

Media Release

GHY Posts Increased Revenue Growth with Gross Profit Growth of 61% and 30% Respectively in FY2023; Financial Performance Weighed Down by Credit Loss Allowance and Foreign Exchange Loss

- All of the Group's business segments of TV Program and Film Production, Concert Production and Others rebounded strongly with revenue growth of approximately 66%, 67% and 20% respectively in FY2023.
- Excluding credit loss allowance of approximately S\$6.6 million and net foreign exchange loss of approximately S\$4.0 million, mainly due to the appreciation of the Singapore Dollar against the Chinese Renminbi, the Group would have registered a net profit of approximately S\$0.7 million for FY2023.
- Generated net cash of approximately S\$3.0 million from operating activities in FY2023 and as at 31 December 2023, the Group's balance sheet remains healthy and robust with cash and cash equivalents of approximately S\$51.1 million and net assets of approximately S\$123.7 million.
- Committed to its dividend track record since IPO, a dividend of 0.10 Singapore cents per ordinary share in respect of FY2023 has been proposed.
- Focus on profitability in FY2024 that is anchored by its two core business segments of TV Program and Film Production and Concert Production.
- Resilient financial position with net working capital of approximately S\$106.5 million to support the enhancement of the Group's growth profile in the post-COVID era.

Singapore, 29 February 2024 – G.H.Y Culture & Media Holding Co., Limited ("GHY", and together with its subsidiaries and its PRC Affiliated Entities, the "Group"), a leading diversified group in Asia's media and entertainment industry, has announced its unaudited financial results for the year ended 31 December 2023 ("FY2023").

The Group's business activities are categorised under 3 business segments as follows:

- TV Program and Film Production;
- Concert Production; and
- Others (which mainly comprise musical plays, talent management services and costumes, props and make-up services).

Financial Highlights

	FY2023 (S\$'M)	FY2022 (S\$'M)	Change (%)
Revenue	73.7	45.7	▲ 61
Gross profit	18.6	14.2	▲ 30
Gross profit margin (%)	25.2	31.2	▼ 6.0 ppt ¹
Net loss for the year	9.8	10.5	▼ 6
Excluding the credit loss allowance and net foreign exchange loss recognised in FY2023, the Group would have been achieved a turnaround with net profit of approximately S\$0.7 million			

¹ "ppt" means percentage points.

Commenting on GHY’s FY2023 results, Mr. Guo Jingyu (郭靖宇), Executive Chairman and Group CEO, said, “We have emerged stronger from FY2022 and the higher revenue growth posted by all of our business segments reflect the execution capabilities of our teams and the strength of our diversified portfolio of activities within Asia’s media and entertainment industry.

However, we believe that our financial results in recent years have not matched our intrinsic strengths. There is much more to do, and with the momentum in FY2023, we will sharpen our performance focus to return back to profitability, which remains our first priority.

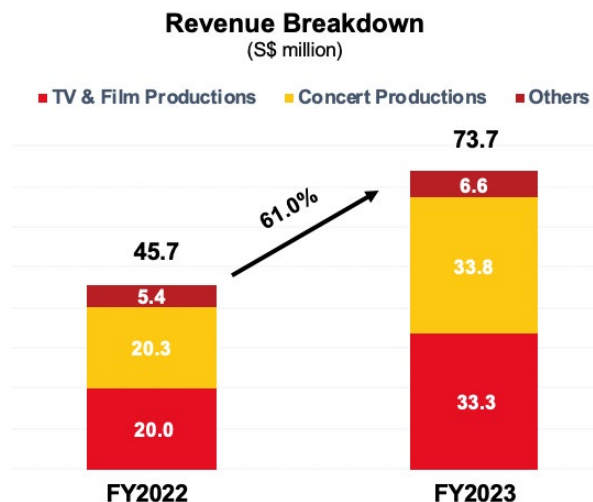
Together with our clearly defined strategic plans, we will take proactive steps to enhance the growth profile of our business model, and we will continue to focus on unlocking GHY’s potential in the post-COVID era.”

The Group’s two core business segments of TV Program and Film Production and Concert Production rebounded strongly in FY2023: With the People’s Republic of China (“PRC”) reopening in January 2023, it marks a return to a more normalised operating environment for the Group’s business activities that are predominantly in the PRC. As such, the Group has been focused on the recovery of its two core business segments of TV Program and Film Production and Concert Production during FY2023.

In FY2023, the Group’s TV Program and Film Production business segment posted revenue growth of 66%, increasing by approximately \$13.3 million to \$33.3 million in FY2023. For FY2023, the Group recognised revenue mainly in respect of one completed drama series titled “Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行”. In 2022, the Group’s “Strange Tales of Tang Dynasty 唐朝诡事录” was one of the most watched mystery action period drama series and this drama series also became a trending topic on major mainstream social media platforms in the PRC.

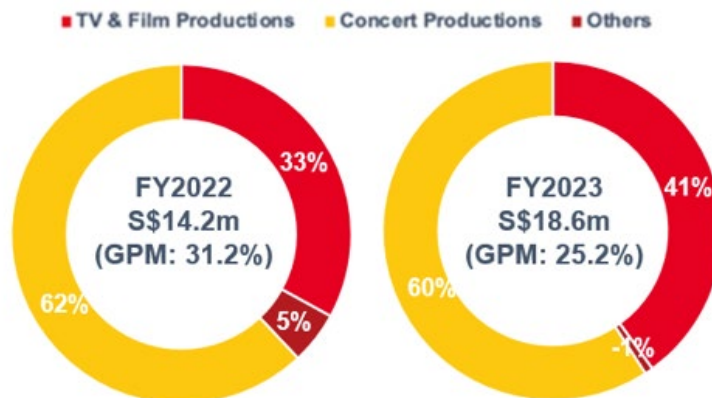
The Group’s Concert Production business segment continues to post strong growth momentum in FY2023, with revenue growth of 67%, increasing by approximately \$13.6 million to \$33.8 million in FY2023. The Group completed four concert productions in Malaysia, Australia and Thailand in FY2023 as compared to three concert productions in Singapore in FY2022.

For the Group’s Others business segment, revenue grew 20% in FY2023, increasing by approximately S\$1.1 million, to S\$6.5 million in FY2023, mainly due to an increase in the number of projects undertaken in FY2023.



Driven by higher contributions from its TV Program and Film Production and Concert Production business segments, the Group’s gross profit increased 30% despite lower gross profit margin registered in FY2023: The strong rebound of the Group’s TV Program and Film Production and Concert Production business segments contributed gross profits of approximately S\$7.6 million and S\$11.2 million respectively in FY2023.

Gross Profit Breakdown



The Group generated net cash of approximately S\$3.0 million from operating activities in FY2023 with a healthy and robust balance sheet as at 31 December 2023: In FY2023, the Group's financial performance was weighted down by credit loss allowance of approximately \$6.6 million and the recognition of a net foreign exchange loss of approximately S\$4.0 million in FY2023. As a result, the Group registered a net loss of S\$9.8 million in FY2023, which was lower than the net loss of S\$10.5 million registered in FY2022.

Excluding the credit loss allowance and net foreign exchange loss recognised in FY2023, the Group would have been achieved a turnaround with net profit of approximately S\$0.7 million. In FY2022, the Group would have recorded a net loss of S\$1.7 million if net foreign exchange loss was excluded.

Notably, the Group generated net cash of approximately S\$3.0 million from operating activities during FY2023 and as at 31 December 2023, the Group's cash and cash equivalents increased to approximately S\$51.1 million.

As at 31 December 2023, the Group has maintained a healthy and robust balance sheet with total assets of approximately S\$174.2 million, comprising current assets of S\$153.7 million and non-current assets of S\$20.5 million, while total liabilities amounted to S\$50.5 million, comprising current liabilities of S\$47.2 million and non-current liabilities of S\$3.2 million.

Focus on profitability in FY2024 that is anchored by the Group's two core business segments of TV Program and Film Production and Concert Production: In recent years, the Group has gradually diversified its business presence in the region to build more resiliency and agility in its business model that is anchored by its two core businesses of TV Program and Film Production and Concert Production.

For its TV Program and Film Production business segment, the Group expects a stronger pipeline of content (both long-form and short-form dramas and films) in the financial year ending 31 December 2024 ("FY2024"), with an expected increase in the number of long-form drama productions in FY2024 as compared to FY2023 and FY2022. With strong working relationships established among leading video streaming platforms (such as iQIYI, Tencent Video, Douyin (抖音) (also known as Tik Tok), Youku, among others) and TV networks (such as CCTV, Mediacorp, among others), the Group aims to undertake more collaborations and partnerships to further develop different genres of dramas and films targeting different groups of audience, thereby creating more opportunities for revenue growth.

The Group's Concert Production business segment continues to exhibit growth momentum and has become a key contributor to the Group's financial performance. With pent-up demand for concerts in the post-COVID era, the Group aims to expand its Concert Production business activities, focusing on the production of Jay Chou's concerts in Asia as well as co-productions of concerts for other popular and well-known international artistes within the region. The Group has currently five concert productions planned in Australia and Japan in FY2024.

Resilient financial position with net working capital of approximately S\$106.5 million to support the enhancement of the Group's growth profile in the post-COVID era: In an environment of ongoing economic and geopolitical uncertainties in the near term, GHY aims to develop new value propositions within Asia's media and entertainment industry to enhance its growth profile in the post-COVID era.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED
(Incorporated in the Cayman Islands on 29 May 2018)
(Company Registration No: 337751)

Leveraging its "IP franchise" business strategy, the Group has successfully created large-scale original musical plays of "The Ferryman 灵魂摆渡" and "Strange Tales of Tang Dynasty 唐朝诡事录". These two musical plays have been ranked among the top three in the PRC's original musical charts by "Damai 大麦" and Douyin in 2022. In FY2023, the Group has completed more than 50 shows in the PRC and an estimated 50 shows is expected to be completed in FY2024.

With rising demand of high-definition visual experiences from films, dramas, advertising and other digital media applications, the Group will also focus on strategic initiatives and investments to further develop its high value end-to-end production capabilities in order to harness these opportunities.

In addition, the Group aims to develop other revenue sources, including but not limited to e-commerce marketing and to further grow its business presence and market share in the region.

Supported by a healthy and robust balance sheet with net working capital of approximately S\$106.5 million, the Group believes it is well-positioned to execute on its strategic priorities to develop new value propositions, explore new monetisation opportunities (such as immersive games, augmented realities, etc) of its growing IP content and to harness new business opportunities across the region in the post-COVID era.

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This press release should be read in conjunction with the announcement uploaded on SGXNet on **29 February 2024**.

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About G.H.Y Culture & Media Holding Co. Ltd. (SGX: XJB; Bloomberg: GHY:SP)

Listed on the Mainboard of the Singapore Exchange, G.H.Y Culture & Media Holding Co., Limited is a leading diversified group within Asia's media and entertainment industry. GHY has produced several dramas and films in the PRC, Singapore and Malaysia that have been broadcasted and/or distributed on major TV networks and leading video streaming platforms in the PRC. The Group has also undertaken the production of concerts for well-known international artistes in Asia.

GHY has strong in-house production teams, with scriptwriters, directors and producers who have been involved in various notable dramas and films. The production teams have consistently produced quality dramas and films and the Group also possesses expertise and capabilities across the business value chain.

Currently headquartered in Singapore and the PRC with over 150 employees, the Group also engages in musical plays, talent management services, and costumes, props and make-up services.

For more information, please visit <https://ghyculturemedia.com/>