of up to 15.88 million new ordinary shares in the capital of the company at a placement price of at least $0.126 for each placement share to raise up to $1.88 million in net proceeds.

As stated in the company's announcement, the proposed placement was taken to strengthen the group's financial and working capital position and to fund acquisitions of intellectual properties and business assets as and when such opportunities arise.

(i) **Given that the company was listed at 25 cents in September 2018, what were the deliberations by the board to propose a placement at 12.6 cents? Had the board/management evaluated other sources of funding to support the group's growth without causing undue dilution to shareholders?**

On 30 June 2020, the company announced that the placement agreement had been terminated with immediate effect. The reason given was that the group's working capital was "sufficient to meet its present and projected requirements".

The group was in a net cash position of $4.38 million with no bank borrowings at the end of the last financial year ended 31 March 2019. Since then, the group has taken on $1.7 million in bank borrowings and is in a net cash position of just $422,618 (as at 31 March 2020).

In the offer document dated 17 September 2018, the company had disclosed that the group will seek opportunities for growth through strategic alliances, acquisitions, joint ventures, investments and partnerships.

(ii) **What is the group's capacity to make investments and to grow through acquisitions given its current financial position?**

(iii) **With the pandemic significantly affecting the group's live thematic experience/immersive show segment, what adjustments have the board made to the group's long-term plans?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

CONNECT WITH US

^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)