



Vividthree Holdings Ltd.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201811828R)

**FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

This announcement 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 ("SGX-ST").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEARLY AND FULL YEAR ANNOUNCEMENTS

- 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/year.

	Group			Group		
	Three months period ended			Twelve months period ended		
	31 Mar 2019 4Q FY2019 (Unaudited) \$	31 Mar 2018 4Q FY2018 ⁽¹⁾ (Unaudited) \$	Change %	31 Mar 2019 12M FY2019 (Unaudited) \$	31 Mar 2018 12M FY2018 ⁽¹⁾ (Audited) \$	Change %
Revenue	4,022,484	1,815,120	121.6%	9,284,417	7,057,059	31.6%
Cost of sales	(1,263,349)	(1,113,350)	13.5%	(2,800,699)	(2,452,606)	14.2%
Gross profit	2,759,135	701,770	293.2%	6,483,718	4,604,453	40.8%
Other income	52,291	27,313	91.5%	437,751	66,674	556.6%
Other (losses)/gains - net	(15,382)	2,575	-697.4%	(14,943)	1,481	-1109.0%
Administrative expenses	(764,004)	(384,517)	98.7%	(2,813,956)	(1,432,826)	96.4%
Finance expenses	-	(2,807)	-100.0%	(3,520)	(14,586)	-75.9%
Profit before income tax	2,032,040	344,334	490.1%	4,089,050	3,225,196	26.8%
Income tax expense	(502,903)	(283,281)	77.5%	(821,324)	(514,997)	59.5%
Net profit for the financial period/year attributable to equity holders of the Company	1,529,137	61,053	2404.6%	3,267,726	2,710,199	20.6%
Other comprehensive income/(loss), net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation - gain/(loss)	11,514	(447)	-2675.8%	8,577	(447)	-2018.8%
Total comprehensive income attributable to equity holders of the Company	1,540,651	60,606	2442.1%	3,276,303	2,709,752	20.9%

NM - not meaningful

⁽¹⁾ The combined statement of comprehensive income for the financial period/year ended 31 March 2018 have been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the restructuring exercise.

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

Profit before tax is arrived at after (crediting)/charging :

	Group			Group		
	Three months period ended			Twelve months period ended		
	31 Mar 2019 4Q FY2019 (Unaudited) \$	31 Mar 2018 ⁽¹⁾ 4Q FY2018 ⁽¹⁾ (Unaudited) \$	Change %	31 Mar 2019 12M FY2019 (Unaudited) \$	31 Mar 2018 ⁽¹⁾ 12M FY2018 ⁽¹⁾ (Audited) \$	Change %
Amortisation of intangible assets	38,469	10,788	256.6%	70,831	43,150	64.2%
Depreciation of plant and equipment	16,128	48,432	-66.7%	292,087	206,010	41.8%
Employees compensation	1,249,174	608,664	105.2%	2,680,642	2,001,272	33.9%
Interest expenses	-	2,807	-100.0%	3,520	14,586	-75.9%
Listing expenses	-	-	-	167,993	-	NM
Other income	(36,742)	(27,313)	34.5%	(124,027)	(66,674)	86.0%
Waiver of the founders' entitlement to the gain from disposal of an investment property of subsidiary	-	-	-	(287,817)	-	NM
Interest income	(15,549)	-	NM	(25,907)	-	NM
Foreign exchange loss/(gain), net	15,055	(2,575)	-684.7%	14,616	(1,481)	-1086.9%
Plant and equipment written off	-	-	-	327	-	NM

NM - not meaningful

⁽¹⁾ The combined statement of comprehensive income for the financial period/year ended 31 March 2018 have been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the restructuring exercise.

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 31 Mar 2019 (Unaudited) \$	As at 31 Mar 2018 ⁽¹⁾ (Audited) \$	As at 31 Mar 2019 ⁽²⁾ (Unaudited) \$
ASSETS			
Current assets			
Cash and cash equivalents	4,380,750	2,353,739	3,046,029
Trade and other receivables	7,759,203	3,805,486	10,337,820
Deposits and prepayments	6,068,111	256,315	-
Other current assets	2,274,013	561,570	-
	20,482,077	6,977,110	13,383,849
Non-current assets			
Plant and equipment	1,000,239	284,365	-
Investment in subsidiaries	-	-	446,400
Goodwill arising from consolidation	2,851,917	2,851,917	-
Deposits	3,500,000	-	-
Intangible assets	544,446	61,650	-
	7,896,602	3,197,932	446,400
Total assets	28,378,679	10,175,042	13,830,249
LIABILITIES			
Current liabilities			
Trade and other payables	602,741	829,300	557,558
Contract liabilities	1,493,248	213,100	-
Current income tax liabilities	818,000	528,036	-
Borrowings	-	89,299	-
	2,913,989	1,659,735	557,558
Non-current liabilities			
Borrowings	-	36,742	-
Deferred income tax liabilities	51,626	64,035	-
	51,626	100,777	-
Total liabilities	2,965,615	1,760,512	557,558
NET ASSETS	25,413,064	8,414,530	13,272,691
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13,772,231	50,000	13,772,231
Reserves	2,929,130	2,920,553	-
Retained profits/(accumulated losses)	8,711,703	5,443,977	(499,540)
Total equity	25,413,064	8,414,530	13,272,691

⁽¹⁾ The combined statement of financial position for the financial year ended 31 March 2018 have been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the restructuring exercise as set out in the Company's Offer Document dated 17 September 2018.

⁽²⁾ There are no comparative figures for the preceding financial period for the Company as it was incorporated on 7 April 2018.

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

Amount repayable in one year or less or on demand

As at 31 Mar 2019		As at 31 Mar 2018	
(Unaudited)		(Audited)	
Secured \$	Unsecured \$	Secured \$	Unsecured \$
-	-	71,094	18,205

Amount repayable after one year

As at 31 Mar 2019		As at 31 Mar 2018	
(Unaudited)		(Audited)	
Secured \$	Unsecured \$	Secured \$	Unsecured \$
-	-	36,742	-

Details of any collateral

As at 31 March 2018, the Group's secured portion of borrowings were secured by personal guarantees given by the directors of subsidiary, Vividthree Productions Pte. Ltd. Subsequent to 31 March 2018, the Group has fully repaid the borrowings in 2Q FY2019.

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		Group	
	Three months period ended		Twelve months period ended	
	31 Mar 2019	31 Mar 2018 ⁽¹⁾	31 Mar 2019	31 Mar 2018 ⁽¹⁾
	4Q FY2019	4Q FY2018	12M FY2019	12M FY2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	\$	\$	\$	\$
Cash flows from operating activities				
Net profit	1,529,137	61,053	3,267,726	2,710,199
Adjustments for:				
- Income tax expenses	502,903	283,281	821,324	514,997
- Depreciation of plant and equipment	16,128	48,432	292,087	206,010
- Interest income	(15,549)	-	(25,907)	-
- Interest expenses	-	2,807	3,520	14,586
- Amortisation of intangible assets	38,469	10,788	70,831	43,150
- Plant and equipment written off	-	-	327	-
- Issuance of new ordinary shares to employees prior listing of the Company	181,500	-	200,000	-
- Listing expenses	-	-	167,993	-
Operating cash flow before working capital changes	2,252,588	406,361	4,797,901	3,488,942
Change in working capital, net of effects from acquisition of subsidiary:				
- Trade and other receivables	(4,132,311)	(45,803)	(3,953,717)	(864,234)
- Other current assets	(54,338)	499,863	(2,095,314)	(464,748)
- Deposits and prepayments	(721,732)	(200,475)	(5,811,796)	(213,712)
- Trade and other payables	(330,121)	(442,750)	(226,559)	153,861
- Contract liabilities	861,194	(167,026)	1,280,148	67,264
Cash (used in)/provided by operations	(2,124,720)	50,170	(6,009,337)	2,167,373
Income tax paid	(22,828)	(12,776)	(543,931)	(94,669)
Net cash (used in)/provided by operating activities	(2,147,548)	37,394	(6,553,268)	2,072,704
Cash flows from investing activities				
Additions to plant and equipment	(349,063)	(107,187)	(625,761)	(145,968)
Additions to intangible assets	(129,750)	-	(553,627)	-
Additions to deposits	-	-	(3,500,000)	-
Interest received	15,549	-	25,907	-
Net cash used in investing activities	(463,263)	(107,187)	(4,653,481)	(145,968)

⁽¹⁾ The combined statement of cash flows for the financial period/year ended 31 March 2018 have been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the restructuring exercise.

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. (continued)

Consolidated Statement of Cash Flows (continued)

	Group		Group	
	Three months period ended		Twelve months period ended	
	31 Mar 2019 4Q FY2019 (Unaudited) \$	31 Mar 2018 ⁽¹⁾ 4Q FY2018 (Unaudited) \$	31 Mar 2019 12M FY2019 (Unaudited) \$	31 Mar 2018 ⁽¹⁾ 12M FY2018 (Audited) \$
Cash flows from financing activities				
Interest paid	-	(2,807)	(3,520)	(14,586)
Proceeds from issuance of ordinary shares at date of incorporation of the Company	-	-	300	-
Proceeds from issuance of new ordinary shares pursuant to IPO	-	-	12,950,000	-
Listing expenses pertaining to issuance of new ordinary shares	-	-	(1,596,062)	-
Proceeds from issuance of new ordinary shares pursuant to convertible loans	-	-	2,000,000	-
Repayment of borrowings	-	(30,505)	(126,041)	(157,445)
Net cash (used in)/provided by financing activities	-	(33,312)	13,224,677	(172,031)
Net (decrease)/increase in cash and cash equivalents	(2,610,811)	(103,105)	2,017,928	1,754,705
Cash and cash equivalents				
Beginning of financial period/year	6,979,907	2,456,844	2,353,739	599,034
Effects of currency translation on cash and cash equivalents	11,654	-	9,083	-
End of financial period/year	4,380,750	2,353,739	4,380,750	2,353,739
Cash and cash equivalents comprise:				
Cash and bank balances	3,380,750	2,353,739	3,380,750	2,353,739
Fixed deposits	1,000,000	-	1,000,000	-
	4,380,750	2,353,739	4,380,750	2,353,739

⁽¹⁾ The combined statement of cash flows for the financial period/year ended 31 March 2018 have been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the restructuring exercise.

- 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 (Unaudited)	← Attributable to equity holders of the Company →			Total \$
	Share capital \$	Other reserves \$	Retained profits \$	
As at 1 April 2018	50,000	2,920,553	5,443,977	8,414,530
Net profit for the period	-	-	1,020,620	1,020,620
Other comprehensive loss for the period	-	(3,502)	-	(3,502)
Total comprehensive (loss)/income for the period	-	(3,502)	1,020,620	1,017,118
	50,000	2,917,051	6,464,597	9,431,648
Incorporation of the Company	300	-	-	300
As at 30 June 2018 / 1 July 2018	50,300	2,917,051	6,464,597	9,431,948
Net loss for the period	-	-	(456,660)	(456,660)
Other comprehensive loss for the period	-	(1,110)	-	(1,110)
Total comprehensive loss for the period	-	(1,110)	(456,660)	(457,770)
	50,300	2,915,941	6,007,937	8,974,178
Issuance of new ordinary shares pursuant to convertible loan	2,000,000	-	-	2,000,000
Issuance of new ordinary shares to employees	200,000	-	-	200,000
Issuance of new ordinary shares pursuant to IPO	12,950,000	-	-	12,950,000
Capitalisation of listing expenses	(1,428,069)	-	-	(1,428,069)
As at 30 September 2018 / 1 October 2018	13,772,231	2,915,941	6,007,937	22,696,109
Net profit for the period	-	-	1,174,629	1,174,629
Other comprehensive income for the period	-	1,675	-	1,675
Total comprehensive income for the period	-	1,675	1,174,629	1,176,304
As at 31 December 2018 / 1 January 2019	13,772,231	2,917,616	7,182,566	23,872,413
Net profit for the period	-	-	1,529,137	1,529,137
Other comprehensive income for the period	-	11,514	-	11,514
Total comprehensive income for the period	-	11,514	1,529,137	1,540,651
As at 31 March 2019	13,772,231	2,929,130	8,711,703	25,413,064

- 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 period. (continued)

Consolidated Statement of Changes in Equity (continued)

Group (Unaudited)	← Attributable to equity holders of the Company →			Total \$
	Share capital \$	Other reserves \$	Retained profits \$	
As at 1 April 2017	50,000	2,921,000	2,733,778	5,704,778
Total comprehensive income for the period	-	-	403,946	403,946
As at 30 June 2017 / 1 July 2017	50,000	2,921,000	3,137,724	6,108,724
Total comprehensive income for the period	-	-	845,593	845,593
As at 30 September 2017 / 1 October 2017	50,000	2,921,000	3,983,317	6,954,317
Total comprehensive income for the period	-	-	1,399,607	1,399,607
As at 31 December 2017 / 1 January 2018	50,000	2,921,000	5,382,924	8,353,924
Total comprehensive (loss)/income for the period	-	(447)	61,053	60,606
As at 31 March 2018	50,000	2,920,553	5,443,977	8,414,530

Company (Unaudited)	← Attributable to equity holders of the Company →			Total \$
	Share capital \$	Retained profits \$		
As at 7 April 2018 (Date of incorporation)	300	-		300
Net loss for the period	-	(70)		(70)
As at 30 June 2018 / 1 July 2018	300	(70)		230
Issuance of new ordinary shares pursuant to the restructuring exercise	50,000	-		50,000
Issuance of new ordinary shares pursuant to convertible loan	2,000,000	-		2,000,000
Issuance of new ordinary shares to employees	200,000	-		200,000
Issuance of new ordinary shares pursuant to IPO	12,950,000	-		12,950,000
Capitalisation of listing expenses	(1,428,069)	-		(1,428,069)
Net loss for the period	-	(154,351)		(154,351)
As at 30 September 2018 / 1 October 2018	13,772,231	(154,421)		13,617,810
Net loss for the period	-	(127,782)		(127,782)
As at 31 December 2018 / 1 January 2019	13,772,231	(282,203)		13,490,028
Net loss for the period	-	(217,337)		(217,337)
As at 31 March 2019	13,772,231	(499,540)		13,272,691

- 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		
Issued and paid-up shares as at date of incorporation: 7 April 2018	300	300
Issue of shares pursuant to the completion of the restructuring exercise ⁽¹⁾	49,700	50,000
Sub-division	271,950,000	-
Conversion of pre-IPO convertible loan	9,411,764	2,000,000
Issuance of shares to employees	800,000	200,000
Pre-placement issued and paid-up share capital	282,211,764	2,250,300
Issue of new shares pursuant to the placement	51,800,000	12,950,000
	334,011,764	15,200,300
Less: Listing expenses directly attributable to issuance of placement shares	-	(1,428,069) ⁽²⁾
Pre-placement issued and paid-up share capital	334,011,764	13,772,231

Notes:

- (1) The shares were issued to the ultimate holding company, mm2 Asia Ltd. and the founders of Vividthree Productions Pte. Ltd. pursuant to the restructuring exercise.
- (2) Out of total listing expenses, \$1,428,069 were capitalised to the share capital and \$167,993 were charged to profit and loss during the financial year ended 31 March 2019.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 March 2019.

- 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.

	31 Mar 2019	31 Mar 2018
Total number of shares issued	<u>334,011,764</u>	<u>N/A</u>

The Company did not have any treasury shares as at 31 March 2019 and 31 March 2018.

"N/A" denotes not applicable as the Company was only incorporated on 7 April 2018.

- 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.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period/year reported on.

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.

During the financial period/year, there were no transactions pertaining to 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.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Same as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year ended 31 March 2019 compared to the audited combined financial statements for the financial year ended 31 March 2018 as set out in the Company's Offer Document dated 17 September 2018; except the adoption of Singapore Financial Standards (International) ("SFRS(I)") and all the new standards which are effective for annual financial periods beginning on or after 1 April 2018. The adoption of SFRS(I) has no significant impact on the Group's financial statements.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised standards and Interpretations of FRS ("Int FRS") that are relevant to its operations and effective for the annual financial periods on or after 1 April 2018, 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 reporting period/year.

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.

Earnings per share ("EPS")	Group		Group	
	Three months period ended		Twelve months period ended	
	31 Mar 2019 4Q FY2019	31 Mar 2018 4Q FY2018	31 Mar 2019 12M FY2019	31 Mar 2018 12M FY2018
Profit attributable to equity holders of the Company (\$)	1,529,137	61,053	3,267,726	2,710,199
Weighted average number of ordinary share issued	334,011,764	-	182,312,865	-
Basic and fully diluted basis EPS (cents) ^{(1) (2) (3)}	0.46	NM	1.79	NM

Notes:

- ⁽¹⁾ The basic EPS of the Group for the respective periods/years was calculated based on the weighted average number of ordinary shares in issue for the respective periods/years.
- ⁽²⁾ The fully diluted basis EPS of the Group for the respective periods/years 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 periods/years. No outstanding convertibles and share allotment as at 31 March 2019.
- ⁽³⁾ Comparison with the EPS for the corresponding periods/years of the immediately preceding financial year is not meaningful as no shares existed for the Company in FY2018.

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/year reported on; and**
(b) Immediately preceding financial year.

	Group		Company ⁽¹⁾
	31 Mar 2019	31 Mar 2018 ⁽²⁾	31 Mar 2019
Net asset value attributable to equity holders of the Company (\$)	25,413,064	8,414,530	13,272,691
Number of ordinary shares issued	334,011,764	334,011,764	334,011,764
Net asset value per ordinary share (cents)	7.61	2.52	3.97

Notes:

- ⁽¹⁾ There are no comparative figures for the preceding financial year for the Company as it was incorporated in 7 April 2018.
- ⁽²⁾ For illustrative purposes, the number of ordinary shares in issue of the Group for the financial year ended 31 March 2018 was calculated based on the post-IPO placement number of ordinary shares.

- 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)

Revenue

4Q FY2019 vs 4Q FY2018

Our Group recorded higher revenue of \$2.2 million or 121.6%, from \$1.8 million in 4Q FY2018 to \$4.0 million in 4Q FY2019. This was mainly due to higher revenue in Content Production services from sales of territorial rights in 4Q FY2019. The completion of a higher number of projects in Post-production services has also contributed to the increase in revenue in 4Q FY2019.

12M FY2019 vs 12M FY2018

Our Group revenue increased by \$2.2 million or 31.6%, from \$7.1 million in 12M FY2018 to \$9.3 million in 12M FY2019, mainly due to higher revenue in Content Production services as a result of the completion of production services of the first virtual reality (VR) tour show in Beijing and sales of territorial rights to different countries in 12M FY2019.

Cost of sales

4Q FY2019 vs 4Q FY2018

Cost of sales increased by \$0.2 million or 13.5%, from \$1.1 million in 4Q FY2018 to \$1.3 million in 4Q FY2019 and the increase is in tandem with higher revenue in 4Q FY2019.

12M FY2019 vs 12M FY2018

Cost of sales increased by \$0.3 million or 14.2%, from \$2.5 million in 12M FY2018 to \$2.8 million in 12M FY2019 and the increase is in tandem with higher revenue in 12M FY2019.

Gross profit

4Q FY2019 vs 4Q FY2018

Gross profit margin increased from 38.7% in 4Q FY2018 to 68.6% in 4Q FY2019. The increase is due to Content Production segment yielding better gross profit margin.

12M FY2019 vs 12M FY2018

Gross profit margin increased from 65.2% in 12M FY2018 to 69.8% in 12M FY2019. The increase is due to Content Production segment yielding better gross profit margin.

Other income

4Q FY2019 vs 4Q FY2018

Other income increased by \$24,978 or 91.5%, from \$27,313 in 4Q FY2018 to \$52,291 in 4Q FY2019, mainly due to increase in interest income received of \$15,549 from fixed deposit placement.

12M FY2019 vs 12M FY2018

Other income increased by \$371,077 or 556.6%, from \$66,674 in 12M FY2018 to \$437,751 in 12M FY2019. This was due to the waiver of the founders' entitlement to the gain from disposal of an investment property of subsidiary amounted to \$287,817 and receipt of IPO congratulatory advertisement sponsorship income of \$36,000 from third parties in 2Q FY2019. In addition, the increase in other income was due to increase in interest income generated from fixed deposits of \$25,907.

- 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 PERFORMANCE (CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME) (CONTINUED)

Other gains/(losses) - net

4Q FY2019 vs 4Q FY2018

Other (losses)/gains - net, from net gains of \$2,575 in 4Q FY2018, to net losses of \$15,382 in 4Q FY2019. This was due to foreign exchange losses incurred in 4Q FY2019.

12M FY2019 vs 12M FY2018

Other (losses)/gains - net, from net gains of \$1,481 in 12M FY2018, to net losses of \$14,943 in 12M FY2019. This was due to foreign exchange gains recorded in 12M FY2019.

Administrative expenses

4Q FY2019 vs 4Q FY2018

Administrative expenses increased by \$379,487 or 98.7%, from \$384,517 in 4Q FY2018 to \$764,004 in 4Q FY2019. The increase in administrative expenses is mainly due to increase in staff costs, professional fees for listing compliance purposes and rental expenses in Singapore and Malaysia. Overall, the increase was generally due to expansion of business/operations of the Group since IPO.

12M FY2019 vs 12M FY2018

Administrative expenses increased by \$1,381,130 or 96.4%, from S\$1,432,826 in 12M FY2018 to S\$2,813,956 in 12M FY2019. The increase in administrative expenses is mainly due to (i) one-off listing expenses of S\$167,993, (ii) increase in staff costs as the Group continues to strengthen its manpower, (iii) professional fees for listing compliance purposes, (iv) rental expenses for Singapore and Malaysia and (v) renewal of software costs. Overall, the increase was generally due to expansion of business/operations of the Group since IPO.

Finance expenses

4Q FY2019 vs 4Q FY2018

Finance expenses decreased by \$2,807 or 100.0% in 4Q FY2019 as compared to the corresponding period in 4Q FY2018, due to all borrowings being fully repaid in 2Q FY2019 and no new borrowings were obtained during the period.

12M FY2019 vs 12M FY2018

Finance expenses decreased by \$11,066 or 75.9%, from \$14,586 in 12M FY2018 to \$3,520 in 12M FY2019, due to the repayment of all borrowings in 2Q FY2019 and no new borrowings were obtained during the period.

Profit before income tax

4Q FY2019 vs 4Q FY2018

As a result of the analysis above, we have registered a profit before tax of \$2.0 million for the quarter ended 31 March 2019, as compared to the corresponding period of last year's profit before tax of \$0.3 million.

12M FY2019 vs 12M FY2018

As a result of the analysis above, we have registered a profit before tax of \$4.1 million in 12M FY2019, as compared to a profit before tax of \$3.2 million in 12M FY2018.

- 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)

31 March 2019 (FY2019) vs as at 31 March 2018 (FY2018)

Current assets

Current assets increased by \$13.5 million or 193.6% to \$20.5 million, from \$7.0 million as at 31 March 2018. The increase in current assets is primary due to the following:

- (i) Cash and cash equivalents increased by \$2.0 million in FY2019 was mainly due to net proceeds from issuance of new shares pursuant to the IPO of \$12.9 million and offsets with payments made in FY2019;
- (ii) Trade and other receivables increased by \$4.0 million in FY2019 mainly due to higher revenue recorded in 4Q FY2019 and the Group's majority of trade receivables in FY2018 have been collected during the FY2019;
- (iii) The increase in deposits and prepayments by \$5.8 million in FY2019 was mainly due to deposits paid for Content Production related projects; and
- (iv) Other current assets comprised assets recognised from costs incurred to fulfill revenue contracts. The increase of \$1.7 million in FY2019 mainly due to a higher number of projects that are still in progress.

Non-current assets

Non-current assets increased by approximately \$4.7 million or 146.9% to \$7.9 million from \$3.2 million as at 31 March 2018 mainly due to increase of plant and equipment by \$0.7 million, intangible assets of \$0.5 million for content development cost and deposits of \$3.5 million paid for Content Production related projects.

Current liabilities

Current liabilities increased by approximately \$1.3 million or 75.6% to \$2.9 million, from \$1.6 million as at 31 March 2018 primarily due to higher corporate tax provision of \$0.3 million as a result of higher profit before tax in FY2019 and contract liabilities of \$1.3 million which comprised of the Group's obligation to transfer goods or services to customers for which the Group has received consideration from customers as at 31 March 2019, net off by the decrease of trade and other payables of \$0.2 million and borrowings of \$0.1 million due to the repayment of all borrowings in FY2019.

Non-current liabilities

Non-current liabilities decreased by approximately \$49,151 or 48.8% from \$100,777 as at 31 March 2018 to \$51,626. The decrease was mainly due to the repayment of all borrowings in FY2019.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOW)

The Group recorded net cash outflows from operating activities of approximately \$6.6 million in 12M FY2019, compared to net cash inflows of approximately \$2.1 million in 12M FY2018, mainly due to increase in trade and other receivables and increase in other current assets, as a result of higher number of projects secured during the year and the expansion of Content Production segment.

Net cash outflows in investing activities of approximately \$4.7 million in 12M FY2019, compared to net cash outflows of \$0.1 million in 12M FY2018, was mainly attributable to deposit of \$3.5 million paid for Content Production related projects.

Net cash inflows in financing activities amounted to \$13.2 million in 12M FY2019, compared to net cash outflows of \$0.2 million in 12M FY2018, arising mainly from the gross IPO proceeds of \$12.9 million, proceeds from issuance of convertible loans (now converted to shares) of \$2.0 million, and offset by share issue expenses of approximately \$1.6 million and repayment of bank borrowings of \$0.1 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 remains focused on its leadership position and deepening its presence in China as digital content producer. With its established footprint, the Group expects its business momentum to continue. Following the completion of the flagship Train to Busan ("TTB") Virtual Reality ("VR") tour in Beijing, the tour will subsequently travel to Xiamen, where the Group engaged a local promoter and granting them a 1-year exclusive territorial right to host the TTB VR tour in the province. The Group will be also tapping along the worldwide success of the Korean blockbuster, TTB, of which will soon have a sequel slated for release in 2020. As a result, the Group has received warm responses from several promoters in the region, and it is currently in negotiations to take the TTB VR tour show to other parts of the world.

Riding on the fast-growing experience economy, the Group is also looking into the use of VR technology to improve the experience of an escape room, which has become a worldwide craze. The Group will continue to look for merger & acquisition opportunities and as well as new intellectual property products to expand its Post-production and Content Production businesses.

11 If a decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(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/year 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.

There were no IPT of \$100,000 and above in the current year under review.

- 14 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.

As at the date of this announcement, the status of the use of proceeds in Singapore dollars is as follows:

Use of IPO proceeds

	Amount allocated	Amount utilised	Amount unutilised
	\$'000	\$'000	\$'000
General working capital purposes, including production of virtual reality content and immersive media	7,825	(7,300)	525
Expansion through development and/or acquisition of intellectual property and acquisition, joint ventures and/or strategic alliances	3,354	-	3,354
IPO expenditure	1,771	(1,596)	175
Total	12,950	(8,896)	4,054

- 15 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 fourth quarter and twelve months ended 31 March 2019, to be false or misleading, in any material aspect.

- 16 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).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 17 Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Post-production		Content Production		Total	
	FY2019 (Unaudited) \$	FY2018 ⁽¹⁾ (Unaudited) \$	FY2019 (Unaudited) \$	FY2018 ⁽¹⁾ (Unaudited) \$	FY2019 (Unaudited) \$	FY2018 ⁽¹⁾ (Unaudited) \$
Revenue by Segment	2,535,810	2,857,059	6,748,607	4,200,000	9,284,417	7,057,059
Revenue segmental by geographical location:						
Singapore	2,120,373	2,803,925	1,500,000	1,700,000	3,620,373	4,503,925
Malaysia	87,021	-	1,600,000	300,000	1,687,021	300,000
China	328,416	50,000	3,648,607	2,200,000	3,977,023	2,250,000
Hong Kong	-	3,134	-	-	-	3,134
	2,535,810	2,857,059	6,748,607	4,200,000	9,284,417	7,057,059
Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA")					4,455,488	3,488,942
Depreciation					(292,087)	(206,010)
Amortisation					(70,831)	(43,150)
Interest expense					(3,520)	(14,586)
Profit before income tax					4,089,050	3,225,196
Income tax expense					(821,324)	(514,997)
Net profit					3,267,726	2,710,199

⁽¹⁾ The combined segmental revenue and results for operating segment for the financial period/year ended 31 March 2018 have been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the

- 18 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The revenue from Post-production segment decreased slightly by \$0.3 million or 11.2%, from \$2.9 million in FY2018 to \$2.5 million in FY2019, mainly due to lesser projects were completed as at 31 March 2019 (FY2019), as compared to FY2018.

The revenue from Content Production segment increased by \$2.5 million or 60.7%, from \$4.2 million in FY2018 to \$6.7 million in FY2019. This is mainly due to the completion of production services of the first virtual reality (VR) tour show in Beijing as well as sales of territorial rights to other countries.

19 A breakdown of sales as follows:

	Group		
	For the financial year ended		
	31 Mar 2019 (Unaudited) \$	31 Mar 2018 ⁽¹⁾ (Audited) \$	Change %
Revenue reported for the first half year	2,502,448	3,109,433	-20%
Profit after tax for first half year	563,960	1,249,539	-55%
Revenue reported for the second half year	6,781,969	3,947,626	72%
Profit after tax for second half year	2,703,766	1,460,660	85%

⁽¹⁾ The combined revenue for the financial period/year ended 31 March 2018 have been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the restructuring exercise.

20 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

(a) Ordinary

Not applicable.

(b) Preference

Not applicable.

(c) Total

Not applicable.

21 Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there are no persons occupying a managerial position in the Company of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Charles Yeo Eng Pu
Managing Director

27 May 2019