

VIVIDTHREE HOLDINGS LTD.

Registration No. 201811828R

(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF UP TO 15,880,000 NEW ORDINARY SHARES

1. INTRODUCTION

The board of directors (the "**Board**") of Vividthree Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a placement agreement with Soochow CSSD Capital Markets (Asia) Pte. Ltd. (the "**Placement Agent**") on 12 February 2020 (the "**Placement Agreement**") to undertake a placement (the "**Proposed Placement**") of up to 15,880,000 new ordinary shares in the capital of the Company (the "**Placement Shares**"). Pursuant to the Placement Agreement, the Placement Agent has agreed to, on a best efforts basis, procure subscribers for the Placement Shares at the placement price of at least S\$0.126 (the "**Placement Price**") for each Placement Share on the terms and subject to the conditions of the Placement Agreement.

2. DETAILS OF THE PROPOSED PLACEMENT

The Placement Shares, when issued and fully paid-up, shall be issued free from any and all mortgages, charges, claims, securities, pledges, liens, equities, encumbrances or any other interests whatsoever and shall rank in all respects *pari passu* with the then existing issued and paid-up ordinary shares in the capital of the Company (the "**Shares**") existing at the date of the issue of the Placement Shares, save that the Placement Shares shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of issue of the Placement Shares.

The Placement Shares will be allotted and issued pursuant to the share issue general mandate granted by the Shareholders at the annual general meeting of the Company held on 29 July 2019 (the "**AGM**"), which authorises the Directors to allot and issue ordinary shares in the capital of the Company not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 50% (excluding treasury shares and subsidiary holdings).

The number of issued Shares as at the date of the AGM (excluding treasury shares and subsidiary holdings) is 334,011,764 Shares. On this basis, the maximum number of new Shares that may be issued pursuant to the General Mandate other than on a pro rata basis to existing Shareholders is 167,005,882 Shares.

Assuming the successful allotment and issue of all the Placement Shares, the Company's issued and paid-up share capital will increase from 334,011,764 Shares (the "**Existing Share Capital**") to 349,891,764 Shares (the "**Enlarged Share Capital**"). The aggregate Placement Shares represents approximately 4.75% of the Existing Share Capital and approximately 4.54% of the Enlarged Share Capital. The Placement Price of S\$0.126 per Placement Share represents a premium of 27.3% to the volume weighted average price of S\$0.099 for each Share, based on trades done for the Shares on the Catalist of the SGX-ST for the full market day on which the Placement Agreement was signed, and was arrived at following arm's length discussions between the Company and the Placement Agent.

The Placement Shares will not be placed out to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the SGX-ST's Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). No controlling interest will be transferred pursuant to the Proposed Placement.

As the Proposed Placement will be made pursuant to the relevant exemptions under the Securities and Futures Act (Chapter 289), no prospectus or offer information statement will be issued by the Company in connection therewith.

3. TERMS OF THE PROPOSED PLACEMENT

The Proposed Placement is conditional upon, *inter alia*, the following conditions precedent:

- (a) the listing and quotation notice being obtained from the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on the Catalist of the SGX-ST in accordance with the terms of the Placement Agreement, and not having been revoked or amended and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Placement Agent and to the extent that any conditions to such approval are required to be fulfilled on or before the completion date, they are so fulfilled;
- (b) there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development involving a prospective material adverse change in the condition (financial or otherwise) of the Company and/or Group as a whole which, in the opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Proposed Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares; and
- (c) the entry into of the Pricing Supplement (as defined in the Placement Agreement) by the Company and the Placement on or before 30 April 2020 (or such other date as the Placement Agent and the Company may agree).

After the entry into the Pricing Supplement, in the event that the Placement Shares in respect of which the Placement Agent has procured subscribers are not paid for by such subscribers on the completion date or if such Placement Shares are not fully subscribed by the end-placées (if any) on the completion date, the Placement Agent may subscribe for such Placement Shares at a placement price to be agreed between the Placement Agent and the Company in accordance with the terms of the Placement Agreement. If no agreement is reached between the Placement Agent and the Company on the placement price, the Placement Agent shall not be obliged to subscribe for any of the Placement Shares. For the avoidance of doubt, nothing in the Placement Agreement shall oblige the Placement Agent to enter into the Pricing Supplement.

The Company shall pay to the Placement Agent a commission of 5.0% of the aggregate Placement Price for the Placement Shares subscribed by the Placement Agent and for which the Placement Agent have procured subscribers.

Under the Placement Agreement, the conditions precedent as set forth in the Placement Agreement shall be satisfied or waived by 30 April 2020 (or such other date as the Placement Agent and the Company may agree), failing which the Placement Agreement shall ipso facto cease and be terminated, and neither the Placement Agent nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Placement Agreement, save for any liability accruing before or in relation to such termination.

4. PURPOSE AND USE OF PROCEEDS

Assuming that all of the Placement Shares are successfully issued and allotted at the Placement Price of S\$0.126, the estimated net proceeds from the Proposed Placement (after deducting estimated expenses of approximately S\$0.12 million) will be approximately S\$1.88 million (the "**Net Proceeds**").

The Company is undertaking the Proposed Placement to strengthen its financial and working capital position and for acquisitions of intellectual properties and business assets as and when such opportunities arise. The Company intends to deploy the Net Proceeds in the following manner:

- (a) General working capital – 70%; and
- (b) Acquisitions of intellectual properties and business assets – 30%.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or for any other purpose on a short-term basis as the directors may in their absolute discretion deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company's financial statements and annual report and whether such a use is in accordance with the stated use and in accordance with the stated percentage allocated.

5. FINANCIAL EFFECTS

The table illustrates the financial effects of the Proposed Placement (assuming the Proposed Placement is fully subscribed) on (i) the net tangible asset per Share of the Group (assuming the Proposed Placement had been completed at the end of that financial year); and (ii) the earnings per Share of the Group (assuming that the Proposed Placement had been completed at the beginning of that financial year) based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2019 are set out below:

	Before the Proposed Placement⁽¹⁾ (Singapore cents)	After the Proposed Placement⁽²⁾ (Singapore cents)
Effect of the Proposed Placement on the net tangible asset per Share	6.59	6.83
Effect of the Proposed Placement on the earnings per Shares	0.98	0.90

Notes:

(1) Based on 334,011,764 Shares in issue as at the date of this announcement.

(2) Based on 349,891,764 Shares assuming the Proposed Placement of 15,880,000 Placement Shares is fully subscribed.

6. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the purpose of the Placement is to meet its anticipated general working capital requirements and for acquisitions of intellectual properties and business assets as and when such opportunities arise as described in paragraph 4 of this announcement.

The Directors are of the opinion that, after taking into consideration the present bank facilities, and Net Proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

7. ADDITIONAL LISTING APPLICATION

The sponsor of the Company, Hong Leong Finance Limited, will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on the Catalist of the SGX-ST. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Placement Shares on the Catalist of the SGX-ST.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement (other than through their shareholdings in the Company).

9. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the Shares as there is no certainty that the Proposed Placement will be completed because it is subject to the fulfilment of terms and conditions as set out in the Placement Agreement. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisors.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the Company's registered office at 1093 Lower Delta Road, #05-10, Singapore 169204 during normal business hours for three months from the date of this announcement.

By Order of the Board

Yeo Eng Pu, Charles
Executive Director
12 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.

The contact person of the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (65) 6415 9886.