



Vividthree Holdings Ltd.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201811828R)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31 MARCH 2023**

This Announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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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Vividthree Holdings Ltd. and its Subsidiaries
(Incorporated in Singapore)

Unaudited Condensed Interim Financial Statements
For The Six Months And Full Financial Year Ended 31 March 2023

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VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group			Group		
		Six months period ended		Change	For the financial year ended		Change
		31 Mar 2023 ("2H FY2023") (Unaudited) \$	31 Mar 2022 ("2H FY2022") (Unaudited) \$		31 Mar 2023 FY2023 (Unaudited) \$	31 Mar 2022 FY2022 (Audited) \$	
Revenue	4	1,083,192	1,669,312	-35.1%	2,913,974	2,861,015	1.9%
Cost of sales		(1,641,629)	(2,965,898)	-44.6%	(3,034,607)	(4,731,812)	-35.9%
Gross loss		(558,437)	(1,296,586)	-56.9%	(120,633)	(1,870,797)	-93.6%
<i>Other income</i>							
- Interest income		27,028	13,008	107.8%	54,460	25,662	112.2%
- Others		64,446	376,865	-82.9%	104,226	464,555	-77.6%
<i>Other (losses)/gains - net</i>							
- Expected credit loss on financial assets, net		-	29,564	NM	-	29,564	NM
- Others		(209,582)	(773,944)	-72.9%	(567,357)	(605,020)	-6.2%
Administrative expenses		(1,316,166)	(2,322,934)	-43.3%	(2,710,634)	(3,750,789)	-27.7%
Finance expenses		(84,204)	(104,171)	-19.2%	(172,095)	(223,317)	-22.9%
Loss before income tax		(2,076,915)	(4,078,198)	-49.1%	(3,412,033)	(5,930,142)	-42.5%
Income tax (expense)/credit	7	(4,266)	51,145	NM	(4,266)	97,017	NM
Net loss for the financial period/year		(2,081,181)	(4,027,053)	-48.3%	(3,416,299)	(5,833,125)	-41.4%
Other comprehensive income/(loss), net of tax:							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation - gains/(losses)		105,964	(17,204)	NM	253,040	(17,551)	NM
Total comprehensive loss, net of tax		(1,975,217)	(4,044,257)	-51.2%	(3,163,259)	(5,850,676)	-45.9%
Loss attributable to:							
Equity holders of the Company		(2,079,010)	(4,029,219)	-48.4%	(3,412,128)	(5,838,015)	-41.6%
Non-controlling interest		(2,171)	2,166	NM	(4,171)	4,890	NM
		(2,081,181)	(4,027,053)	-48.3%	(3,416,299)	(5,833,125)	-41.4%
Total comprehensive loss attributable to:							
Equity holders of the Company		(1,973,046)	(4,046,423)	-51.2%	(3,159,088)	(5,855,566)	-46.0%
Non-controlling interest		(2,171)	2,166	NM	(4,171)	4,890	NM
		(1,975,217)	(4,044,257)	-51.2%	(3,163,259)	(5,850,676)	-45.9%
Loss per share for loss attributable to equity holders of the Company							
Basic and diluted (cents)	8	(0.56)	(1.17)	-52.1%	(0.92)	(1.69)	-45.6%

NM - not meaningful

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31 Mar 2023 (Unaudited) \$	As at 31 Mar 2022 (Audited) \$	As at 31 Mar 2023 (Unaudited) \$	As at 31 Mar 2022 (Audited) \$
ASSETS					
Current assets					
Cash at banks		560,797	893,525	58,143	404,150
Trade and other receivables	9	1,302,214	3,484,830	12,905,639	12,846,188
Deposits and prepayments		3,796,639	593,629	128,432	25,932
Inventories		800,000	800,000	-	-
Other current assets		1,152,432	1,551,821	-	-
		<u>7,612,082</u>	<u>7,323,805</u>	<u>13,092,214</u>	<u>13,276,270</u>
Non-current assets					
Deposits		-	3,500,000	-	-
Plant and equipment	10	118,922	273,093	-	-
Right-of-use assets		282,226	164,217	-	-
Financial assets, at FVPL	11	1,649,029	1,700,755	900,000	900,000
Investment in subsidiaries	12	-	-	461,900	451,900
Acquired rights	13	7,611,275	7,231,552	-	-
Intangible assets	14	222,470	729,691	-	-
Goodwill arising from consolidation		2,851,917	2,851,917	-	-
		<u>12,735,839</u>	<u>16,451,225</u>	<u>1,361,900</u>	<u>1,351,900</u>
Total assets		<u>20,347,921</u>	<u>23,775,030</u>	<u>14,454,114</u>	<u>14,628,170</u>
LIABILITIES					
Current liabilities					
Trade and other payables	15	1,883,599	590,836	939,256	739,161
Contract liabilities		584,360	693,320	-	-
Borrowings	16	2,525,728	2,558,245	-	-
Lease liabilities		93,774	142,359	-	-
Current income tax liabilities		156,648	172,639	1,085	1,085
		<u>5,244,109</u>	<u>4,157,399</u>	<u>940,341</u>	<u>740,246</u>
Non-current liabilities					
Borrowings	16	1,520,737	3,046,456	-	-
Lease liabilities		189,027	16,037	-	-
Provisions		57,506	55,337	-	-
		<u>1,767,270</u>	<u>3,117,830</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>7,011,379</u>	<u>7,275,229</u>	<u>940,341</u>	<u>740,246</u>
NET ASSETS		<u>13,336,542</u>	<u>16,499,801</u>	<u>13,513,773</u>	<u>13,887,924</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	17	15,959,231	15,959,231	15,959,231	15,959,231
Merger reserve		2,921,000	2,921,000	-	-
Translation reserve		255,392	2,352	-	-
Accumulated losses		(5,800,938)	(2,388,810)	(2,445,458)	(2,071,307)
		<u>13,334,685</u>	<u>16,493,773</u>	<u>13,513,773</u>	<u>13,887,924</u>
Non-controlling interest		1,857	6,028	-	-
Total equity		<u>13,336,542</u>	<u>16,499,801</u>	<u>13,513,773</u>	<u>13,887,924</u>

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				Total	Non-controlling interest	Total equity
	Share capital	Merger reserve	Translation reserve	Accumulated losses			
<u>Group (Unaudited)</u>	\$	\$	\$	\$	\$	\$	\$
At 1 April 2022	15,959,231	2,921,000	2,352	(2,388,810)	16,493,773	6,028	16,499,801
Net loss for the financial period	-	-	-	(3,412,128)	(3,412,128)	(4,171)	(3,416,299)
Other comprehensive income for the financial year	-	-	253,040	-	253,040	-	253,040
Total comprehensive income/(loss) for the financial year	-	-	253,040	(3,412,128)	(3,159,088)	(4,171)	(3,163,259)
At 31 March 2023	15,959,231	2,921,000	255,392	(5,800,938)	13,334,685	1,857	13,336,542
At 1 April 2021	13,772,231	2,921,000	19,903	3,449,205	20,162,339	1,138	20,163,477
Net (loss)/profit for the financial year	-	-	-	(5,838,015)	(5,838,015)	4,890	(5,833,125)
Other comprehensive loss for the financial year	-	-	(17,551)	-	(17,551)	-	(17,551)
Total comprehensive (loss)/income for the financial year	-	-	(17,551)	(5,838,015)	(5,855,566)	4,890	(5,850,676)
Issuance of new shares pursuant to the private placement (Note 17)	2,187,000	-	-	-	2,187,000	-	2,187,000
At 31 March 2022	15,959,231	2,921,000	2,352	(2,388,810)	16,493,773	6,028	16,499,801

	Attributable to equity holders of the Company		
	Share capital	Accumulated losses	Total equity
<u>Company (Unaudited)</u>	\$	\$	\$
At 1 April 2022	15,959,231	(2,071,307)	13,887,924
Total comprehensive loss for the financial year	-	(374,151)	(374,151)
At 31 March 2023	15,959,231	(2,445,458)	13,513,773
At 1 April 2021	13,772,231	(1,556,775)	12,215,456
Total comprehensive loss for the financial year	-	(514,532)	(514,532)
Issuance of new shares pursuant to the private placement (Note 17)	2,187,000	-	2,187,000
At 31 March 2022	15,959,231	(2,071,307)	13,887,924

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	For the financial year ended	
	FY2023 (Unaudited) \$	FY2022 (Audited) \$
Cash flows from operating activities		
Net loss for the financial period	(3,416,299)	(5,833,125)
Adjustments for:		
- Income tax expense/(credits)	4,266	(97,017)
- Interest income	(54,460)	(25,662)
- Interest expense	172,095	223,317
- Reversal of expected credit losses on financial assets, net	-	(29,564)
- Gain on disposal of financial assets at FVPL	-	(18,684)
- Loss on disposal of plant and equipment	243	26
- Amortisation of intangible assets	496,403	321,037
- Amortisation of acquired rights	198,571	3,150,996
- Depreciation of plant and equipment	166,990	277,274
- Depreciation of right-of-use assets	142,211	201,828
- Fair value loss on financial assets at FVPL	-	1,341
- Plant and equipment written off	52	1,518
- Bad debt written off	4,280	-
- Inventory write down	-	800,000
- (Gain)/loss on derecognition of leases	(886)	1,503
- Unrealised foreign currency exchange loss/(gain)	593,415	(172,719)
Operating cash flows before working capital changes	<u>(1,693,119)</u>	<u>(1,197,931)</u>
Change in working capital:		
- Trade and other receivables	1,394,159	104,779
- Deposits and prepayments	277,123	552,801
- Other current assets	256,693	27,512
- Trade and other payables	1,313,552	(632,982)
- Contract liabilities	(108,587)	(156,893)
Cash generated from/(used in) operations	<u>1,439,821</u>	<u>(1,302,714)</u>
Interest received	97	833
Income tax refund	-	4,378
Income tax paid	(4,266)	-
Net cash provided by/(used in) operating activities	<u>1,435,652</u>	<u>(1,297,503)</u>

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	For the financial year ended	
	FY2023 (Unaudited) \$	FY2022 (Audited) \$
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	130	3,092
Proceeds from disposal of financial assets, at FVPL	-	1,874,280
Additions to plant and equipment	(14,071)	(21,494)
Additions to intangible assets	(26,049)	(163,578)
Additions to acquired rights	-	(697,760)
Additions to financial assets, at FVPL	-	(700,000)
Government grants received for development of software (intangible assets)	154,936	75,087
Net cash provided by investing activities	<u>114,946</u>	<u>369,627</u>
Cash flows from financing activities		
Interest paid	(169,926)	(221,051)
Proceeds from issuance of new shares pursuant to the private placement	-	2,187,000
Repayment of borrowings	(1,558,236)	(1,325,855)
Repayment of lease liabilities	(134,778)	(187,361)
Net cash (used in)/provided by financing activities	<u>(1,862,940)</u>	<u>452,733</u>
Net changes in cash at banks	(312,342)	(475,143)
At beginning of financial year	893,525	1,367,394
Effects of currency translation on cash at banks	(20,386)	1,274
End of financial year	<u>560,797</u>	<u>893,525</u>

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Vividthree Holdings Ltd. (the "Company") is listed on Catalist, the sponsor-supervised listing platform in Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of the Company's registered and principal place of business is located at Block 1093 Lower Delta Road #05-10 Singapore 169204.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are:

- (a) Motion picture, video and television programme post-production and content production activities; and
- (b) Providing event management services

The holding company of the Company is mm2 Asia Ltd.. The holding company is incorporated and domiciled in Singapore and listed on Main Board of Singapore Exchange Securities Trading Limited.

2 Basis of preparation

The condensed interim financial statements for the financial year ended 31 March 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the financial year 31 March 2022. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements for the year ended 31 March 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards ("SFRS(I)s"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

The Group has adopted the new and revised SFRS(I)s and SFRS(I) INTs which are relevant to the Group's operations and become effective for annual periods beginning on or after 1 April 2022. The adoption of these new and revised SFRS(I)s and SFRS(I) INTs does not result in changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current and/or prior financial year.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2023.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

Management has considered and estimated the impact of post COVID-19 in the Group's assessment on impairment of goodwill, expected credit losses of trade and other receivables and deposits, valuation of financial assets, at FVPL, valuation of acquired rights and intangible assets, and valuation of other current assets based on their best estimates, market conditions and information available at the end of the reporting period. Details on these areas which involve significant judgement and estimation uncertainty are further disclosed below.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.2 Use of judgements and estimates (continued)

(a) Impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. This requires an estimation of the recoverable amount of the CGU to which the goodwill are allocated, through the valuation method of fair value less cost to disposal or value-in-use. There is no indication of impairment as at financial year ended 31 March 2023.

(b) Expected credit losses of trade and other receivables and deposits

Expected credit losses ("ECL") on trade and other receivables and deposits are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

With reference to SFRS(I) 9 Financial Instruments, the Group applies simplified approach (lifetime ECL allowance) for its trade receivables and general approach (12-month ECL) for its other receivables and deposits.

In determining the ECL, the Group has considered the historical observed default rates, customer ability to repay, and adjusted with available forward-looking information. Additionally, given the on-going and evolving COVID-19 pandemic and uncertainty over its economic impact, management had also considered the negative economic outlook and factored the probability of cash flow difficulties that could be experienced by certain customers on the impairment assessment. There is no additional ECL provided as at financial year ended 31 March 2023.

(c) Valuation of financial assets, at FVPL

The Group carries its financial assets at fair value, with changes in fair value being recognised in profit or loss. Where available, fair value measurements are derived from prices quoted in active markets for identical assets. In the absence of such information, other observable inputs are used to estimate fair value. Inputs derived from external sources are corroborated or otherwise verified, as appropriate.

(d) Valuation of acquired rights and intangible assets

The costs of acquired rights will be amortised over the economic benefits period subject to the maximum of the contractual period. The amortisation period and method for these acquired rights and intangible assets will be reviewed annually and it will be subject to impairment assessment whenever there is an indication that it may be impaired. Additional amortisation and/or impairment are made if estimated projected cash flows are materially different from the previous estimation.

During the financial year ended 31 March 2023, the Group had considered the existence of impairment indicators and thereon assessed the recoverable amount of these acquired rights and intangible assets. The recoverable amounts were determined based on the projected cash flows over its remaining useful life. The impairment assessment involved significant judgement and estimation in the underlying assumptions to be applied. As at 31 March 2023, no impairment loss is required as the recoverable amount is higher than the carrying amount.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.2 Use of judgements and estimates (continued)

(e) Valuation of other current assets

Other current assets of the Group represents the assets recognised for costs incurred to fulfil a contract, which is the future events relating to post production services. The Group shall recognise an impairment loss in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates less the costs that relate directly to providing those services and that have not been recognised as expenses.

In assessing the impairment of other current assets, judgements are used to estimate the remaining amount of consideration that the Group is expected to receive and the costs that relate directly to providing the services.

Management has assessed that the remaining amount of consideration less cost to complete is expected to be higher than the carrying amount of other current assets, accordingly, no impairment is required.

3 Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial year.

4 Segment and revenue information

The Group's Chief Operating Decision-Maker ("CODM") comprises the Chief Executive Officer, Chief Creative Officer, Chief Operating Officer, Chief Content Officer, Financial Controller, and the heads of each business within the operating segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The Group is organised into 2 operating segments, namely digital media production (previously known as post-production) and digital & live experience production (previously known as content production). This is based on the Group's internal organisation and management structure and the primary way in which the CODM is provided with the financial information.

The two operating segments are mainly:

(a) Digital & live experience production (formerly known as "Content-production")

Digital & live experience production refers to the production of immersive experiential content for Meeting, Incentives, Conferences and Events (MICE) by developing the Group's digital intellectual property assets ("IP") or acquired IP from third parties, and licensing the IP to third parties such as venue owners and show promoters to use these for commercial, marketing and/or promotion purposes.

(b) Digital media production (formerly known as "Post-production")

Digital media 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.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.1 Reportable segment

The segment information provided to the CODM for the reportable segments are as follows:

	Group					
	Six months period ended					
	Digital & live experience production		Digital media production		Total	
2H FY2023	2H FY2022	2H FY2023	2H FY2022	2H FY2023	2H FY2022	
	\$	\$	\$	\$	\$	\$
Revenue						
- External parties	381,690	-	701,502	1,669,312	1,083,192	1,669,312
Other material non-cash expenses						
- Expected credit losses on financial assets, net	-	-	-	29,564	-	29,564
<i>Unallocated expenses</i>						
- Loss on fair value changes in financial assets, at FVPL - net					-	(20,341)
Loss before interest, tax, depreciation, amortisation and unrealised foreign exchange losses/gains ("LBITDA and before Unrealised Forex")					(1,269,668)	(1,010,384)
Unrealised foreign exchange (losses)/gains					(211,064)	40,925
Amortisation of intangible assets					(284,719)	(235,075)
Amortisation of acquired rights					(61,025)	(2,582,772)
Depreciation of plant and equipment					(95,603)	(95,154)
Depreciation of right-of-use assets					(70,632)	(91,567)
Interest expense					(84,204)	(104,171)
Loss before income tax					(2,076,915)	(4,078,198)
Income tax (expense)/credit					(4,266)	51,145
Net loss for the financial period					(2,081,181)	(4,027,053)

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.1 Reportable segment (continued)

	Group For the financial year ended					
	Digital & live experience production		Digital media production		Total	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	\$	\$	\$	\$	\$	\$
Revenue						
- External parties	573,690	409,000	2,340,284	2,452,015	2,913,974	2,861,015
Other material non-cash expenses						
- Expected credit losses on financial assets net	-	-	-	29,564	-	29,564
<i>Unallocated expenses/loss</i>						
- Loss on fair value changes in financial assets, at FVPL - net					-	(1,341)
Loss before interest, tax, depreciation and amortisation ("LBITHA")					(1,642,348)	(1,928,990)
Unrealised foreign exchange (losses)/gains					(593,415)	173,300
Amortisation of intangible assets					(496,403)	(321,037)
Amortisation of acquired rights					(198,571)	(3,150,996)
Depreciation of plant and equipment					(166,990)	(277,274)
Depreciation of right-of-use assets					(142,211)	(201,828)
Interest expense					(172,095)	(223,317)
Loss before income tax					(3,412,033)	(5,930,142)
Income tax credit					(4,266)	97,017
Net loss for the financial year					(3,416,299)	(5,833,125)

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.2 Disaggregation of Revenue

The Group derives revenue from the transfer of services at a point in time in the following types of services and geographical regions.

	Group Six months period ended		Group For the financial year ended	
	FY2023	FY2022	FY2023	FY2022
	\$	\$	\$	\$
<u>At a point in time</u>				
Digital media production	701,502	1,669,312	2,340,284	2,452,015
Digital & live experience production	381,690	-	573,690	409,000
	<u>1,083,192</u>	<u>1,669,312</u>	<u>2,913,974</u>	<u>2,861,015</u>
<u>Geographical regions based on location of customers</u>				
Singapore	1,005,452	1,414,261	2,405,728	2,487,917
Malaysia	70,942	93,184	103,062	141,231
Japan	-	161,867	332,656	231,867
Others	6,798	-	72,528	-
	<u>1,083,192</u>	<u>1,669,312</u>	<u>2,913,974</u>	<u>2,861,015</u>

4.2A Breakdown of sales

	Group		
	12-month period ended FY2023 \$	12-month period ended FY2022 \$	% increase/ (decrease)
Revenue reported for the first half year	1,830,782	1,191,703	54%
Loss after tax before deducting non-controlling interests reported for first half year	(1,335,118)	(1,851,944)	-28%
Revenue reported for the second half year	1,083,192	1,669,312	-35%
Loss after tax before deducting non-controlling interests reported for second half year	<u>(2,076,915)</u>	<u>(4,078,198)</u>	-49%

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2023 and 31 March 2022:

	Group		Company	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Financial assets at amortised cost	5,402,973	8,230,756	12,963,782	13,250,338
Financial assets, at FVPL	1,649,029	1,700,755	900,000	900,000
Financial liabilities at amortised cost	6,212,865	6,353,933	939,256	739,161

6 Loss before taxation

6.1 Significant items

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

	Group		Group	
	Six months period ended		For the financial year ended	
	31 Mar 2023 FY2023 \$	31 Mar 2022 FY2022 \$	31 Mar 2023 FY2023 \$	31 Mar 2022 FY2022 \$
Amortisation of intangible assets	284,719	235,075	496,403	321,037
Amortisation of acquired rights	61,025	2,582,772	198,571	3,150,996
Bad debts written off	4,280	-	4,280	-
Depreciation of plant and equipment	95,603	95,154	166,990	277,274
Depreciation of right-of-use assets	70,632	91,567	142,211	201,828
Employees compensation	1,566,548	1,029,724	3,168,514	2,557,942
Inventory write down	-	800,000	-	800,000
Plant and equipment written-off	-	-	52	-
Finance expenses	84,204	104,171	172,095	223,317
Reversal of expected credit losses on financial assets, net	-	(29,564)	-	(29,564)
Fair value loss on financial assets at FVPL	-	20,341	-	1,341
Interest income	(27,028)	(13,008)	(54,460)	(25,662)
Government grants income	(5,471)	(57,100)	(33,679)	(117,298)
(Gain)/Loss on disposal of plant and equipment	(3)	1,634	243	1,544
(Gain)/Loss on derecognition of right-of-use assets	14	1,503	(886)	1,503
Gain on disposal of financial assets at FVPL	-	-	-	(18,685)
Waiver of payables	(14,824)	-	(14,824)	-
Realised foreign currency exchange losses/(gains)	8,113	(8,609)	(15,861)	(7,383)
Unrealised foreign currency exchange losses/(gains)	211,064	(40,925)	593,415	(173,300)

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6.2 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	Group Six months period ended		Group For the financial year ended	
	31 Mar 2023 FY2023 \$	31 Mar 2022 FY2022 \$	31 Mar 2023 FY2023 \$	31 Mar 2022 FY2022 \$
<u>Holding company</u>				
Purchase of services	20,000	-	20,000	-
<u>Related parties</u>				
Sales of services	91,413	32,016	92,561	112,602
Purchase of services	6,900	14,200	20,700	25,847
Rental expenses paid	4,495	7,264	4,965	15,014

7 Taxation

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Group Six months period ended		Group For the financial year ended	
	31 Mar 2023 FY2023 \$	31 Mar 2022 FY2022 \$	31 Mar 2023 FY2023 \$	31 Mar 2022 FY2022 \$
Tax expense/(credit) attributable to loss is made up of:				
Loss for the financial year:				
- Current income tax	-	-	-	-
- Deferred income tax	-	-	-	-
Under/(Over) provision in prior financial years:				
- Current income tax	4,266	(5,274)	4,266	(5,274)
- Deferred income tax	-	(45,871)	-	(91,743)
	4,266	(51,145)	4,266	(97,017)
Income tax expense/(credit)	4,266	(51,145)	4,266	(97,017)

8 Loss per share

The calculation of the basic loss per share is based on the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group Six months period ended		Group For the financial year ended	
	31 Mar 2023 FY2023	31 Mar 2022 FY2022	31 Mar 2023 FY2023	31 Mar 2022 FY2022
Net loss attributable to equity holders of the Company (\$)	(2,079,010)	(4,029,219)	(3,412,128)	(5,838,015)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share	371,511,764	345,004,915	371,511,764	345,004,915
Basic and diluted loss per share (cents)	(0.56)	(1.17)	(0.92)	(1.69)

Diluted loss per share is the same as basic loss per share, as there were no dilutive potential ordinary shares existing in the relevant financial year.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9 Trade and other receivables

	Group		Company	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Trade receivables				
- Non-related parties	572,120	2,179,869	-	-
- Related parties	343,723	260,465	-	-
- Unbilled receivables	120,444	427,509	-	-
	<u>1,036,287</u>	<u>2,867,843</u>	-	-
Less: Expected credit loss allowance				
- Non-related parties	(30,245)	(103,262)	-	-
Trade receivables - net	<u>1,006,042</u>	<u>2,764,581</u>	-	-
Other receivables				
- Non-related parties	356,566	483,828	45,693	19,280
- Subsidiaries	-	-	12,874,946	12,841,908
- Related parties	22,870	251,421	-	-
	<u>379,436</u>	<u>735,249</u>	<u>12,920,639</u>	<u>12,861,188</u>
Less: Expected credit loss allowance				
- Non-related parties	(83,264)	(15,000)	(15,000)	(15,000)
	<u>296,172</u>	<u>720,249</u>	<u>12,905,639</u>	<u>12,846,188</u>
	<u><u>1,302,214</u></u>	<u><u>3,484,830</u></u>	<u><u>12,905,639</u></u>	<u><u>12,846,188</u></u>

Related parties are entities controlled and be able to exercise significant influence by the holding company.

The trade receivables aging of the Group is analysed as follows:

	Group	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Below 3 months	850,675	843,847
3 - 6 months	25,112	83,460
6 - 12 months	96,300	89,485
Above 12 months	64,200	1,851,051
	<u>1,036,287</u>	<u>2,867,843</u>
Expected credit loss allowance ("ECL")	(30,245)	(103,262)
	<u><u>1,006,042</u></u>	<u><u>2,764,581</u></u>

The receivables above 12 months

In the past 2 financial years, the Group has executed various plans to recover these long outstanding receivables, including committed repayment plans from clients. With the uplifting of COVID-19 restrictions and commencement of business activities in the region in April 2022, clients have expediate their repayment plans in FY2023. Consequently, the receivables above 12 months have reduced from \$1,851,051 as at 31 March 2022 to \$64,200 as at 31 March 2023. The Group will continue to monitor and increase its efforts to collect the receivables.

The Board of directors are of the view that the methodology used of expected credit loss is in line with the Group's accounting policies and SFRS(I) (as disclosed in Note 2.2 in this Condensed Interim Consolidated Financial Statements) and as a result of the assessment of the recoverability, the expected credit losses as at reporting period is adequate as at reporting date.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Plant and equipment

Group	\$
At 31 Mar 2023	
Carrying amount at beginning of financial year	273,093
Additions	14,071
Disposals	(372)
Write off	(50)
Depreciation	(166,990)
Currency translation differences	(830)
Carrying amount at end of financial year	<u>118,922</u>
At 31 Mar 2022	
Cost	2,334,663
Accumulated depreciation	(2,061,570)
Carrying amount at end of financial year	<u>273,093</u>

The depreciation charge for the year is included in cost of sales and administrative expenses amounting to \$67,773 (2022: \$154,717) and \$99,217 (2022: \$122,557) respectively.

11 Financial assets, at fair value through profit or loss ("FVPL")

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Financial assets designated at FVPL:				
<u>Unquoted securities</u>				
- Singapore	190,000	190,000	190,000	190,000
- United States	10,000	10,000	10,000	10,000
	200,000	200,000	200,000	200,000
<u>Unquoted convertible loans</u>				
- Singapore	700,000	700,000	700,000	700,000
- Malaysia	749,029	800,755	-	-
	1,449,029	1,500,755	700,000	700,000
	<u>1,649,029</u>	<u>1,700,755</u>	<u>900,000</u>	<u>900,000</u>

The movement of the financial assets, FVPL is as follows:

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Beginning of financial year	1,700,755	2,863,292	900,000	2,095,596
Additions	-	700,000	-	700,000
Disposals	-	(1,855,596)	-	(1,855,596)
Loss on fair value changes - net	-	(1,341)	-	(40,000)
Currency translation differences	(51,726)	(5,600)	-	-
End of financial year	<u>1,649,029</u>	<u>1,700,755</u>	<u>900,000</u>	<u>900,000</u>

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12 Investments in subsidiaries

	Company	
	As at 31 Mar 2023	As at 31 Mar 2022
	\$	\$
Equity investments at cost		
Beginning of financial year	451,900	451,900
Additions	10,000	-
End of financial year	<u>461,900</u>	<u>451,900</u>

On 16 March 2023, the Company incorporated a wholly-owned subsidiary, Beyond Digital Galaxy Pte. Ltd.. The subsidiary has an initial issued and paid-up share capital totaling to \$10,000. The principal activity of Beyond Digital Galaxy Pte Ltd is provision of post-production services for e-commerce activities.

13 Acquired rights

	Group	
	As at 31 Mar 2023	As at 31 Mar 2022
	\$	\$
Cost		
Beginning of financial year	11,590,042	8,755,775
Additions	785,840	2,618,960
Currency translation differences	(535,342)	215,307
End of financial year	<u>11,840,540</u>	<u>11,590,042</u>
Accumulated amortisation		
Beginning of financial year	4,358,490	1,137,230
Amortisation charge for the year	198,571	3,150,996
Currency translation differences	(327,796)	70,264
End of financial year	<u>4,229,265</u>	<u>4,358,490</u>
Carrying amount		
End of financial year	<u>7,611,275</u>	<u>7,231,552</u>

Acquired rights comprised of intellectual property rights, film and merchandise rights and participation rights.

The film and merchandise rights and participation rights entitle the Group to share a fixed percentage of income generated from these rights over the definitive period based on respective contractual agreements. These income are recognised at point of entitlement in profit or loss, within "other income" as "income arising from acquired rights". Acquired rights is stated at cost less accumulated amortisation and accumulated impairment losses. Acquired rights, less estimated residual value and accumulated impairment losses, are amortised over the useful lives.

The amortisation charge for the year is included in cost of sales and administrative expenses amounting to \$89,463 (2022: \$2,025,956) and \$109,108 (2022: \$1,125,040) respectively.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 Intangible assets

	Group	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Cost		
Beginning of financial year	1,525,964	1,065,427
Additions	154,008	536,631
Government grants received for development of software	(154,936)	(75,087)
Disposals	(938)	(1,007)
Currency translation differences	(19,048)	-
End of financial year	<u>1,505,050</u>	<u>1,525,964</u>
Accumulated amortisation		
Beginning of financial year	796,273	475,583
Amortisation charge for the year	496,403	321,037
Currency translation differences	(10,096)	(347)
End of financial year	<u>1,282,580</u>	<u>796,273</u>
Carrying amount		
End of financial year	<u>222,470</u>	<u>729,691</u>

Intangible assets consist of self-developed immersive content, softwares and licenses. The accounting policy applied is in consistent with the recent annual report.

The amortisation charge for the year is included in cost of sales and administrative expenses amounting to \$485,491 (2022: \$289,145) and \$10,912 (2022: \$31,892) respectively.

15 Trade and other payables

	Group		Company	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Trade payables				
- Non-related parties	524,800	22,042	-	-
- Related parties	4,783	5,114	-	-
	<u>529,583</u>	<u>27,156</u>	<u>-</u>	<u>-</u>
Other payables				
- Non-related parties	598,798	161,575	122,461	72,057
- Holding company	6,008	33,275	6,008	33,275
- Subsidiaries	-	-	392,593	427,000
- Related parties	7,612	41,550	229	229
	<u>612,418</u>	<u>236,400</u>	<u>521,291</u>	<u>532,561</u>
Accruals	<u>741,598</u>	<u>327,280</u>	<u>417,965</u>	<u>206,600</u>
	<u>1,883,599</u>	<u>590,836</u>	<u>939,256</u>	<u>739,161</u>

Related parties are entities controlled and be able to exercise significant influence by the holding company.

VIVIDTHREE HOLDINGS LTD. AND ITS SUBSIDIARIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16 Borrowings

	Group	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Amount repayable within one year <i>Secured</i>	2,525,728	2,558,245
Amount repayable after one year <i>Secured</i>	1,520,737	3,046,456
Total borrowings	<u>4,046,465</u>	<u>5,604,701</u>

The Group's bank borrowings are secured by corporate guarantees from the Company.

17 Share capital

	Group and Company			
	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount \$	No. of shares	Amount \$
Beginning of financial year	371,511,764	15,959,231	334,011,764	13,772,231
Issuance of new shares pursuant to the private placement (Note a)	-	-	37,500,000	2,187,000
End of financial year	<u>371,511,764</u>	<u>15,959,231</u>	<u>371,511,764</u>	<u>15,959,231</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

- (a) On 19 November 2021, the Company had entered into placement agreements with subscribers to subscribe for an aggregate of 37,500,000 ordinary shares in the capital of the Company at a placement price of \$0.05832 for each placement share for total consideration of \$2,187,000. The placement was completed on 15 December 2021.

18 Net asset value

	Group		Company	
	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$	As at 31 Mar 2023 \$	As at 31 Mar 2022 \$
Net asset value attributable to equity holders of the Company (\$)	<u>13,334,685</u>	<u>16,493,773</u>	<u>13,513,773</u>	<u>13,887,924</u>
Number of ordinary shares issued	<u>371,511,764</u>	<u>371,511,764</u>	<u>371,511,764</u>	<u>371,511,764</u>
Net asset value per ordinary share (cents)	<u>3.59</u>	<u>4.44</u>	<u>3.64</u>	<u>3.74</u>

19 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F. Other information required by Listing Rule Appendix 7C

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim statements of financial position of Vividthree Holdings Ltd. and its subsidiaries for the financial year ended 31 March 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed by the auditors of the Company.

1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, the financial statements have been adequately disclosed.

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

2. 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)

FY2023 vs FY2022

Revenue

Group's revenue increased by \$0.05 million or 1.9%, from \$2.86 million in FY2022 to \$2.91 million in FY2023 mainly due to a higher number of projects delivered in FY2023 compared to FY2022 and the resumption of full business activities in the region after the easing of COVID-19 pandemic-related restrictions in FY2023.

Revenue from the Digital media production segment recorded \$2.34 million in FY2023 from \$2.45 million in FY2022, a slight decrease of \$0.11 million or 9.0%, due to certain projects' completion dates have postponed to the next financial year. On the other hand, the Digital & Live Experience Production segment has reported an increase of \$0.16 million, from \$0.41 million in FY2022 to \$0.57 million in FY2023, mainly attributable to higher project value.

Cost of sales

The cost of sales decreased by approximately \$1.70 million or 35.9%, from \$4.73 million in FY2022 to \$3.03 million in FY2023. The decrease in the cost of sales is mainly attributed by:

- (i) decrease in amortisation by approximately \$2.78million or 80% due to these projects in the acquired rights are still in progress in FY2023; offsets with
- (ii) higher production cost by \$0.13 million which is in tandem with higher revenue in FY2023.

Gross loss

As a result of the above, the Group's gross loss has narrowed significantly by \$1.75 million, from \$1.87 million in FY2022 to \$0.12 million in FY2023.

F. Other information required by Listing Rule Appendix 7C (continued)

Other income

Other income decreased by approximately \$0.33 million, from \$0.49 million in FY2022 to \$0.16 million in FY2023, is mainly attributable to the lower income generated from acquired rights from \$0.35 million in FY2022 to \$0.045 million in FY2023, and the lower grants received in FY2023.

Other (losses)/gains – net

Other (losses)/gains, recorded a net loss of \$0.57 million in FY2023 which is fairly consistent with the net loss of \$0.58 million recorded in FY2022. The other (losses)/gains for FY2023 is mainly contributed from the losses on unrealised foreign exchange amounted to \$0.59 million arising from the year end revaluation of outstanding balances in foreign currency between intercompany within the Group.

Administrative expenses

Administrative expenses decreased by \$1.04 million or 27.7%, from approximately \$3.75 million in FY2022 to \$2.71 million in FY2023, mainly due to savings in (i) amortisation expense by \$1.04 million, (ii) depreciation expense by \$0.08 million and (iii) professional fees by \$0.05 million; these savings in expenses are offset with higher expense in staff cost by \$0.12 million.

Finance expenses

Finance expenses decreased by \$0.05 million or 22.9%, from \$0.22 million in FY2022 to \$0.17 million in FY2023, mainly due to lower outstanding bank borrowings during FY2023.

Loss before income tax

The Group loss before tax has been improved by \$2.52million, from \$5.93 million in FY2022 to \$3.41 million in FY2023.

Earnings before interest, tax, depreciation, amortisation and unrealised foreign exchange losses/gains (“Adjusted EBITDA”)

The Group’s loss in Adjusted EBITDA has improved by \$0.29 million, from a loss in Adjusted EBITDA of \$1.93 million in FY2022 to a loss in Adjusted EBITDA of \$1.64 million in FY2023.

REVIEW OF FINANCIAL POSITION (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

FY2023 vs FY2022

Current assets

Current assets increased by approximately \$0.29 million or 4.1%, from \$7.32 million as at 31 March 2022 to \$7.61 million as at 31 March 2023 mainly due to:

- (i) net increase in deposits and prepayments of approximately \$3.21 million, from \$0.59 million as at 31 March 2022 to \$3.80 million as at 31 March 2023, was contributed by (a) a reclassification from non-current deposit amounting to \$3.50 million to current deposit; and (b) repayment from non-trade receivables for approximately S\$0.30 million;
- (ii) net reduction in other current assets of \$0.40 million (i.e. comprised direct staff cost and subcontractors cost incurred for ongoing projects and such costs will be recognised as cost of sales upon completion) mainly due to higher projects costs charged out to profit or loss upon completion, partially offset by the project costs incurred for ongoing projects;
- (iii) net reduction in cash at banks by approximately \$0.33 million or 33.0% is mainly attributable to cash used in (a) financing activities of approximately \$1.86 million due to the repayment of borrowings and lease liabilities, (b) cash flow provided by operating activities and investing activities of approximately \$1.44 million and \$0.11 million respectively.

F. Other information required by Listing Rule Appendix 7C (continued)

Non-current assets

Non-current assets decreased by approximately \$3.71 million or 23.2%, from \$16.45 million as at 31 March 2022 to \$12.74 million as at 31 March 2023 mainly due to:

- (i) reclassification of non-current deposit due to current deposit amounting to \$3.5 million;
- (ii) depreciation charges on plant and equipment and right-of-use of \$0.17 million and \$0.14 million respectively;
- (iii) amortisation charges on acquired rights and intangible assets of \$0.20 million and \$0.50 million respectively.

partially offset by:

- (iv) additions to right-of-use assets of approximately \$0.28 million;
- (v) addition to intangible assets of \$0.03 million for the Group's Comicvid apps and its comic contents.

Current liabilities

Current liabilities increased by approximately \$1.08 million or 27.0%, from \$4.16 million as at 31 March 2022 to \$5.24 million as at 31 March 2023 are contributed from (i) increase in trade and other payables by \$1.29 million, (ii) reduction in contract liabilities of \$0.11 million mainly due to the more projects being completed and recognised as revenue compared to new progress billing raised for ongoing projects in FY2023; and (iii) reduction in lease liabilities of \$0.05 million mainly due to repayment of lease liabilities;

Non-current liabilities

Non-current liabilities decreased by approximately \$1.35 million or 45.0%, from \$3.12 million as at 31 March 2022 to \$1.77 million as at 31 March 2023. The decrease was mainly due to repayment of bank borrowings amounted to \$1.56 million in FY2023.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOW)

Operating activities

Net cashflow used in operating activities before changes in working capital amounted to approximately \$1.70 million in FY2023 (FY2022: net cash outflows of \$1.20 million). The changes in working capital in FY2023 amounted to inflows of approximately \$3.17 million comprising:

- (i) reduction in trade and other receivables by \$1.40 million;
- (ii) reduction in deposits and prepayments by \$0.28 million;
- (iii) increase in trade and other payables by \$1.31 million;
- (iv) decrease in contract liabilities by \$0.11 million.

In FY2023, the Group's net cashflow provided by operating activities amounted to \$1.44 million compared to net cash used in operating activities \$1.30 million in FY2022.

Investing activities

Net cash inflows generated from investing activities amounted to approximately \$0.11 million in FY2023 as compared to net cash inflows of \$0.37 million in FY2022. The net cash inflow generated from investing activities in FY2023 was mainly arising from government grants received for development of software (intangible assets) of \$0.15 million;

Financing activities

Net cash outflows used in financing activities amounted to approximately \$1.86 million in FY2023 as compared to net cash outflows of \$0.45 million in FY2022. This was mainly due to:

- (i) payment of interests on bank borrowings of \$0.17 million;
- (ii) repayment of bank borrowings principal of \$1.56 million;
- (iii) repayment of operating lease liabilities of \$0.13 million.

F. Other information required by Listing Rule Appendix 7C (continued)

- 3. 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.

- 4. 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 committed to its growth trajectory, strategically capitalizing on its core competencies in digital content production to harness emerging opportunities within the industry.

As global circumstances gradually improve and COVID-19 measures and travel restrictions begin to ease, the Group anticipates a higher level of business activity in FY2024, including the realization of previously postponed projects. While maintaining a cautious yet optimistic outlook, the Group's management recognises the potential for increased market opportunities.

As part of its strategic expansion plans within the communications industry, the Group has received unanimous approval for the proposed business diversification and acquisition at the recent Extraordinary General Meeting (EGM), marking a significant milestone in the realisation of this strategic move. The recently announced acquisition of Elliot Communications Pte. Ltd., a leading public relations firm, represents a highly synergistic addition that will enrich the Group's service portfolio and deliver increased value to its customers. The Group anticipates that this acquisition will contribute to its FY2024 financial performance, further propelling the Group's overall turnaround to profitability.

Adhering to its prudent approach, the Group will maintain effective cash flow management and optimize production processes, reinforcing its positioning for sustained success within the dynamic market landscape.

5. Dividend information

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable

(d) Books Closure Date

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

- 6. 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 as the Group is in loss position.

F. Other information required by Listing Rule Appendix 7C (continued)

7. Interested person transactions

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 period under review.

8. 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 received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Disclosure of persons occupying a managerial position in the issuer or 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(10).

The Group does not have any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

10. Announcement pursuant to Rule 706A

The Company has on 16 March 2023 incorporated a wholly-owned subsidiary in Singapore namely, Beyond Digital Galaxy Pte. Ltd. (“**BDGPL**”). BDGPL was incorporated with an issued and paid-up capital of \$10,000 of \$1.00 per share. The principal activity of BDGPL is provision of post-production services for e-commerce activities.

The incorporation of BDGPL was funded by internal resources and did not have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ended 31 March 2023. None of the Directors or controlling shareholders of the Company and their respective associates have any interest, direct or indirect, in the incorporation of BDGPL, other than through their respective shareholdings (if any) in the Company.

BY ORDER OF THE BOARD

Zhang Weiquan, Jonathan
Chief Executive Officer

28 May 2023