长信传媒
G.H.Y Culture & Media

SHAPING THE FUTURE OF ENTERTAINMENT

ANNUAL REPORT 2023

CONTENTS

CORPORATE PROFILE

VISION

To establish ourselves as a leader in the media and entertainment industry in the Asia Pacific region

MISSION

To produce high-quality media and entertainment content and strive for continuous innovation and breakthroughs, while staying abreast of the latest technological developments in the media and entertainment industry

ABOUT G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

Listed on the Mainboard of the Singapore Exchange, G.H.Y Culture & Media Holding Co., Limited ("**GHY**" and together with its subsidiaries and affiliated entities, the "**Group**") is a leading diversified group within Asia's media and entertainment industry.

GHY has produced several dramas and films in the People's Republic of China ("**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 talent management services, costumes, props and make-up services.

TV Program and Film Production

- Producer and co-producer of high-quality TV and web dramas and films broadcasted and/or distributed on major TV networks and leading video streaming platforms in the region (e.g. iQIYI, Douyin/Tiktok, CCTV, Youku, Kuaishou, Tencent Video)
- Established production teams of experienced producers, directors and scriptwriters in both the PRC and Singapore

Concert Production

- Organiser of concerts for well-known international artistes in Asia
- Involved in production of concerts in the PRC
- Established concert production teams in both Singapore and the PRC

Talent Management Services and Costumes, Props, and Make-up Services

- Provision of talent management services to more than 60 artistes primarily based in the PRC
- Provision of costumes, props and make-up services for drama and film production activities
- Exclusive collaboration with award-winning costumes and props designer, Chen Minzheng[1]

[1] Mr. Chen Minzheng is a well-known designer for costumes, props and make-up in the PRC who has won, among others, the Golden Horse Award for Best Makeup & Costume Design in 2018 and the Asian Film Award for Best Costume Design in 2019.

CHAIRMAN & CEO STATEMENT

Reviving our Growth, Empowering our Aspirations in Asia

Mr. Guo Jingyu
Executive Chairman and Group CEO

Dear Shareholders,

Throughout this past year, G.H.Y Culture & Media ("**GHY**", and together with its subsidiaries and affiliated entities, collectively referred to as the "**Group**"), has continued its journey alongside its shareholders. It is with mixed emotions that I write to you to reflect on the past year, and the opportunities that lie ahead.

Reflecting on the events of 2023, GHY has achieved substantial progress and notable milestones in the past year in respect of its business segments.

A core part of GHY's business strategy is to develop our "IP franchise" portfolio. In the past year, we completed the filming of a long-form drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行", which is the second drama series under the supernatural genre. The supernatural genre introduced a new drama concept, comprising "period thrillers" and investigative elements, which has generated strong audience viewership and creating an avid following. The broadcast of "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行" is expected to debut in the 2nd or 3rd quarter of this year and we look forward to this second drama series in surpassing the popularity of the first drama series, propelling our success to new heights.

In June 2023, China Central Television, the national television broadcaster of the People's Republic of China (the "**PRC**"), and iQIYI jointly broadcasted the debut of the long-form drama series titled "Sisterhood 南洋女儿情", which is the third drama series under the Nanyang genre. This is our third drama series following the broadcast of "The Little Nyonya 小娘惹" and "Nanyang Legends 南洋传说". The Nanyang genre has also been well-received by audiences and we are currently in the script development process for new dramas under this genre.

In 2023, we also enthusiastically celebrated the growth milestone of our Concert Production business, marked by the successful production of four "Jay Chou's Carnival World Tour" concerts in Kuala Lumpur, Sydney, and Bangkok which were received positively and enthusiastically by concertgoers. Additionally, we also invested in and were named as co-organisers of "Jay Chou's Carnival World Tour" concerts in Taiyuan, Hohhot, Tianjin and Shanghai in the PRC, and in Chris Li Yuchun's (李宇春) concert tour in Beijing, Shanghai, Chengdu and Chongqing in the PRC. On this front, in addition to showcasing Chinese music artists with international market appeal on a global scale, we are also actively pursuing collaborations with well-known international music artists to bring their live performances to audiences in various cities in the PRC.

Our management team constantly engages in strategising new initiatives aimed at enhancing shareholder value and to establish new value propositions for the future, amidst a dynamically changing and diversified market landscape. Aligned with such corporate ethos, we had undertaken a comprehensive review and after considerable deliberation, had entered into the collaboration agreement with Al Nassr Club Company ("**Al Nassr**") for a soccer tournament titled "China Tournament January 2024 – Glory Soccer Tour", featuring Al Nassr Football Club and soccer superstar Cristiano Ronaldo, which was to provide GHY with the opportunity to organise leisure events, tapping onto our inherent expertise of concert organisation.

CHAIRMAN & CEO STATEMENT

Unfortunately, it is regrettable that unforeseen challenges arose during the final stages of the project, leading to concerns in the market and apprehension among shareholders. Nonetheless, this experience has also provided us with valuable insights for future events, and I would like to highlight that we remain in ongoing discussions with the relevant parties involved in the organisation of the soccer tournament, including discussions with Al Nassr on the terms of a supplemental agreement to the collaboration agreement. We will make further announcements to keep shareholders informed as and when there are material updates or developments in relation to the soccer tournament, if any.

At this juncture, I would like to quote a statement made by Cristiano Ronaldo before a soccer match held in October 2011, "We don't want to tell our dreams. We want to show them."

On a separate note, AI-generated content (AI) has gained strong momentum in 2023. Additionally, the emergence of Sora, a generative AI model capable of producing videos from basic prompts, has captured the interest of certain markets, particularly media, gaming, and film production. Riding on this trend, GHY intends to capitalise on the opportunities arising from its original IP portfolio and "IP franchise" business strategy to forge ahead.

Moving ahead in 2024, our entire team at GHY continues to adopt a pragmatic and diligent work ethic, with a focus on achieving favorable outcomes in our core business segments and enhancing the Group's businesses and financial performance. At the same time, we will stand guided by the principle of "Dreaming big with careful deliberations and a prudent approach" when assessing prospective business ventures. With unwavering belief, we are confident that GHY possesses the resilience to surmount challenges and realise its full potential.

Finally, I would like to wish everyone and GHY a "Prosperous and Promising" Dragon Year ahead.

Thank You.

Mr. Guo Jingyu
Executive Chairman and Group CEO
9 April 2024

BOARD OF DIRECTORS

MR. GUO JINGYU
Executive Chairman and Group CEO

Mr. Guo Jingyu is the Executive Chairman and Group CEO and was appointed to the Board of GHY on 29 May 2018.

Mr. Guo is responsible for supervising the overall business operations and management of the Group, where he oversees the Group's long-term business strategies and provides executive leadership and supervision to the senior management team. Mr. Guo is also responsible for the overall direction and production of the drama, film and online video series produced by the Group.

Mr. Guo has close to 30 years of experience in the entertainment industry and is well known as a prolific and award-winning director, producer and scriptwriter. To date, he has earned 17 nominations and 13 wins at the "China Television Director Committee Awards" for his TV series.

Prior to GHY, Mr. Guo was a director, producer and scriptwriter with Perfect World Co., Ltd., an entertainment company listed on the Shenzhen Stock Exchange which business includes TV program and film production, from March 2011 to December 2018.

Mr. Guo graduated from Hebei Art School with a Certificate in Drama in 1993 and is currently a member of the Youth Committee of China Television Drama Production Industry Association (中國電視劇製作產業協會青年工作委員會).

MS. YUE LINA
Executive Director

Ms. Yue Lina is an Executive Director and was appointed to the Board of GHY on 23 November 2020.

Ms. Yue is responsible for the promotion and distribution of the Group's drama and film projects and is an established executive producer and actress with over 20 years of experience in the drama and film industry. Prior to joining the Group, she was an Artistic Director with Perfect World Co., Ltd., an entertainment company listed on the Shenzhen Stock Exchange which business includes TV program and film production, from March 2011 to March 2019.

Ms. Yue started her career as an actress in the Hebei Chengde Drama Troupe (河北省承德話劇團). She was the Executive Producer for prominent TV and web dramas and received the Breakthrough Actress Award at the AnHui Television Network's National Drama Series Ceremony (國劇盛典"極具突破精神女演員") in 2013 as well as the Best Creator Award at the Asian American TV and Film Festival (美國亞洲影視節金橡樹獎金牌出品人) in 2018.

Ms. Yue graduated from the Central Academy of Drama in Beijing, PRC in 2001 and obtained a Master's in Business Administration from Peking University in 2019.

MS. WANG QING*
Executive Director

Ms. Wang Qing is an Executive Director and was appointed to the Board of GHY on 23 November 2020.

Ms. Wang is responsible for overseeing the accounts functions of the PRC entities of the Group, including finance and tax-related matters (within the PRC). She is also responsible for the overall day-to-day management of the Group's operations in the PRC.

Prior to GHY, Ms. Wang was a Tax Director with Perfect World Co., Ltd., an entertainment company listed on the Shenzhen Stock Exchange which business includes TV program and film production, from May 2014 to March 2019. She was also a Senior Tax Manager with Thyssenkrupp China Ltd. from August 2012 to May 2014, and a Manager with Ernst & Young Consultant Ltd. from August 2004 to July 2012.

Ms. Wang graduated from Qingdao Technological University with a Bachelor's degree in Accountancy in 2001. She has also obtained a Masters' degree in Accountancy from the University of International Business and Economics in 2004.

BOARD OF DIRECTORS

MR. YANG JUN RONG*
Non-Executive Director

Mr. Yang Jun Rong is a Non-Executive Director and was appointed to the Board of GHY on 23 November 2020.

Mr. Yang is an established music album producer with more than 35 years of experience in the music industry. Mr. Yang is the manager of Jay Chou, a prominent musician and singer-songwriter, and is the Chief Executive Officer and Music Director at JVR Music International Ltd, a record and management company established in Taiwan in 2007. He is also the Chief Executive Officer of Eastern Eagle Investment Co., Ltd., a concert production company, and Sure Legend International Limited, a talent management company, whose businesses are primarily based in Taiwan.

Mr. Yang graduated from the National Taiwan University in 1987 with a Bachelor's degree.

MS. ZENG YINGXUE
Non-Executive Director

Ms. Zeng Yingxue is a Non-executive Director and was appointed to the Board of GHY on 1 February 2022.

Ms. Zeng Yingxue is currently the Senior Vice President of Perfect World Co., Ltd., a company listed on the Shenzhen Stock Exchange.

Ms Zeng graduated from National University of Singapore with a Master in Business Administration in 2018.

MR. YEO GUAT KWANG*
Lead Independent Director

Mr. Yeo Guat Kwang is the Lead Independent Director and the Chairman of the Nominating Committee. He was appointed to the Board of GHY on 23 November 2020.

Mr. Yeo is currently the Advisor to the Small and Medium Enterprises Network and Migrant Workers Segment of the National Trades Union Congress.

Mr. Yeo was formerly a Member of the Parliament of Singapore from 1997 to 2015 and was the President of the Consumers Association of Singapore from 2002 to 2012.

Mr. Yeo graduated from the National University of Singapore with a Bachelor of Arts (Hons) in 1986 and obtained a Master's degree in Public Administration and Management in 2013 from the National University of Singapore (Lee Kuan Yew School of Public Policy). He also obtained a Doctorate of Business Administration from the United Business Institutes, Brussels in 2016.

BOARD OF DIRECTORS

MR. ANG CHUN GIAP
Independent Director

Mr. Ang Chun Giap is an Independent Director and the Chairman of the Audit and Risk Management Committee. He was appointed to the Board of G.H.Y Culture & Media on 23 November 2020.

Mr. Ang is presently the Audit Director of Acevision & Associates PAC, a public accounting corporation and has over 20 years of experience in a public accounting profession, providing auditing, accounting, tax planning and advisory services to client from diverse industries, including construction, real estate development, investment holding, manufacturing, food and beverage, entertainment, trading, importers and exporters, engineering, charities, hotel management and logistics. Mr. Ang also has over 20 years of experience in finance and management in commercial corporations.

Mr. Ang is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants, a Public Accountant with the Accounting and Corporate Regulatory Authority, an Accredited Tax Practitioner (Income Tax and GST) with the Singapore Institute of Accredited Tax Professionals, a Senior Accredited Director with the Singapore Institute of Director (SID) and a patron of the Citizens' Consultative Committee with the People's Association. He is also the recipient of the prestigious Pingat Bakti Masyarakat Award, a public service medal awarded by the President of Singapore.

Mr. Ang graduated from the National University of Singapore with a Bachelor of Accountancy in 1981.

MR. CHEN MINGYU
Independent Director

Mr. Chen Mingyu is an Independent Director and the Chairman of the Remuneration Committee. He was appointed to the Board of G.H.Y Culture & Media on 23 November 2020.

Mr. Chen is presently the Managing Partner of D&E (Beijing) Business Consulting Co., Ltd, a finance, tax and business advisory services firm, and a visiting professor in the Executive Masters in Business Administration programme at Tsinghua University. Having been a partner in the Beijing offices of Deloitte, EY and KPMG respectively, Mr. Chen has over 30 years of experience in providing advice on cross-border M&A transactions, enterprise evaluation, designing and implementing global holding companies, tax efficient financing and capital repatriation strategies.

Mr. Chen received his undergraduate degrees in Accounting from Shenyang Open University in 1985 and English from Liaoning University in 1987. He also received a Master's in Business Administration from Fordham University in 2005.

DR. JIANG MINGHUA
Independent Director

Dr. Jiang Minghua is an Independent Director. He was appointed to the Board of G.H.Y Culture & Media on 23 November 2020.

Dr. Jiang is presently a Professor at Peking University, Guanghua School of Management. He teaches the Marketing and Brand Management courses in the Guanghua School of Management, Peking University, to businessmen and senior managers and conducts classes for the Master of Business Administration Programme (MBA) and Executive Masters of Business Administration Programme for senior management.

He has also served as a Strategic Adviser to China Central Television Advertising Center (中央電視台廣告中心) and Brand Consultant to Beijing Handian Pharmaceutical Co., Limited (北京漢典製藥有限公司) and Beijing Keshuiwei Technology Co., Ltd (北京科旭威爾科技股份有限公司). Dr. Jiang was previously an Independent Director of AVIC Culture Co., Ltd (中航文化有限公司) from April 2014 to December 2015, and a Brand Consultant and Independent Director of Beijing Fund River Investment Co., Ltd. (北京方德瑞投資有限公司) from December 2015 to December 2018, where he provided strategic advice relating to marketing strategy, brand equity management and brand value.

Dr. Jiang graduated from Peking University with a Bachelor's degree in Economics in 1986 and obtained a Master's degree in Economics in 1989 and a Doctorate in Economics in 1997.

BOARD OF DIRECTORS

MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
Independent Director

Mr. Shamsul Kamar Bin Mohamed Razali is an Independent Director. He was appointed to the Board of GHY on 1 February 2022.

Mr. Shamsul was formerly the Executive Director of the Centre for Domestic Employees (CDE), an affiliate of the National Trades Union Congress (NTUC) and the Deputy Executive Secretary of the Education Services Union. He is also an Adviser to the Aljunied GRC grassroots organisations, the Chairman of PAP Community Foundation (PCF Kaki Bukit) and a member of the M3 FA4 Taskforce Workgroup Panel. Mr. Shamsul has been actively serving the community since 2006. He was previously the Chairman of the Ministry of Social and Family Development (MSF), Review Board, Committee 6, Board of Visitors (Children and Young Persons Homes) and was awarded the National Day Award – Pingat Bakti Masyarakat (PBM) in 2017.

Mr. Shamsul graduated from Nanyang Technological University with a Bachelor of Arts (Diploma in Education) in 1997 and obtained a Master of Arts (Southeast Asian Studies) from National University of Singapore in 2003.

MR. LI QI
Independent Director

Mr. Li Qi is an Independent Director. He was appointed to the Board of GHY on 1 February 2022.

Mr. Li was an Associate Professor at the Guanghua School of Management, Peking University, where he taught classes on economics since 1983. Mr Li was formerly the Dean of Guanghua School of Management, Shenzhen Campus and Shanghai Campus from 2009 to 2018 and 2014 to 2018 respectively.

Mr. Li graduated from Peking University with a Bachelor Degree in Economics in 1983 and obtained a doctoral degree in Social and Economic Sciences from the Vienna University of Economics and Business, Austria, Wirtschaftsuniversität Wien, Österreich in 1996.

Note:
* The indicated Directors will be retiring at the forthcoming AGM and will not be seeking re-election. Following the retirement of the indicated Directors and subject to the re-election of retiring Directors who are seeking re-election at the AGM, the Board and Board Committees will be reconstituted with effect from the close of the AGM in the manner set out on page 130 below and as announced on SGXNet on 12 March 2024.

KEY MANAGEMENT

MR. GUO JINGYU
Executive Chairman and Group CEO

Please refer to information on the Board of Directors on page 4.

MS. YUE LINA
Executive Director

Please refer to information on the Board of Directors on page 4.

MS. WANG QING
Executive Director

Please refer to information on the Board of Directors on page 4.

MS. VENESSA LIAN*
Group Deputy Chief Executive Officer

Ms. Venessa Lian was appointed as the Group Deputy Chief Executive Officer on 14 May 2021.

Ms. Lian is responsible for the development and implementation of business strategies of the Group to achieve its corporate objectives and maximise long-term shareholder value. Ms. Lian also provides strategic leadership to the Company in the execution of growth and diversification strategies, in order to further expand the Group's geographical footprint in Southeast Asia.

She has close to 30 years of experience in drama and film distribution and concert production. Prior to joining the Group, Ms. Lian was the Events Director of Bestin Entertainment Pte. Ltd. from July 2018 to October 2019. She was also an Executive Director of G.H.Y Culture & Media (Singapore) Pte Ltd. (formerly known as Perfect World Pictures Singapore Pte. Ltd.) ("**G.H.Y Singapore**") from November 2019 to March 2020.

* Ms. Venessa Lian has tendered her resignation from her position as Deputy Chief Executive Officer to focus on her personal matters and her family as announced on SGXNet on 16 February 2024 and shall cease to be Group Deputy Chief Executive Officer with effect from 30 June 2024.

MS. LOW HUI MIN**
Chief Financial Officer

Ms. Low Hui Min was appointed as Chief Financial Officer in November 2019. She is responsible for all finance-related matters and tax-related matters (outside of the PRC) of the Group.

Prior to joining the Group, Ms. Low was the Regional Financial Controller of a multinational advertising agency network which is a subsidiary of a listed company on the New York Stock Exchange, from November 2017 to October 2019, and managed the finance teams across 12 markets in the Asia-Pacific region for all working capital and audit-related matters. She was also a Senior Audit Manager with Deloitte & Touche LLP from July 2007 to October 2017 and was a lead manager responsible for the audit of multinational and local companies in a broad range of industries.

Ms. Low is a Chartered Accountant with the Institute of Singapore Chartered Accountants. She graduated from Nanyang Technological University with a Bachelor of Accountancy in 2006.

** Ms. Low has tendered her resignation from her position as Chief Financial Officer on 18 December 2023 due to personal commitments as announced on SGXNet on 12 March 2024 and shall cease to be Chief Financial Officer with effect from 28 June 2024.

The Company is in process of finalising the appointment of a candidate for the position of the Chief Financial Officer and will make the necessary announcement when the candidate is appointed.

KEY MANAGEMENT

MR. XUE XIN
Senior Director of TV Program and Film Production

Mr. Xue Xin was appointed as the Senior Director of TV Program and Film Production in April 2019. He joined GHY in April 2019 and is responsible for overseeing the production of the drama and film projects of the Group.

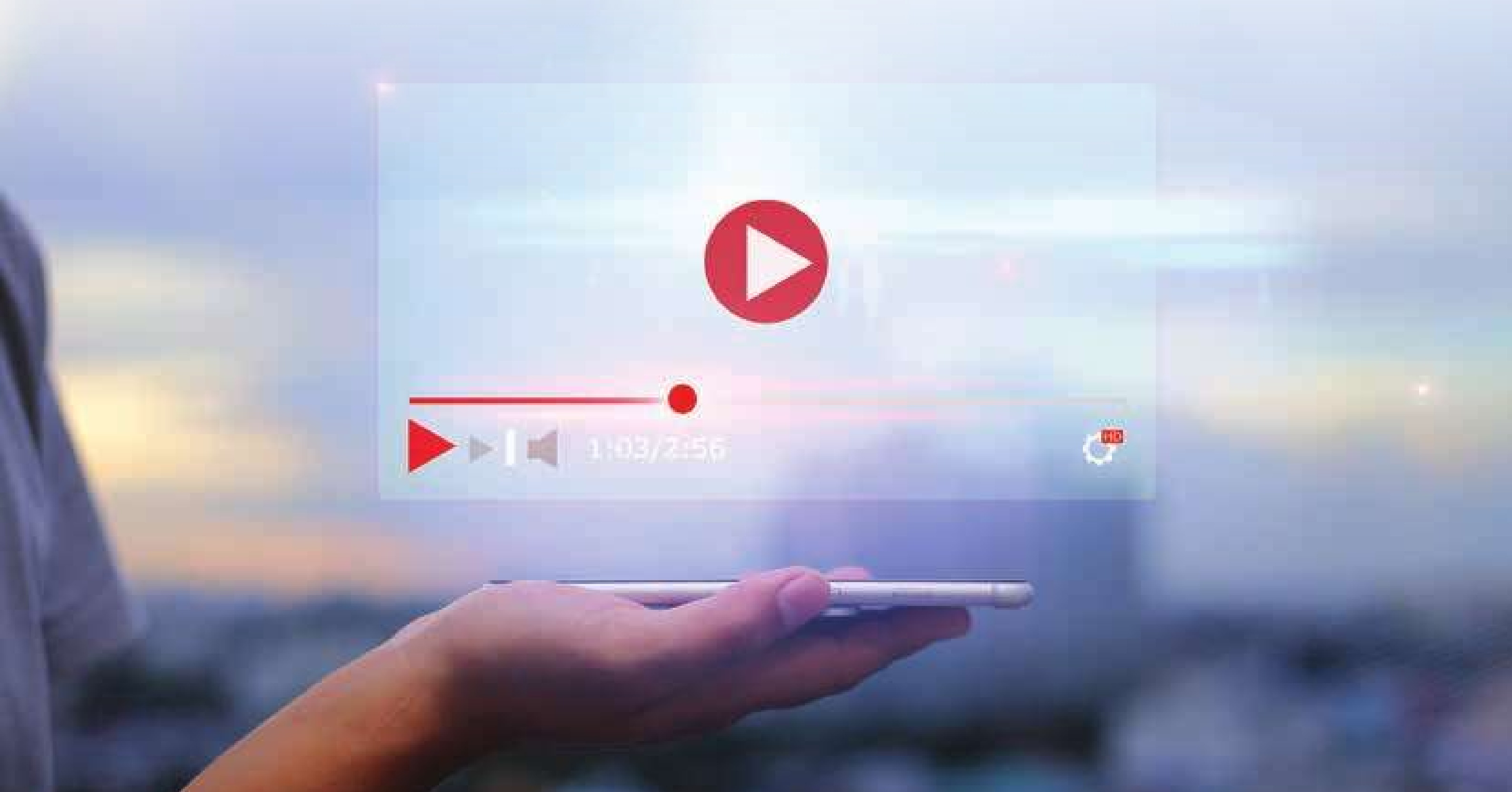
Mr. Xue leads the Group's PRC production team and was the executive producer for various notable dramas and films in the PRC, including "Rush Year 刀鋒1937", "The Red Lady 紅娘子", "Brave Heart 勇敢的心" and "The Blue Blade 火藍刀鋒". Prior to joining the Group, Mr. Xue was previously a Manager and Producer of TV programs and films and responsible for the management of the production team at Perfect World Co., Ltd., an entertainment company listed on the Shenzhen Stock Exchange which business includes TV program and film production, from March 2011 to March 2019. He has more than 30 years of experience as a producer and was also a Producer with the China Film Group Corporation from March 2002 to July 2020 and a producer with Beijing Film Studio from December 1980 to January 2002.

Mr. Xue is a member of the China Alliance of Radio, Film and Television (中國廣播電影電視社會組織聯合會). He graduated from Minzu University of China in 1992 with a degree in Business Management.

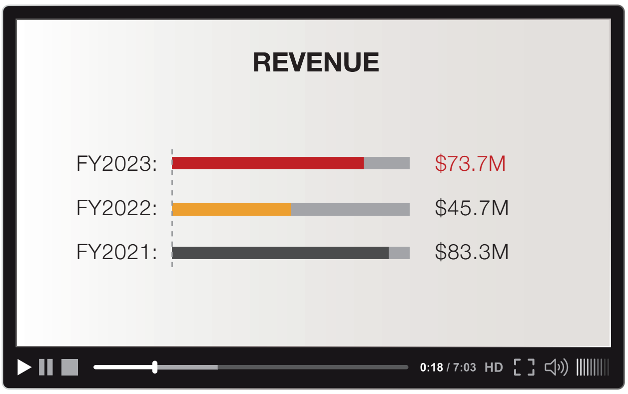
MS. ADELINE LOW LI PHENG
Regional Senior Group Director of Concert Organisation and Management

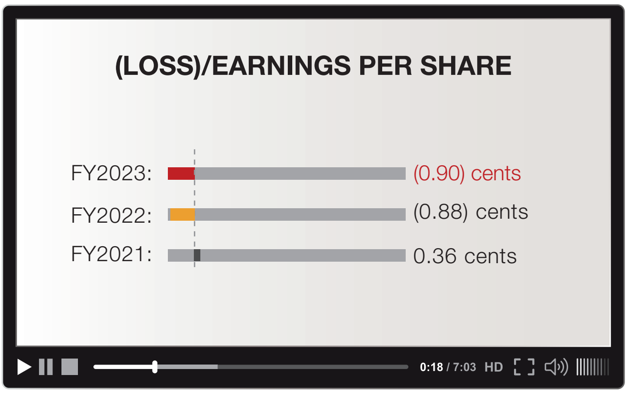
Ms. Adeline Low Li Pheng was appointed Regional Senior Group Director of Concert Organisation and Management in May 2022. She is responsible for overseeing the organisation and management of concerts of the Group and is supported by concert production teams based in Singapore and the PRC, all of whom have experience and expertise in event organisation and production.

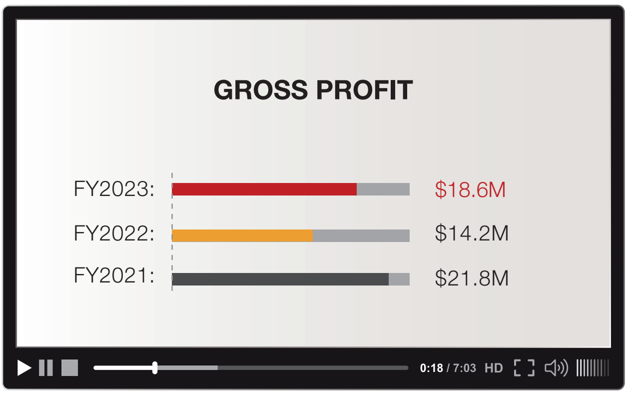
Ms. Low has more than 25 years of experience in concert production. She has been in the media and entertainment industry since 1997. Ms. Low started her career in marketing and TV advertising, and later progressed on to a corporate communications role for Singapore's only major TV network station. Ms. Low later became the Head of the station's Concert division, which kickstarted her career in live events. Ms. Low joined another listed company in the media and entertainment industry, whose business included the organisation of concerts, prior to joining the Group in 2018.

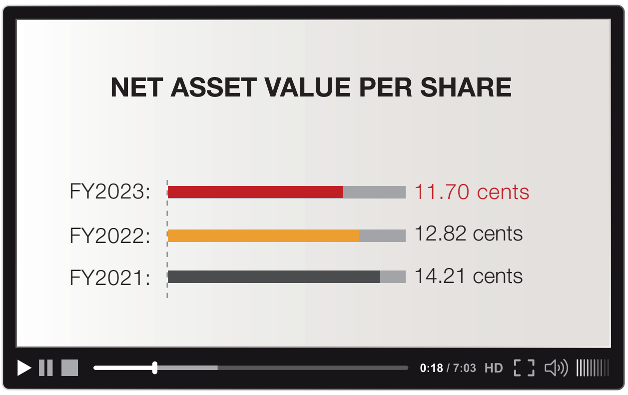


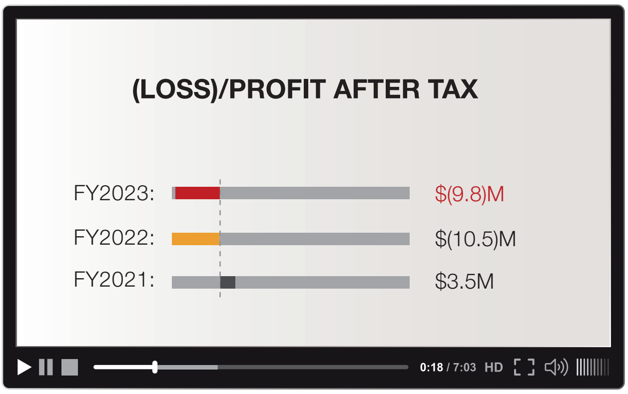
FINANCIAL HIGHLIGHTS

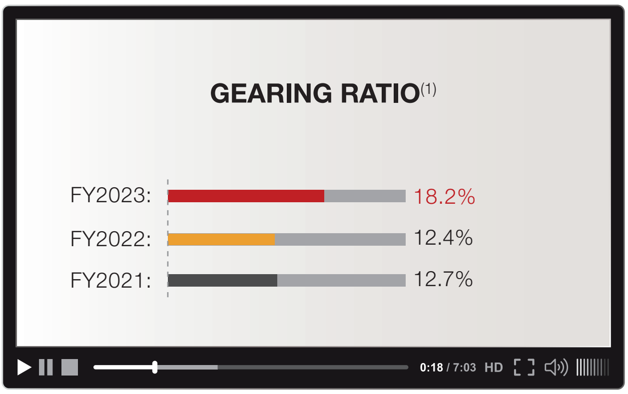












Note

(1) Gearing ratio is computed based on the sum of borrowings, lease liabilities and investment funds from investors over equity attributable to the owners of the Company.

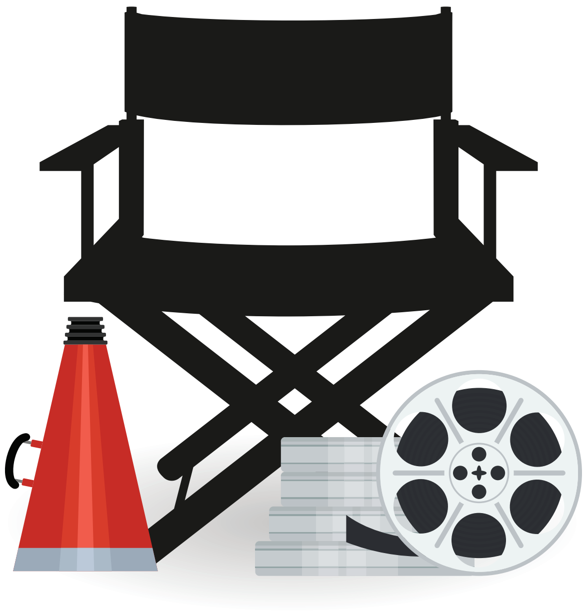
"FY2021" refers to financial year from 1 January 2021 to 31 December 2021.
"FY2022" refers to financial year from 1 January 2022 to 31 December 2022.
"FY2023" refers to financial year from 1 January 2023 to 31 December 2023.

Certain numerical figures set out in this Annual Report, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this Annual Report may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in the Annual Report have been calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this Annual Report, as applicable, and not using the numerical data in the narrative description thereof.

PROPOSED FINAL DIVIDENDS FOR FY2023

Committed to rewarding our Shareholders

While the Group has not performed as well as expected, there is a need to reward the Shareholders for their support and loyalty. The Board proposed a final dividend of 0.10 Singapore cents per ordinary share for FY2023, similar to last year's dividend payout and is subjected to Shareholders' approval at the forthcoming Annual General Meeting.



The Group will continue to prioritise its cash to reinvest in core businesses and to fund new growth opportunities, followed by highly selective acquisitions. After satisfying those uses of cash, excess cash shall be returned to Shareholders via dividends and share repurchases.

OPERATION AND FINANCIAL REVIEW

OPERATION REVIEW FOR FY2023

TV PROGRAM AND FILM PRODUCTION

In April 2023, the Group entered into a co-production agreement ("Co-Production Agreement") with iQIYI Inc. (北京愛奇艺科技有限公司), a company listed on NASDAQ Global Select Market. Pursuant to the Co-Production Agreement, both parties have agreed to co-produce a web drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝詭事錄之西行". Filming was completed in the 2nd half of 2023 and the Group has completed the production for this drama series in the 1st quarter of 2024.

In July 2023, the Group signed a co-production agreement with Tencent Video to co-produce a drama series titled "Contenders 獅城山海". Production commenced in November 2023 and the Group expects to commence filming for "Contenders 獅城山海" in the 1st half of 2024.

In December 2023, the Group commenced filming for a drama series titled "Notes of DNA Appraiser 鑒定", a co-production with Youku. Production is expected to be completed in the 3rd quarter of 2024.

The Group is expected to commence production for "Nanyang Transport Volunteers 南洋英雄" in the 3rd quarter of 2024. In addition, the Group has launched its own label "Legendary short drama" on Douyin (抖音) (also known as TikTok) to target a new audience base and to harness new opportunities.

A series of dramas and films of varied themes are also currently under evaluation and production. The Group continues to undertake collaborations and partnerships with various streaming platforms, online video platforms and TV networks to develop different genres of dramas and films targeting different groups of audiences, thereby creating more opportunities for revenue growth.

Underpinned by its strong and talented scriptwriting team and end-to-end production capabilities, a part of the Group's competitive strengths lies in its ability to produce high-quality and well-received dramas and films. The Group believes good stories can be made anywhere and be viewed by everyone. Hence, the Group continues to strengthen its capabilities in script development and content creation by broadening the pool of creators with whom the Group can work with and expanding the genres of its dramas and films to better serve and capture the mindshare of local audiences in its target markets.

OPERATION AND FINANCIAL REVIEW

CONCERT PRODUCTION

The Group's concert production business activities have rebounded strongly and continues to exhibit growth momentum. The Group completed four concert productions in Malaysia, Australia and Thailand in FY2023. During the three months ended 31 March 2024, the Group completed three concert productions in Australia and expects to complete two concert productions in Japan in April 2024.

The PRC's reopening has brought on new opportunities arising from the pent-up demand for concerts and live entertainment in the PRC. The Group invested in Jay Chou's Carnival World concerts in Taiyuan, Hohhot, Tianjin and Shanghai and Chris Li Yuchun's (李宇春) PRC concert tour in Beijing, Shanghai, Chengdu and Chongqing in FY2023. In addition, the Group will explore opportunities as co-producers of concerts for other popular and well-known international artistes in Asia.

Following the termination of the Master Sure Legend Concert Agreement in September 2023, the Group had entered into a new concert agreement for Jay Chou's Carnival World Tour concert in Bangkok, Thailand in December 2023[1]. Whilst the Group will continue to negotiate the terms for the production of concerts for Jay Chou as and when the opportunity arises, the Group has not entered into new concert agreements with Sure Legend to undertake the production of any other concerts, including in Singapore and Malaysia as of the date of this report.

The Group is also exploring opportunities to organise and manage other leisure events which would involve the same or substantially the same operational methods that the Group uses for its concert production business and in the geographical locations in which the Group currently operates.

OTHER BUSINESS SEGMENTS

Costumes, Props and Make-up Services Business

The Group provides costumes, props and make-up services for artistes and third party production companies in respect of their drama and film production activities by engaging subcontractors for the provision of such costumes, props and make-up services.

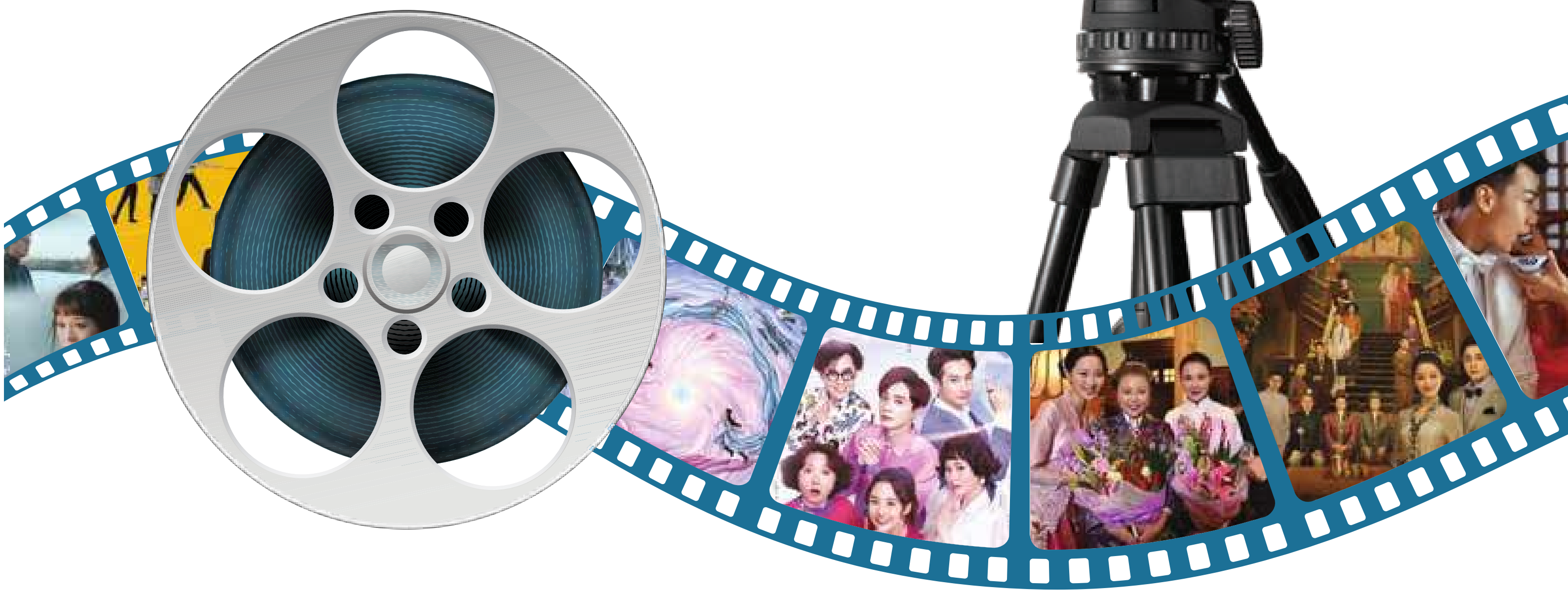
1 Please refer to the announcements dated 30 October 2023 and 17 November 2023 for further information on the concert agreements entered into by the Group in relation to the concerts for Jay Chou.

Mr. Chen Minzheng is a well-known designer for costumes, props and make-up in the PRC who has won, among others, the Golden Horse Award for Best Makeup & Costume Design in 2018 and the Asian Film Award for Best Costume Design in 2019.

The Group has in the past engaged, and will continue to engage, Mr. Chen Minzheng (陳敏正) to design and create costumes and props for the Group's drama and film projects, as well as for third party production companies which engage his services through the Group by way of an exclusive services and collaboration between the Group and Mr. Chen Minzheng.

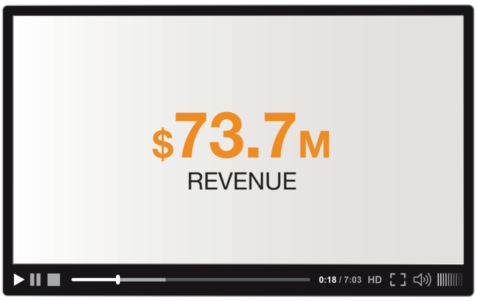
Talent Management Services Business

The Group identifies and recruits artistes who are based mostly in the PRC and has built up a stable pool of well-known artistes. The talent management services business manages more than 60 artistes and the current pool of artistes we manage are actors and actresses who are primarily based, or whose projects and engagements are primarily based, in the PRC and/or Singapore.



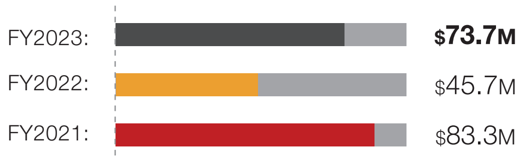
OPERATION AND FINANCIAL REVIEW

FINANCIAL PERFORMANCE FOR FY2023



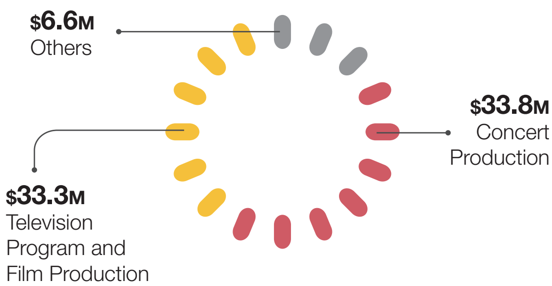
The Group's revenue increased by approximately $27.9 million from $45.7 million in FY2022 to $73.7 million in FY2023.

REVENUE



Business Segments

BUSINESS SEGMENT REVENUE



Revenue contribution (net of inter-segment elimination) from the TV Program and Film Production business segment increased by approximately $13.3 million from $20.0 million in FY2022 to $33.3 million in FY2023. In FY2023, the Group recognised revenue mainly in respect of one completed drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝詭事錄之西行".

Revenue contribution (net of inter-segment elimination) from the Concert Production business segment increased by approximately $13.6 million from $20.3 million in FY2022 to $33.8 million in FY2023, mainly in respect of four concert productions held in Malaysia, Australia and Thailand in FY2023.

Revenue contribution (net of inter-segment elimination) from the Others business segment mainly comprising Talent Management and Costumes, Props and Make-up Services increased by approximately $1.1 million from $5.5 million in FY2022 to $6.6 million in FY2023, mainly due to an increase in number of projects for Talent Management, Costumes, Props and Make-up Services and Musical Plays.

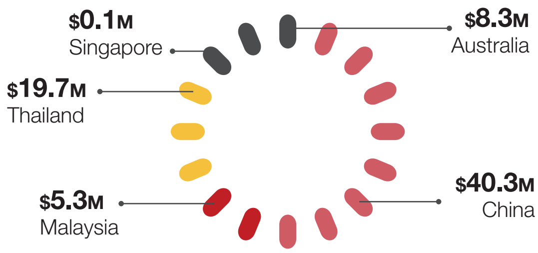
In FY2023, the total revenue derived from the PRC Affiliated Entities amounted to approximately $40.3 million (FY2022: $25.3 million), representing 54.8% (FY2022: 55.2%) of the total revenue of the Group.

Geographical Segments

The Group's revenue is based on geographical locations of its external customers' operations which the revenue is derived from.

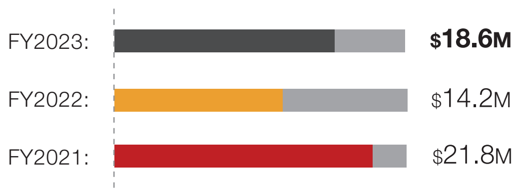
The Group's revenue from customers located outside Singapore accounted for 99.9% (FY2022: 55.2%) of the Group's total revenue in FY2023. The copyright and ancillary rights to the completed and ongoing film and drama productions under the TV Program and Film Production business segment and projects for Talent Management and Costume, Props and Make-up Services were sold or licensed to customers located outside of Singapore.

GEOGRAPHICAL SEGMENT REVENUE



The Group's gross profit ("**GP**") increased by approximately $4.3 million from $14.2 million in FY2022 to $18.6 million in FY2023. Gross profit margin decreased from 31.2% in FY2022 to 25.2% in FY2023.

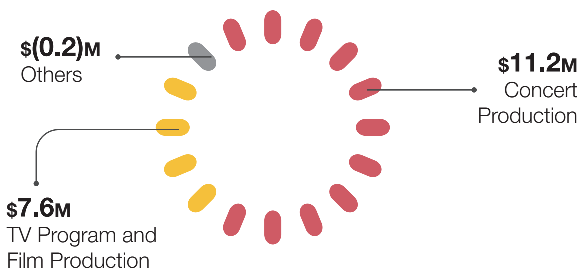
GROSS PROFIT



OPERATION AND FINANCIAL REVIEW

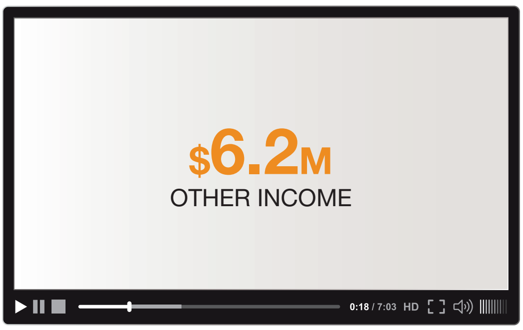
Business Segments

GROSS PROFIT



GP contribution from the TV Program and Film Production business segment increased by approximately $2.9 million from $4.7 million in FY2022 to $7.6 million in FY2023, mainly in respect of one drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝詭事錄之西行".

GP contribution from the Concert Production business segment increased by approximately $2.3 million from $8.9 million in FY2022 to $11.2 million in FY2023, in respect of three and four concert productions held in FY2022 and FY2023 respectively.



The Group's other income decreased by approximately $0.9 million from $7.1 million in FY2022 to $6.2 million in FY2023.

This was mainly due to a decrease of approximately $4.4 million from government grants. Government grants mainly comprise (a) grants in respect of certain drama and film production activities from the relevant local government authorities and (b) grants from government relief schemes; which is partially offset by (i) a net gain of approximately $2.9 million mainly arising from the final settlement of concert investments advanced to external parties, based on the actual ticket sales after netting against actual expenditure; and (ii) a service income of approximately $0.3 million arising from services rendered to external parties in relation to concert productions in FY2023.

OTHER INCOME

EXPENSES

Administrative expenses

The Group's administrative expenses remained relatively consistent in FY2022 and FY2023.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately $1.2 million from $6.4 million in FY2022 to $5.2 million in FY2023. This was mainly due to (i) a decrease of approximately $0.3 million in employee benefit expenses (which includes salaries and defined contribution plans) due to a reduction in headcount arising from cost control measures put in place; (ii) a decrease of approximately $0.4 million for depreciation and amortisation expenses mainly arising from a six-month rent-free period for a leased office in the PRC in FY2023; and (iii) a decrease of approximately $0.2 million in advertising and promotional activities due to cost control measures put in place.

Other expenses

Other expenses increased by approximately $3.8 million from $10.7 million in FY2022 to $14.5 million in FY2023.

This was mainly due to (i) credit loss allowance of approximately $6.6 million that has been measured by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables; and (ii) a write-off of approximately $1.7 million on films and drama productions in progress. The Group estimates the recoverable amount for such films and drama productions in progress based primarily on their target market and the business plan taking into consideration the current market conditions, the jurisdiction or region of the broadcast and/or release of the drama or film, the length of the distribution, the number of rounds of distribution, the industry practice for the credit terms extended to customers in that particular jurisdiction or region, as well as the overall number of dramas and films produced and/or co-produced by the Group which are distributed in that particular jurisdiction or region.

The increase is partially offset by a decrease of approximately $4.8 million in net foreign exchange loss from $8.8 million in FY2022 to $4.0 million in FY2023, primarily as the Singapore dollar appreciated less against the Chinese Renminbi in FY2023 as compared to FY2022, mostly from intercompany balances denominated in Singapore Dollar of the Group entities in the PRC of which the financial statements are prepared in Chinese Renminbi, as the Group has significant operations in the PRC.

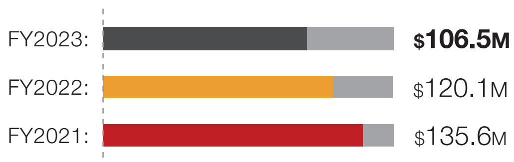
Finance costs

Finance costs increased by approximately $0.9 million from $1.7 million in FY2022 to $2.6 million in FY2023 mainly arising from short term loan drawdowns and a factoring facility entered in 2023.

OPERATION AND FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION

WORKING CAPITAL



The Group's long term financial objectives remain unchanged and we continue to be committed in the Group's revenue growth, enhance operating margins and deliver positive free cashflow annually.

Though our working capital decreased by approximately $13.6 million from $120.1 million as at 31 December 2022 to $106.5 million as at 31 December 2023, we are still well-placed to ramp up production volume and maintains the Group's ability to leverage its strong position in the industry value chain to strategically pursue organic and inorganic growth in order to enhance Stakeholders' value.

Supported by our resilient balance sheet, we will continue to expand and diversify our portfolio of proprietary entertainment content, explore potential partnerships and collaborations as well as pursue inorganic growth opportunities in the Group's journey to become the leading player in the media and entertainment industry in the Asia-Pacific region.

	As at 31 December 2023	As at 31 December 2022
Current Assets	$153.7 million	$166.6 million
Non-current Assets	$20.5 million	$17.6 million
Current Liabilities	$47.2 million	$46.5 million
Non-current liabilities	$3.2 million	$1.9 million

Current assets

The Group's current assets decreased by approximately $12.9 million from $166.6 million as at 31 December 2022 to $153.7 million as at 31 December 2023. The decrease was mainly due to (i) a decrease of approximately $13.0 million in trade and note receivables due to receipts for drama and concert productions and credit loss allowance made, offset by sales billings; (ii) a decrease of approximately $0.9 million in amount due from related parties, mainly due to a decrease in prepayment made to an entity connected to a non-controlling shareholder and non-executive director in relation to the Concert Production business. The prepayment was recognised as cost of sales when the concerts were held during FY2023; (iii) a decrease of approximately $37.8 million in contract assets, mainly due to sales billing and translation loss arising from the appreciation of the Singapore Dollar against the Chinese Renminbi as the Group has significant operations in the PRC offset by ongoing drama productions to represent the Group's right to consideration for dramas and films production in progress but not billed at 31 December 2023; and (iv) a net decrease of approximately $2.0 million in financial assets at FVTPL, mainly due to derecognition of financial assets at FVTPL based on the actual box office revenue and actual ticket sales. Financial assets at FVTPL represent film, concert, and musical play investments advanced to external parties for the financing of production and marketing expenditure that are associated with the films, concerts, and musical plays the Group has invested in.

The decrease was partially offset by (i) an increase of $14.3 million in cash and cash equivalents, mainly due to cash generated from operating activities; (ii) an increase of approximately $22.2 million in other receivables; mainly due to (a) the collaboration fee and service fees paid to Al Nassr Club Company[1] ("**Al Nassr**") and third parties[2] respectively for a soccer tournament titled "China Tournament January 2024". As at date of report, the soccer tournament on such scheduled dates, have been cancelled[3] and the Group is in discussions with the relevant parties involved in the organisation of the soccer tournament including ongoing discussions with Al Nassr on the terms of a supplemental agreement to the Collaboration Agreement for the envisaged postponement of the soccer tournament to the second half of 2024; (b) a deposit paid for the acquisition of shares in a subsidiary; (c) an increase in receivables from a joint operator mainly in respect of concert sponsorship income for concert productions held in Australia in 2024; (d) a net increase in receivables from third parties mainly due to final settlements from completed concert investments and (e) a net increase in prepayments and advances to third parties and a third-party contractor. These prepayments and advances are made for preparation work in relation to various ongoing and upcoming drama, film and concert projects, including but not limited to the artiste fees, purchase and/or development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects offset by receipts of advances paid to production crew and staff, after netting against actual expenditure and upon final settlement with crew and staff; (iii) an increase of approximately $0.7 million in contract costs, mainly due to costs incurred in respect of the concert productions to be held in Australia and Japan in 2024; and (iv) a net increase of approximately $3.5 million in films and drama productions in progress and films and drama products representing production costs, costs of services, direct labour costs, facilities and raw materials consumed under ongoing drama and film productions offset by sales billing for completed film productions.

[1] SGX Announcement reference: SG231108OTHRSLJN
[2] SGX Announcement reference: SG231128OTHRIUP0
[3] SGX Announcement reference: SG240124OTHRWPBP

OPERATION AND FINANCIAL REVIEW

Non-current assets

The Group's non-current assets increased by approximately $2.9 million from $17.6 million as at 31 December 2022 to $20.5 million as at 31 December 2023, mainly due to an increase of approximately $3.0 million of right-of-use assets mainly arising from new leases of an office premise and a film set in Indonesia entered into in FY2023 and an increase of approximately $1.5 million in deferred tax assets arising from additional deductible temporary differences and unutilised tax losses in FY2023. The increase was partially offset by a decrease of approximately $0.4 million and $0.7 million in plant and equipment and intangible assets respectively mainly due to routine depreciation and amortisation. In addition, there was a decrease of approximately $0.4 million and $0.1 million for investment in joint venture and investment in associate respectively mainly due to the Group's share of the total comprehensive loss for FY2023 from the joint venture and associate.

Current liabilities

The Group's current liabilities increased by approximately $0.7 million from $46.5 million as at 31 December 2022 to $47.2 million as at 31 December 2023. The increase was mainly due to (i) an increase of approximately $10.3 million in contract liabilities, mainly due to advance receipts from ticket sales for a soccer tournament titled "China Tournament January 2024". Contract liabilities relate to payment received in advance from customers and these amounts are recognised as revenue when the Group fulfilled its contractual obligations; (ii) investment funds of approximately $4.5 million received from investors in FY2023 for a soccer tournament titled "China Tournament January 2024"; and (iii) an increase of approximately $1.1 million in lease liabilities, mainly arising from new leases of an office premise and a film set in Indonesia entered into in FY2023, which was partially offset by repayment of lease liabilities during the year.

The increase is partially offset by (i) a net decrease of approximately $13.2 million in trade and other payables mainly due to (a) payment for amounts due to joint operators which pertains to the proportionate share of revenue from concert production attributable to the joint operators, (b) repayment of advances received from a joint operator, an entity connected to a shareholder of the company for joint operation in a drama production, (c) payment of amounts due to vendors in the ordinary course of business for trade purchases and ongoing operating costs and (d) decrease in VAT and GST payables; (ii) a decrease in the amount due to related parties of approximately $0.8 million, which was mainly due to payment for payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees and concert production related costs; and (iii) a net decrease of approximately $1.1 million in borrowings mainly due to repayment of borrowings offset by borrowings drawdown in FY2023.

Non-current liabilities

The Group's non-current liabilities increased by approximately $1.3 million from $1.9 million as at 31 December 2022 to $3.2 million as at 31 December 2023. Lease liabilities increased by approximately $1.4 million, mainly due to new leases of an office premise and a film set in Indonesia entered into in FY2023, which was partially offset by repayment of lease liabilities during the year.

STATEMENT OF CASHFLOW

	FY2023	FY2022
Net cash generated from operations	$3.0 million	$5.9 million
Net cash from (used in) investing activities	$2.0 million	$(3.6) million
Net cash from (used in) financing activities	$9.5 million	$(1.7) million

Net cash generated from operating activities

The Group generated cash inflows from operating activities before movements in working capital of approximately $2.4 million, with net changes in working capital of approximately $3.4 million, income tax and net interest paid of approximately $0.9 million and $1.9 million respectively.

The Group's net working capital inflows was mainly due to (i) a decrease of approximately $38.0 million in contract assets, mainly due to sales billing and translation loss arising from the appreciation of the Singapore Dollar against the Chinese Renminbi as the Group has significant operations in the PRC partially offset by ongoing drama productions to represent the Group's right to consideration for dramas and films production in progress but not billed as at 31 December 2023; and (ii) an increase of approximately $10.3 million in contract liabilities, mainly due to advance receipts from ticket sales for a soccer tournament titled "China Tournament January 2024". Contract liabilities relate to payment received in advance from customers and these amounts are recognised as revenue when the Group fulfils its contractual obligations.

The Group's net working capital inflows was partially offset by (i) a net increase of approximately of $6.8 million in films and drama productions in progress and films and drama products representing production costs, costs of services, direct labour costs, facilities and raw materials consumed under ongoing drama and film productions, partially offset by sales billing for completed film productions; (ii) an increase in trade, notes and other receivables of approximately $23.8 million mainly due to (a) the collaboration fee and service fees paid to Al Nassr and third parties respectively for a soccer tournament titled "China Tournament January 2024". The soccer tournament on such scheduled dates, have been cancelled and as at date of report, the Group is in discussions with the relevant parties involved in the organisation of the soccer tournament including ongoing discussions with Al Nassr on the terms of a supplemental agreement to the Collaboration Agreement for the envisaged postponement of the soccer tournament to the second half of 2024, (b) a deposit paid for the acquisition of shares in a subsidiary, (c) a net increase in receivables from third parties mainly due to final settlements from completed concert investments, (d) an increase in receivables from a joint operator mainly in respect of concert sponsorship income for concert productions held in Australia in 2024 and (e) a net increase in prepayments and advances to third parties and a third-party contractor. These prepayments and advances are made for preparation work in relation to various ongoing and upcoming drama, film and concert projects, including but not limited to the artiste fees, purchase and/or development of scripts, research and preparation of filming sites, costumes and props for such

OPERATION AND FINANCIAL REVIEW

drama and film projects offset by receipts of advances paid to production crew and staff, after netting against actual expenditure and upon final settlement with crew and staff. This is partially offset by receipts for drama and film productions sold; and (iii) a net decrease of approximately $13.8 million in trade and other payables mainly due to (a) payment for amounts due to joint operators which pertains to the proportionate share of revenue from concert production attributable to the joint operators, (b) repayment of advances received from a joint operator, an entity connected to a shareholder of the company for joint operation in a drama production, (c) payment of amounts due to vendors in the ordinary course of business for trade purchases and ongoing operating costs and (d) decrease in VAT and GST payables. In addition, there was an increase of approximately $0.7 million in contract costs, mainly due to costs incurred in respect of the concert productions held in Australia and Japan in 2024. There was also a decrease in the amount due to related parties of approximately $0.8 million which was mainly due to payment for payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees and concert production related costs.

Net cash generated from operating activities was approximately $3.0 million in FY2023.

Net cash from investing activities

Net cash from investing activities amounted to approximately $2.0 million, mainly due to proceeds of approximately $12.7 million received from external parties in relation to investments in concert, drama and film productions upon final settlement based on the actual box office revenue, fees from licensing rights and revenue from ticket sales after netting against actual expenditure; which was partially offset by (i) an increase of approximately $8.8 million in financial assets at FVTPL, for concerts and films investments advanced to external parties for the financing of production and marketing expenditure that are associated with the specific concerts and films that the Group has invested in; (ii) an increase of approximately $0.9 million in plant and equipment, mainly due to renovation for a film set located in Indonesia and purchase of computer equipment, furniture and fixtures for the office and film set located in Indonesia; and (iii) a deposit of approximately $0.9 million paid for acquisition of shares in a subsidiary.

Net cash from financing activities

Net cash from financing activities amounted to $9.5 million, mainly due to (i) a net increase of approximately $8.5 million in borrowings mainly due to borrowings drawdown offset by repayment of borrowings in FY2023; and (ii) investment funds of approximately $4.5 million received from investors for a soccer tournament titled "China Tournament January 2024"; which was partially offset by (i) payment of final dividends of approximately $1.1 million in respect of FY2022; (ii) payment of lease liabilities of approximately $1.9 million; and (iii) shares repurchased of approximately $0.5 million in FY2023.

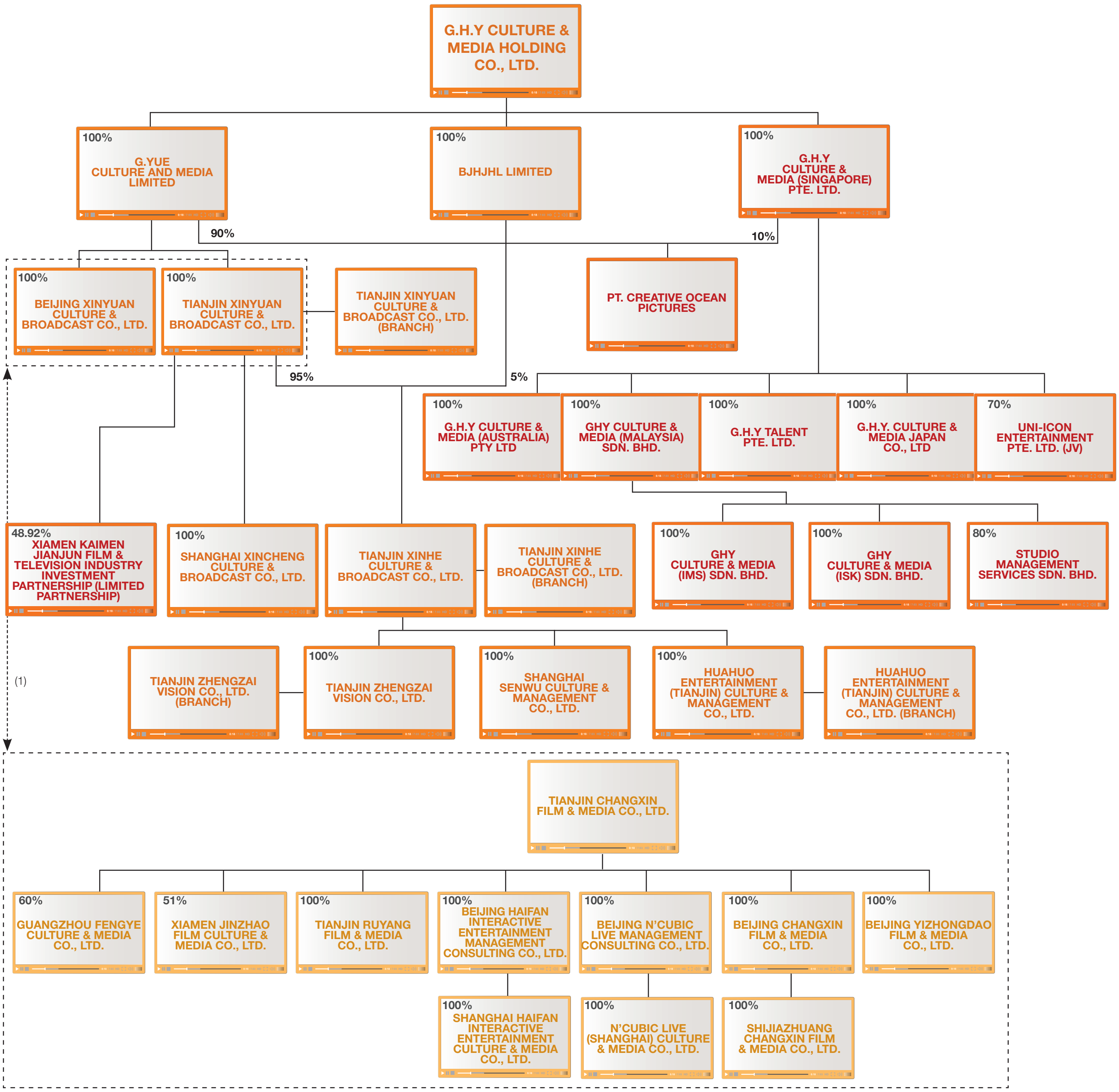




CORPORATE STRUCTURE

CORPORATE STRUCTURE AND OWNERSHIP

The following chart shows the corporate structure of our Group:



Note:

(1) Our Company, through our GHY WFOEs, has entered into Contractual Arrangements with the Individual Shareholders and each of our PRC Affiliated Entities, under which our Group is conferred operational control and economic rights over our PRC Affiliated Entities which allows our Group to exercise control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities. See the section entitled "Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities" of the Prospectus dated 11 December 2020 for further information.

CONTRACTUAL ARRANGEMENTS

Contractual Arrangements currently in place

In order to comply with the foreign ownership prohibitions under the applicable PRC laws and regulations as set out below while maintaining effective control over the operations of Beijing Changxin Film & Media Co., Ltd., Beijing Yizhongdao Film & Media Co., Ltd., Tianjin Changxin Film & Media Co., Ltd., Tianjin Ruyang Film & Media Co., Ltd., Xiamen Jinzhao Film Culture & Media Co., Ltd., Guangzhou Fengye Culture & Media Co., Ltd., Beijing Haifan Interactive Entertainment Management Consulting Co., Ltd., Beijing N'Cubic LIVE Management Consulting Co., Ltd., Shanghai Haifan Interactive Entertainment Culture & Media Co., Ltd., Shijiazhuang Changxin Film & Media Co., Ltd. and N'Cubic LIVE (Shanghai) Culture & Media Co., Ltd. ("**PRC Affiliated Entities**" and each, a "**PRC Affiliated Entity**") in the PRC, the Group has, through Tianjin Xinyuan Culture & Broadcast Co., Ltd. and Beijing Xinyuan Culture & Broadcast Co., Ltd. ("**GHY WFOEs**"), entered into contractual arrangements in respect of the PRC Affiliated Entities, under which the Group is conferred operational control and economic rights over each of the PRC Affiliated Entities, which allow the Group to exercise control over the business operations of each of the PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities, by way of the service fees payable by the PRC Affiliated Entities to the Group ("**Contractual Arrangements**").

Rationale for the Contractual Arrangements

Foreign investment activities in the PRC are mainly governed by the Foreign Investment Law of the PRC (the "**Foreign Investment Land**") and the Special Administrative Measures for Access of Foreign Investment (Negative List) (2021 version) ("**Negative List**"), which have been promulgated and amended from time to time jointly by the Ministry of Commerce of the PRC ("**MOFCOM**") and the National Development and Reform Commission of the PRC ("**NDRC**"). Under the Negative List, foreign investment is prohibited in certain industries, including TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引進)) and internet cultural business (except music).

As a result of the foreign ownership prohibitions under the Negative List, foreign-incorporated companies are unable to own or otherwise hold any equity interest in entities engaged in businesses in such industries. Accordingly, in order to engage in such businesses and maintain the necessary licences and permits, foreign-incorporated holding companies have adopted contractual arrangements so as to conduct operations in these industries in the PRC. Such contractual arrangements, similar to the Contractual Arrangements, confer operational control and economic rights to the foreign-incorporated holding companies, while complying with the applicable foreign ownership prohibitions in the PRC, including those under the Negative List.

The Foreign Investment Law was passed by the National People's Congress ("**NPC**") on 15 March 2019 and came into effect on 1 January 2020 and regulates investment activities directly or indirectly conducted by foreign individuals, enterprises and other organisations in the PRC. As set out in Company's Prospectus dated 11 December 2020, the Foreign Investment Law does not explicitly stipulate such contractual arrangements as a form of foreign investment and the Implementation Regulations on the Foreign Investment Law also do not list such contractual arrangements as a form of foreign investment.

The Company, as a foreign investor under the current PRC regulatory regime, has, through the GHY WFOEs, entered into the Contractual Arrangements in respect of the PRC Affiliated Entities. The PRC Affiliated Entities are either (i) currently engaged in businesses in industries which have foreign ownership prohibitions under the Negative List, such as TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引進) and hold the requisite permits for such business); or (ii) is intended to or will be engaged in TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引進) or other businesses in industries which have foreign ownership prohibitions under the Negative List, such as internet cultural business (except music) and will be required to obtain the requisite licences and permits. The Contractual Arrangements confer operational control and economic rights over the PRC Affiliated Entities to the Group, which allow the Group to exercise control over the business operations of the PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities.

Overall performance of the PRC Affiliated Entities

The Group registered a loss after tax of approximately $9.8 million for FY2023, of which the total loss for FY2023 derived from the PRC Affiliated Entities amounted to approximately $12.7 million, representing more than 100.0% of the Group's total loss in FY2023.

Board Confirmation on the Contractual Arrangements

In FY2023, the PRC Affiliated Entities have complied with the terms and conditions of the Contractual Arrangements. The Board has undertaken a periodic review of the Contractual Arrangements and confirmed that during FY2023:

(i) no dividends or other distributions have been made by the PRC Affiliated Entities to Mr. Guo Jingyu or Mr. Xue Xin, the shareholders of Tianjin Changxin Film & Media Co., Ltd. (the "**Individual Shareholders**");

(ii) there were no new contracts entered into or renewed between the GHY WFOEs and the PRC Affiliated Entities; and

(iii) there were no material changes to the terms of the Contractual Arrangements.

Risks relating to the Contractual Arrangements

There are risks associated with the Contractual Arrangements and these include, among others:

- **If the PRC government deems that the Contractual Arrangements in respect of the PRC Affiliated Entities do not comply with PRC governmental restrictions on foreign investment, or if these regulations, or the interpretation of existing regulations, change in the future, the Group may be subject to severe**

CONTRACTUAL ARRANGEMENTS

consequences or be forced to relinquish its interests in those operations and the current corporate structure, corporate governance and business operations may be materially and adversely affected

As a result of the foreign ownership prohibitions under the Negative List explained under the section entitled "Rationale for the Contractual Arrangements" above, foreign-incorporated companies are unable to own or otherwise hold any equity interest in entities engaged in businesses in such industries. Accordingly, in order to engage in such businesses and maintain the necessary licences and permits, foreign-incorporated holding companies have adopted contractual arrangements in order to conduct PRC operations in these industries. Such contractual arrangements, similar to the Contractual Arrangements, confer operational control and economic rights to the foreign-incorporated holding companies, while complying with the applicable foreign ownership prohibitions in the PRC, including those under the Negative List. We have similarly entered into the Contractual Arrangements in respect of the PRC Affiliated Entities, each of which are currently or will be engaged in such businesses with foreign ownership prohibitions and have obtained or will obtain the requisite licences and permits for such businesses in the PRC.

The Foreign Investment Law stipulates three forms of foreign investment. However, the Foreign Investment Law does not explicitly stipulate contractual arrangements as a form of foreign investment and the Implementation Regulations on the Foreign Investment Law are also silent on whether foreign investment includes contractual arrangements.

Notwithstanding the above, it is possible that future laws, administrative regulations or provisions of the State Council may stipulate contractual arrangements as a form of foreign investment, and in such event, whether the Contractual Arrangements will be recognised as foreign investment or deemed to be in violation of the foreign investment access requirements and how the Contractual Arrangements will be handled is uncertain. In the extreme case, we may be required to unwind the Contractual Arrangements and/or dispose of the PRC Affiliated Entities, which could have a material and adverse effect on our business, financial condition, results of operation and prospect. If the PRC government finds that the Contractual Arrangements do not comply with its restrictions on foreign investment in businesses, or if the PRC government otherwise finds that we or the PRC Affiliated Entities are in violation of PRC laws or regulations or lack the necessary permits or licences to operate our business, the relevant PRC regulatory authorities would have discretion to take action in dealing with these violations or failures, including but not limited to revoking business and operating licences of the PRC Affiliated Entities, requiring us to discontinue or restrict our operations, imposing fines or confiscating any of our income that they deem to have been obtained through such illegal operations, restricting our right to collect revenue and/or restricting or prohibiting our use of the IPO proceeds or other of our financing activities to finance the business and operations of the PRC Affiliated Entities, among others.

- **The Contractual Arrangements in respect of the PRC Affiliated Entities may not be as effective in providing control over the PRC Affiliated Entities as direct ownership**

  We rely on the Contractual Arrangements in respect of the relevant PRC Affiliated Entities to operate our TV program and film production business in the PRC in which foreign investment is prohibited and other businesses, such as internal cultural business (except music) in which foreign investment is prohibited and which we intend to undertake. However, these Contractual Arrangements may not be as effective as direct ownership in providing us with control over the PRC Affiliated Entities.

  If we had direct ownership of the PRC Affiliated Entities, we would be able to directly exercise our rights as an equity holder to effect changes in the boards of directors of those entities, which could effect changes at the management and operational level. Under the Contractual Arrangements, we will have to rely on the PRC Affiliated Entities and the Individual Shareholders to perform their respective obligations in order to exercise our control over the PRC Affiliated Entities. Pursuant to the option to purchase the equity interest and/or assets granted to the Group under the Contractual Arrangements, we may replace the Individual Shareholders at any time pursuant to the Contractual Arrangements. However, if any Individual Shareholder is uncooperative or there is any dispute relating to these contracts that remains unresolved, we will have to enforce our rights under the Contractual Arrangements, including the rights of the GHY WFOEs to dispose of all or part of the pledged equity and to be compensated in priority from the proceeds therefrom under the Equity Pledge Agreements and/or the rights of the GHY WFOEs to purchase all or part of the equity interests in the PRC Affiliated Entities and/or all or part of the business or assets of the PRC Affiliated Entities under the Agreements on Exclusive Purchasing Power. Such enforcement will be through the operation of PRC law and/or arbitral or judicial agencies, which may be costly and time-consuming and will be subject to applicable foreign ownership restrictions (for so long as such foreign ownership restrictions remain in force under the prevailing PRC laws and regulations). Consequently, the Contractual Arrangements may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership.

- **Certain of the terms of the Contractual Arrangements may not be enforceable under PRC laws when any disputes arise**

  All of the Contractual Arrangements are governed by and interpreted in accordance with PRC laws and regulations, and disputes arising from the Contractual Arrangements are to be resolved through arbitration or litigation in the PRC. Amendments to the applicable PRC laws and regulations could limit our ability to enforce the Contractual Arrangements. In respect of interim remedies, the Contractual Arrangements contain provisions to the effect that the arbitral body may award interim remedies, injunctive

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relief and/or winding up over the equity interest and/or assets of the PRC Affiliated Entities and that courts of competent jurisdictions, such as the courts in Singapore, the PRC, Hong Kong and the Cayman Islands, are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitration tribunal. However, we have been advised that such provisions may not be enforceable as an arbitral body has no power under the applicable PRC laws and regulations to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of, or equity interest in, the PRC Affiliated Entities in case of disputes. In addition, there are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity structure should be interpreted or enforced under PRC laws and regulations. Therefore, such remedies may not be available to us, notwithstanding that the relevant provisions are contained in the Contractual Arrangements. Accordingly, there remains significant uncertainty regarding the outcome of arbitration or litigation, which could limit our ability to enforce the Contractual Arrangements.

PRC laws and regulations do not disallow an arbitral body to award the transfer of equity interests and/or assets of the PRC Affiliated Entities in favour of the relevant GHY WFOE, at the request of the GHY WFOEs. However, the arbitral body does not have the authority to enforce an award and the GHY WFOEs may have to resort to the competent courts. The court may or may not support such arbitral award when deciding whether to take enforcement measures. It is subject to the sole discretion of the courts with regard to whether to support such arbitral award and take enforcement measures. Therefore, such award may not be enforceable under PRC laws and regulations. We have also been advised that interim remedies or enforcement orders granted by overseas courts in respect of any arbitral award may not be recognised or enforceable in the PRC, notwithstanding that the Contractual Arrangements provide that courts of competent jurisdiction are empowered to grant interim remedies in support of the arbitration. As a result, in the event that any of the PRC Affiliated Entities or the Individual Shareholders breaches any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over the PRC Affiliated Entities and conduct our business in the PRC may be materially and adversely affected.

In the event that we are unable to enforce our rights under the Contractual Arrangements or if we experience significant delays or other obstacles in the process of enforcing the Contractual Arrangements, we may not be able to exert effective control over the PRC Affiliated Entities and may lose control over the assets owned by the PRC Affiliated Entities. As a result, we may be unable to consolidate the PRC Affiliated Entities in the consolidated financial statements of the Group, and our ability to conduct our operations in the PRC may be materially and adversely affected, and consequently, our business, financial condition, results of operation and prospects may be materially and adversely affected.

- **If we exercise the option to acquire the equity interest or assets of the PRC Affiliated Entities, such transfer of equity interest and/or assets may be subject to certain limitations and substantial costs**

  Pursuant to the Contractual Arrangements, the Company, through the GHY WFOEs or their designated third party, has the irrevocable and exclusive right to purchase all or part of the equity interests in the PRC Affiliated Entities and/or all or part of the businesses or assets of the PRC Affiliated Entities at a nominal consideration of RMB1 or such other minimum price as allowed by PRC laws and regulations. However, such transfer of equity interest may be subject to the approvals from, or filings with, the relevant local counterparts of the State Administration for Market Regulation, the relevant PRC Department of Commerce, the Tianjin Municipal Bureau of Culture and Tourism (Tianjin Municipal Radio and Television Bureau), the Beijing Municipal Radio and Television Bureau, and/or such other relevant PRC regulatory authority, and there can be no assurance that such approvals or filings will be obtained in a timely manner or at all. In addition, the equity transfer price may be subject to enterprise income tax and/or review and tax adjustments by the relevant tax authorities, and such tax amounts may be substantial. In the event that the Individual Shareholders and/or the PRC Affiliated Entities breach the Contractual Agreements, such as any failure by the Individual Shareholders and/or the relevant PRC Affiliated Entities to transfer all or part of the equity interests in the PRC Affiliated Entities and/or all or part of the businesses or assets of the PRC Affiliated Entities, we may seek to enforce our rights to apply to the PRC courts to enforce our rights under the Equity Pledge Agreement through a court-ordered sale or auction of the pledged equity and be compensated in priority from the proceeds therefrom. Nevertheless, this will result in us not being able to exert effective control over the PRC Affiliated Entities and losing control over the assets owned by the PRC Affiliated Entities. As a result, we will be unable to consolidate the PRC Affiliated Entities in the consolidated financial statements of the Group, and our ability to conduct our operations in the PRC will be materially and adversely affected, and consequently, our business, financial condition, results of operation and prospects may materially and adversely affected.

- **Any failure by the PRC Affiliated Entities or the Individual Shareholders to perform their obligations under the Contractual Arrangements may have a material and adverse effect on our business, financial condition, results of operation and prospects**

  If the PRC Affiliated Entities or the Individual Shareholders fail to perform their respective obligations under the Contractual Arrangements, we may have to incur substantial costs and expend additional resources to enforce the Contractual Arrangements. For instance, the Contractual Arrangements contain terms that specifically require the Individual Shareholders to ensure the valid existence of the PRC Affiliated Entities and that the PRC Affiliated Entities may not, in any manner, sell, transfer, mortgage or dispose of its assets or legal or beneficial interests in the business

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without our prior consent. Although we have entered into the Agreements on Exclusive Purchasing Power in relation to each of the PRC Affiliated Entities, which provide that the GHY WFOEs or a designated third party may exercise the option to purchase all or part of the equity interests of the PRC Affiliated Entities which the Individual Shareholders hold and/or all or part of the businesses or assets of the PRC Affiliated Entities, to the extent permitted by applicable PRC laws, rules and regulations, the exercise of the option is subject to the review and approval of the relevant PRC governmental authorities. Whilst we have also entered into the Equity Pledge Agreements with the Individual Shareholders to secure certain obligations of the PRC Affiliated Entities and the Individual Shareholders to us under the Contractual Arrangement, the enforcement of these Equity Pledge Agreements through arbitral or judicial agencies, if any, may be costly and time-consuming. Furthermore, in the event that we apply to the PRC courts for enforcement of our rights under the Equity Pledge Agreements through a court-ordered sale or auction of the pledged equity, the court may select the valuer to be appointed and the bases of the valuation undertaken by such valuer to assess the price of the pledged equity would accordingly be selected by the valuer. In the event that the valuation determined by such court-appointed valuer does not appropriately reflect the value of the Group's business and operations conducted through the PRC Affiliated Entities, we may not be adequately compensated from the proceeds of the sale or auction of the pledged equity and our business, financial condition, results of operation and prospects may be materially and adversely affected.

Under the Contractual Arrangements, the Individual Shareholders have also covenanted that they will not request the PRC Affiliated Entities to, in any manner, distribute profit or dividends or pass any shareholders' resolution without the prior written consent of the Group, and if the Individual Shareholders receive any income, profit distribution or dividend, except as otherwise determined by us, they are required to promptly transfer or pay such income, profit distribution or dividend to us or any other person designated by us to the extent permitted under applicable PRC laws, as part of the service fees under the respective Exclusive Business Cooperation Agreements. In the event that the Individual Shareholders breach such covenants or other terms of the Contractual Arrangements, we may need to resort to legal proceedings to enforce the Contractual Arrangements which may be costly and/or may divert our management's time and attention away from our business and operations. As the outcome of such legal proceedings may also be uncertain, we may suffer losses in the event of such breach of the Contractual Arrangements by the Individual Shareholders, which may materially and adversely affect our business, financial condition, results of operation and prospects.

In addition, although the terms of the Contractual Arrangements provide that they will be binding on the successors of the Individual Shareholders and the Individual Shareholders will procure their successors to be bound by the Contractual Arrangements, it remains uncertain whether the successors in case of the death, bankruptcy or divorce of an Individual Shareholder will be subject to or will be willing to honour the obligations of the Individual Shareholder under the Contractual Arrangements as those successors are not a party to the agreements. If the relevant PRC Affiliated Entity or the Individual Shareholder (or his successor), as applicable, fails to transfer the equity interests of the relevant PRC Affiliated Entity according to the respective Agreement on Exclusive Purchasing Power or Equity Pledge Agreement, we would need to enforce our rights under the relevant Agreement on Exclusive Purchasing Power or Equity Pledge Agreement, which may be costly, time-consuming and may not be successful.

- **We may lose the ability to use, or otherwise benefit from, the licences and assets held by the PRC Affiliated Entities and/or be exposed to losses if the PRC Affiliated Entities declare bankruptcy or become subject to dissolution or liquidation proceedings**

The relevant PRC Affiliated Entities hold licences and assets that are material and necessary for our business operations in the PRC in which foreign investments are typically prohibited under applicable PRC laws and regulations, such as the TV Program and Film Production Business in the PRC. Under the terms of the Exclusive Business Cooperation Agreements entered into pursuant to the Contractual Arrangements, the PRC Affiliated Entities may not unilaterally, without our consent, decide to liquidate and distribute their remaining assets. Furthermore, if any of the PRC Affiliated Entities undergoes liquidation, the Individual Shareholders (by virtue of them being the registered shareholders of Tianjin Changxin Film & Media Co., Ltd.) or unrelated third-party creditors may claim rights to some or all of the assets of such PRC Affiliated Entity, thereby hindering our ability to operate our business as well as restricting our growth. We may also take part in such liquidation proceedings as a general creditor under the PRC Enterprise Bankruptcy Law and recover any outstanding liabilities owed by the PRC Affiliated Entities to the Group under the applicable Contractual Arrangements. While we may not have priority against both the Individual Shareholders and such third-party creditors in respect of the assets of the PRC Affiliated Entities under the Enterprise Bankruptcy Law of the PRC, the terms of the Contractual Arrangements contain safeguards to protect the interests of the Group in the event of liquidation. We are entitled, under the Contractual Arrangements, to obtain the remaining assets of the PRC Affiliated Entities at the price of RMB1 or such other minimum price permitted by the applicable PRC laws and regulations. In the event that the Individual Shareholders breach the terms of the Contractual Arrangements and voluntarily liquidate the PRC Affiliated Entities, or any of the PRC Affiliated Entities undergo liquidation and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to conduct some of our business and operations in the PRC or otherwise benefit from the assets held by the PRC Affiliated Entities, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

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- **We may face significant tax and transfer pricing risks in the PRC arising from the Contractual Arrangements**

  Due to the foreign investment restrictions in the PRC, the Group may only conduct the business of TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引進)) in the PRC and other businesses which have foreign ownership prohibitions or restrictions under applicable PRC laws and regulations such as the Negative List through the Contractual Arrangements entered into between the Individual Shareholders, the GHY WFOEs and the PRC Affiliated Entities. Under the applicable PRC laws and regulations, the GHY WFOEs and the PRC Affiliated Entities are treated as related parties. Therefore, the related party arrangements and transactions among the GHY WFOEs and the PRC Affiliated Entities may be subject to audit or challenges by the PRC tax authorities for a period of 10 years after the taxable year during which the related party transactions were conducted. In the event that the PRC tax authorities deem that the Contractual Arrangements were not entered into on an arm's length basis and/or resulted in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, we may face material and adverse tax consequences. For instance, the PRC tax authorities may adjust the taxable income of the PRC Affiliated Entities in the form of a transfer pricing adjustment which could, among others, result in a reduction of expense deductions recorded by the PRC Affiliated Entities for PRC tax purposes. This could in turn increase the tax liabilities of the PRC Affiliated Entities without reducing the tax expenses of the GHY WFOEs. In addition, the PRC tax authorities may impose late payment fees and other penalties on the PRC Affiliated Entities for the adjusted but unpaid taxes according to applicable PRC tax laws and regulations. In such event, our business, financial condition, results of operation and prospects may be materially and adversely affected.

  Pursuant to the Contractual Arrangements, the Company, through the GHY WFOEs or their designated third party, has the irrevocable and exclusive right to purchase all or part of the equity interests in the PRC Affiliated Entities and/or all or part of the businesses or assets of the PRC Affiliated Entities at a nominal consideration of RMB1 or such other minimum price as allowed by the PRC laws and regulations. However, under the prevailing PRC individual income tax regulations, the relevant GHY WFOE or their designated third party, as the purchaser, is required to withhold the individual income tax of the Individual Shareholders. In the event that the relevant GHY WFOE or its designated third party, as the withholding agent, fails to withhold the individual income tax, the relevant PRC tax authority may impose a penalty of within the range of 50.0% to 300.0% of the amount of tax that should have been withheld. In addition, we have been advised that, in the event that the option to purchase under the Agreements on Exclusive Purchasing Power is exercised by the Group at the nominal consideration of RMB1 or such other minimum price as allowed by the PRC laws and regulations, the PRC tax authority has the discretion to adjust the equity transfer price if it is of the view that the consideration payable should be at the fair market value of the equity interests in the relevant PRC Affiliated Entity and/or its assets. In such event, the relevant GHY WFOE or its designated third party would still be required to withhold tax based on the adjusted equity transfer price by the PRC tax authority and any failure to withhold such taxes may be subjected to penalties imposed by the PRC tax authority of an amount of 50.0% to 300.0% of the amount of tax that should have been withheld. Notwithstanding that the equity transfer price may be adjusted by the PRC tax authority, there can be no assurance that our GHY WFOE can claim a deduction on the cost of investment of the relevant PRC Affiliated Entity based on adjusted equity transfer price if the Group decides to divest our investment in the PRC Affiliated Entities in the future. The actual transacted price (being the nominal consideration of RMB1 or such other minimum price as allowed by the PRC laws and regulations) rather than the adjusted equity transfer price may still be used by the relevant PRC tax authority as the cost of investment in the PRC Affiliated Entities by the GHY WFOEs, for the purpose of computing the taxable gains derived by the relevant GHY WFOE in future. Accordingly, this may result in an increase in the future tax liabilities of the relevant GHY WFOE if the Group decides to divest our investment in the PRC Affiliated Entities in the future.

  Notwithstanding the potential tax and transfer pricing risks highlighted above, our management undertakes to ensure that all relevant tax filings are made to the PRC tax authorities on a timely basis, and that an appropriate transfer pricing study and benchmarking analysis on the Contractual Arrangements would be carried out to mitigate the PRC tax risks and transfer pricing exposure. In addition, as the entities are subject to the same enterprise income tax rate, there would not be any tax leakage from the PRC tax authority's perspective since an income taxable to the GHY WFOEs at 25.0% would correspondingly be claimed as a deduction at the same rate of 25.0% by the PRC Affiliated Entities. In this regard, the effect of any adjustments to the income of the GHY WFOEs taxable in the PRC would be cancelled out by the deductions claimed by the PRC Affiliated Entities and hence, the transactions are less likely to be scrutinised by the PRC tax authority. However, there can be no assurance that the relevant PRC tax authority will not challenge or adjust the transfer pricing arrangements in relation to the Contractual Arrangements in the future.

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- **The Individual Shareholders and the directors of the PRC Affiliated Entities may have potential conflicts of interest with us**

  The Individual Shareholders are Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, and Mr. Xue Xin, our Senior Director of TV Program and Film Production. We control the PRC Affiliated Entities through the Contractual Arrangements and we conduct a substantial portion of our operations through the PRC Affiliated Entities and generate a substantial portion of our revenue through the PRC Affiliated Entities. The Individual Shareholders may potentially have conflicts of interest with us arising from the conflicts of interest between their duties to the Company and their interest as the shareholders of the PRC Affiliated Entities. They may not act entirely in our interest when conflicts of interest arise and such conflicts of interest may not be resolved in our favour. Notwithstanding that we have arrangements in place to mitigate such conflicts of interest, such as non-compete undertakings in their respective service agreements with us, there can be no assurance that the Individual Shareholders will not breach such non-compete undertakings or their legal duties by diverting business opportunities from us. If we are unable to resolve such conflicts or if we suffer significant delays or other obstacles as a result of such conflicts, our business and operations may be disrupted, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

  The Individual Shareholders may be involved in personal disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in the PRC Affiliated Entities and the validity or enforceability of the Contractual Arrangements. For example, in the event that any Individual Shareholder divorces his spouse, the spouse may claim that the equity interests in the PRC Affiliated Entities held by such Individual Shareholder is part of their marital or community property. If such claim is supported by the competent PRC court, the relevant equity interests may be obtained by the Individual Shareholder's spouse who is not bound by the Contractual Arrangements, which could result in us losing effective control over the PRC Affiliated Entities. Similarly, if any of the equity interests in the PRC Affiliated Entities are inherited by a third party who is not bound by the Contractual Arrangements, we could lose our control over the PRC Affiliated Entities or we may have to maintain such control at unpredictable costs, which may cause significant disruption to our business and operations. Notwithstanding that (a) the respective spouses of the Individual Shareholders have undertaken under the respective Spousal Undertakings that she unconditionally and irrevocably agrees and commits not to claim any equity interests of the PRC Affiliated Entities and the rights and interests or assets attached to constitute as community property, and that she does not own or control such properties, rights and interests or assets, and the Individual Shareholder has the right to dispose such equity interests and any rights and interests or assets attached independently; and (b) the Individual Shareholders have undertaken under the Contractual Arrangements to provide that the Contractual Arrangements will be binding on their successors and that they will procure their successors to be bound by the Contractual Arrangements, there can be no assurance that these undertakings or arrangements will be complied with or effectively enforced. If any of these undertakings or arrangements is breached, is unenforceable and/or subject to legal proceedings, our business, financial condition, results of operations and prospects may be materially and adversely affected.

  PRC laws provide that a director and an executive officer owes a fiduciary duty to the company he directs or manages. The director and executive officers of the PRC Affiliated Entities must act in good faith in the best interests of the PRC Affiliated Entities and must not use their respective positions for personal gain. On the other hand, the Directors of the Company owe fiduciary duties and a duty of skill and care to the Company under Cayman Islands law. We rely on the Individual Shareholders to abide by Cayman Islands laws, including the fiduciary duties of directors to act in good faith and in what they believe to be the best interests of the company and to exercise their powers in the company's interests. Nonetheless, conflicts of interests for the Individual Shareholders may arise due to differing roles as shareholders, directors and executive officers of the PRC Affiliated Entities and as the Company's Directors or employees. There can be no assurance that the Individual Shareholders of the PRC Affiliated Entities will always act in our best interests should any conflicts of interests arise, or that any conflicts of interest will always be resolved in our favour. There also can be no assurance that the Individual Shareholders will ensure that the PRC Affiliated Entities will not breach the Contractual Arrangements. If we cannot resolve any of these conflicts of interest of any related disputes, we would have to rely on legal proceedings to resolve these disputes and/or take enforcement action under the Contractual Arrangements. There is substantial uncertainty as to the outcome of any of these legal proceedings.

Actions taken to mitigate such risks

We have adopted the following measures to ensure the effective operations of the Group with the adoption of the Contractual Arrangements and the Group's compliance with applicable laws and regulations:

(a) any major issues arising from and/or in relation to the Contractual Arrangements or any regulatory enquiries from the relevant government or regulatory authorities will be submitted to the Board for review and discussion on an occurrence basis and the unanimous agreement of the Audit and Risk Management Committee will be sought for the aforementioned matters;

CONTRACTUAL ARRANGEMENTS

(b) the Audit and Risk Management Committee will review the internal control policies and procedures in place to safeguard the Group's assets which are held through the Contractual Arrangements (including the management of funds and the unwinding of the Contractual Arrangements as soon as the applicable PRC laws and regulations allow the business of the PRC Affiliated Entities to be operated without them) on a regular basis;

(c) the Board will review the overall performance of the PRC Affiliated Entities and compliance with the terms of the Contractual Arrangements on a periodic basis;

(d) the overall performance of the PRC Affiliated Entities and compliance with the Contractual Arrangements will be disclosed in the annual report of the Company;

(e) the Board will provide a confirmation in the annual report of the Company that, as part of their periodic review of the Contractual Arrangements:

    (i) no dividends or other distributions have been made by the PRC Affiliated Entities to the Individual Shareholders; and

    (ii) any new contracts entered into or renewed between the relevant GHY WFOEs and the PRC Affiliated Entities are fair and reasonable to the Group and the interests of the Shareholders as a whole, and not prejudicial to the interests of the Group and its minority Shareholders; and

(f) we will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the terms of the Contractual Arrangements and to deal with any specific issues or matters arising from the Contractual Arrangements.

The Audit and Risk Management Committee will continually review the effectiveness of our internal control policies and procedures and will outsource our internal audit function to PricewaterhouseCoopers Risk Services Pte. Ltd. to ensure the adequacy and sufficiency of the internal control policies and procedures within the Group, including the abovementioned measures to ensure the effective operations of the Group with the adoption of the Contractual Arrangements and the Group's compliance with applicable laws and regulations.

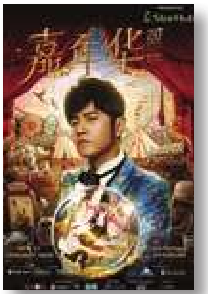
The Group will also continue to engage the external auditors, to carry out the agreed upon procedures annually on the transactions carried out pursuant to the Contractual Arrangements and include in their report to the Audit and Risk Management Committee for the purpose of the annual statutory audit of the Group, that no dividends or other distributions have been made by the PRC Affiliated Entities to the Individual Shareholders.

The Audit and Risk Management Committee will carry out periodic review of the terms of the Contractual Arrangements on an annual basis and will monitor the procedures established to regulate such interested person transactions in order to ensure that the Contractual Arrangements are not prejudicial to the interest of the Group and our minority Shareholders, and to ensure that proper measures to mitigate conflicts of interest have been put in place. In particular, where the prior written consent of the GHY WFOEs is required under the Contractual Arrangements for any transactions, the Audit and Risk Management Committee will first review such transactions and the terms of the Contractual Arrangements and any consent to be provided by the GHY WFOEs under the Contractual Arrangements will be subject to the prior unanimous consent of the Audit and Risk Management Committee having first been obtained. In the event that the Audit and Risk Management Committee is of the view that the Contractual Arrangements are prejudicial to the interests of the Group and our minority Shareholders and/or if there are any material changes to the terms of the Contractual Arrangements (even where such changes would not be considered interested person transactions under Chapter 9 of the SGX-ST Listing Manual), an independent financial adviser will be appointed to review the terms of the Contractual Arrangements and to provide an opinion on whether the Contractual Arrangements are carried out on normal commercial terms and will not be prejudicial to the interests of the Group and our minority Shareholders.

Any material changes to the terms of the Contractual Arrangements will also be subject to review and approval by the Audit and Risk Management Committee and the requirements under Chapter 9 of the SGX-ST Listing Manual. Any amendments to the Contractual Arrangements which do not constitute material changes to the terms of the Contractual Arrangements, and will thus not be subject to the approval by Shareholders of the Company, will nonetheless be subject to review and approval by the Audit and Risk Management Committee and will be subject to the prior unanimous consent of the Audit and Risk Management Committee having first been obtained. In addition, where the Group intends to enter into new contractual arrangements with terms similar to the Contractual Arrangements and/or acquire the equity interest of the PRC Affiliated Entities to the extent permissible under the applicable PRC laws and regulations, such transactions will be subject to review and approval by the Audit and Risk Management Committee and the requirements under Chapter 9 of the SGX-ST Listing Manual. This is to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Group and our minority Shareholders.

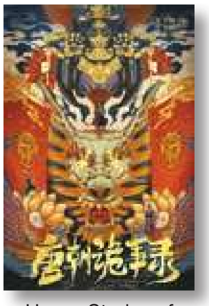
OUR WORKS

(A) PAST PRODUCTIONS AND/OR RELEASES



Jay Chou 周杰倫
“Carnival”
World Tour –
Singapore, Malaysia,
Thailand & Australia
(Concert)

Li Ronghao 李榮浩
“If I Were Young”
World Tour –
Singapore
(Concert)



Horror Stories of
Tang Dynasty
唐朝詭事錄
(Drama)

Whimsical World
異想世界
(Online Short Drama
Series)

Brave Heart II
勇敢的心 2
(Drama)

Marriage on Contract
契約夫婦離婚吧
(Online Short Drama
Series)

Ability Bureau
誰？異能者
(Online Short Drama
Series)

Ability Bureau II
誰？異能者 II
(Online Short Drama
Series)

Who takes the Throne
六神無主
(Online Short Drama
Series)

Twin Sisters
替身姐妹
(Online Short Drama
Series)

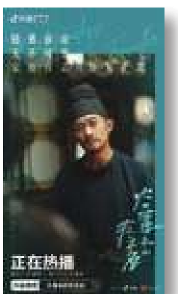
Match Made in
Heaven
負負得正
(Online Short Drama
Series)

Appraiser of Love
愛的鑒定師
(Online Short Drama
Series)

Lion in the Dream
夢見獅子
(Musical)

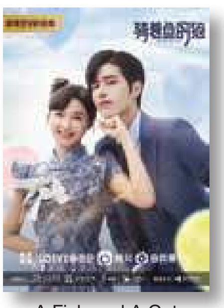
The Ferryman
靈魂擺渡之永生
(Musical)

Horror Stories of
Tang Dynasty
唐朝詭事錄之
曼陀羅
(Musical)



The Nameless
Time Traveller
大唐來的蘇無名
(Online Short Drama
Series)

Goddess Hotel
女神酒店
(Online Short Drama
Series)



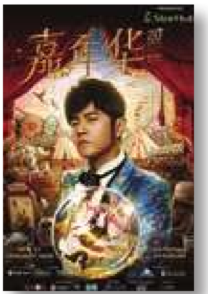
A Fish and A Cat
騎著魚的貓
(Drama)

Kill Twelve
星座審判
(Online Short Drama
Series)

Sisterhood
南洋女兒情
(Drama)

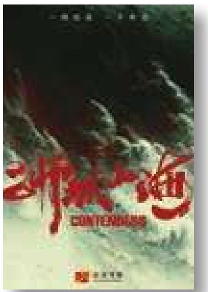
OUR WORKS

(B) CURRENT & UPCOMING PRODUCTIONS & RELEASES



Jay Chou 周杰倫
"Carnival"
World Tour –
Australia & Japan
(Concert)

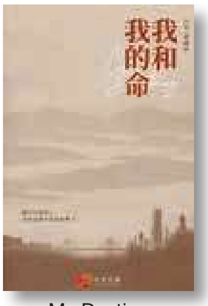
Strange Tales of Tang Dynasty 2: To the West
唐朝詭事錄之西行
(Drama)



Contenders
狮城山海
(Drama)

Notes of DNA Appraiser
鉴定
(Drama)

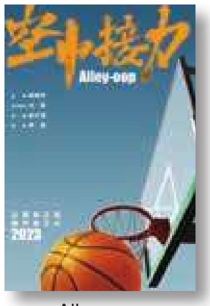
Pilgrimage of Love
花好月圓
(Drama)



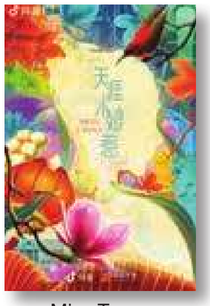
My Destiny
我和我的命
(Drama)

Nanyang Transport Volunteers
南洋英雄淚
(Drama)

Strange Tales of Tang Dynasty – Scroll of The Magnifico Beast
唐朝詭事錄之白澤圖
(Drama)



Alley-oop
空中接力
(Movie)



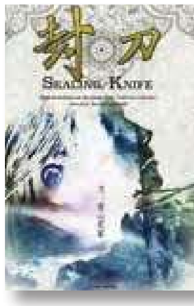
Miss Tanya
天涯小娘惹
(Drama)

The 10th Regiment
第十團
(Drama)

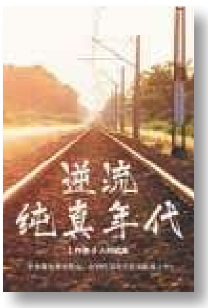
Legend of the Sabre Master
天下刀宗
(Drama)

Perfect Promise
最美的諾言
(Drama)

The Truth of Marriage
結婚的理由
(Drama)



Sealing Knife
封刀
(Drama)



Age of Innocence
逆流純真年代
(Drama)

Misty Rain – Dreams of Jiangnan
煙雨 – 夢過江南
(Drama)

Strange Tales of Jiang Cheng
江城詭事
(Drama)

Under The Roof
屋檐下
(Online Short Drama Series)

Heroes and Assassin
俠客与刺客
(Drama)

INVESTOR RELATIONS

Company Share information

Stock Code	SGX:XJB
Bloomberg Ticker	GHY:SP

INVESTOR RELATIONS CALENDAR

Quarter	Activities
1st Quarter 2023	FY2022 Financial Results Announcement and Corporate Presentation FY2022 Analyst and Investor Briefing Conference calls and meetings with analysts and/or investors
2nd Quarter 2023	Annual General Meeting Conference calls and meetings with analysts and/or investors
3rd Quarter 2023	6M FY2023 Financial Results Announcement and Corporate Presentation 6M FY2023 Analyst and Investor Briefing Conference calls and meetings with analysts and/or investors
4th Quarter 2023	Conference calls and meetings with analysts and/or investors

Timely and Transparent Disclosures

The Group is committed to uphold high standards of corporate governance and transparency, and to provide timely and detailed updates to the investment community (that includes shareholders, retail investors, institutional investors, research analysts, fund managers, among others).

All material updates are first published on SGXNet, then the Group's corporate website (www.ghyculturemedia.com) and through media releases to update the investment community on the latest information pertaining to the Group on a timely basis.

Under our corporate website, the Group maintains an Investor Relations segment, https://ghyculturemedia.com/investor-relations/, where we make available free of charge a variety of information for the investment community. This Investor Relations segment provides another channel for the investment community to easily find or navigate to pertinent information about us. The Group will continue to enhance our Investors Relations segment to make it more intuitive for the investment community.

To enhance our investor relations efforts, the Group has also engaged an external investor relations organisation that focuses on facilitating communications with the investment community on a regular basis, attending to their queries or concerns and keeping them apprised of the Group's corporate developments and financial performance.

During such interactions, the Group will solicit and understand the views of the investment community so that the Group's investor relations function can be further enhanced to better serve the ongoing needs of the investment community.

INVESTOR RELATIONS

Proactive Engagements with the Investment Community

The Group will continue to invest time and resources into expanding our outreach to the investment community and the media to enhance their understanding of the Group's business and value propositions.

Bilateral communications with the investment community is also vital in improving the public's awareness and appreciation of the Group's value proposition and investment merits. To maintain meaningful engagement and dialogue with the investment community, the Group continues to undertake regular reviews to conduct analyst briefings, media interviews or investor roadshows. During such engagements, the Group actively solicits views and opinions from the investment community before considering all recommendations, where practicable, to fine-tune our messaging and enhance the public's understanding of the Group. The Group, together with the external investor relations organisation, also takes the opportunity to bridge the knowledge gap of the Group's business and the wider entertainment and media industry, as well as foster a better understanding about our business segments and respective growth strategies.

The Group adopts the practice of half-yearly financial reporting and will conduct various post-results engagements including analyst and investor briefings, one-on-one calls, and non-deal investor roadshows, meeting research analysts, fund managers and institutional investors, among others. Since listing, the Group has also attained initiation research coverage from UOB Kay Hian and DBS Bank.

In addition, the Group endeavours to provide key operational updates via analyst and investor briefings to maintain continuous engagements and dialogue with the investment community.

The Group will also continue to proactively participate in more local and international investor meetings and non-deal roadshows, physically and virtually, as part of our efforts to raise awareness of our investment merits among the investment community.

Investor Relations Contact

Mr. Guo Jingyu, Executive Chairman and Group CEO
E: guojingyu@ghyculturemedia.com

8PR Asia Pte Ltd, Investor Relations
E: alex.tan@8prasia.com

CORPORATE SOCIAL RESPONSIBILITY

It has always been part of GHY's corporate culture to support the local communities in the countries where we operate. In the spirit of giving back, GHY consistently strives to strike a balance between business going concerns and corporate social responsibility.

OUR FOCUS

DEVELOPING TALENT. EMPOWERING YOUTHS. CHAMPIONING COMMUNITIES. CREATING IMPACT.

GHY believes in developing budding talent for the media industry, energising our youths, and channeling their creative energies to catalyst the development of the media industry. Emerging young talent must be given opportunities to pursue a fulfilling education, be inspired to exercise their creativity, and be empowered with platforms that allow them to actualise their dreams. At the same time, differently enabled and less-privileged members of our society must lead a dignified life and be given the same level of respect as every other member of our society. To these ends, the Group proactively supports educational institutions, non-profit organisations, and government agencies with community projects that further these causes.

The Group strives to create a positive impact to our society by:

- accelerating the development of talent to enrich the local media and entertainment industry,
- providing equitable education and industry opportunities to youths,
- supporting less-privileged communities with social reliefs that enable them to live with dignity, and
- raising awareness on social issues through visual storytelling and digital content.

CORPORATE RESPONSIBILITY

TALENT ACCELERATION

The media industry has seen major waves of disruptions and is expected to become even more uncertain in the years to come. The next generation of media companies need to be staffed by talent who not only possess technical knowledge of productions, but also future-oriented skills. To support the development of media talent in Singapore, the Group has collaborated with various Institutes of Higher Learning ("IHLs") to provide educational related opportunities to youths.

GHY is a partner of the Singapore Ministry of Education ("MOE") Bicultural Studies Programme. The Bicultural Studies Programme is a four-year programme curated by the MOE for tertiary students with strong passion in biculturalism and a keen interest in understanding contemporary China and the West. GHY was invited as the keynote speaker at the nation-wide annual Bicultural Studies Camp 2023. More than 300 students at the camp were exposed to a wide range of topics such as how media can help countries achieve their goal of cultural exportation, and why culture, apart from economic and military might, is a third power that countries can tap on to extend their sphere of influence on a global stage. To further support MOE, GHY has also provided internship opportunities to outstanding students from the Bicultural Studies Programme who have expressed strong interest and passion in the Chinese media industry.

The National University of Singapore ("NUS") Faculty of Arts and Social Sciences ("FASS") has invited GHY once more to conduct a guest lecture to more than 40 international students at the Global Media Audience Module in the Master of Social Sciences in Communications Programme. The guest lecture touched on emerging topics such as creating engaging media content for a diverse global audience in the era of social media. To help the students better appreciate the arising importance of media content ecosystem, the guest lecture also touched on content creation strategies such as IP extensions and content adjacency.

NUS-GHY PITCH IT! 2023

GHY believes in providing youths with platforms to showcase their creative talents. Together with NUS Communications and New Media Society, GHY sponsored and co-organised Pitch It! 2023, a tertiary-wide short film competition that drew close to 100 participants from eight different IHLs. Participants underwent two workshops conducted by GHY that introduced them to the fundamentals of scriptwriting and production. The semi-finalists and finalists were mentored by the GHY to produce social impact advocacy videos, that are in line with United Nations Sustainable Development Goals ("UN SDG"), for five partner organisations comprising Social Services Agencies, Non-Profit Organisations, Non-Governmental Organisations ("NGO"), and Ground-Up Initiatives. Winners of the Pitch It! 2023 received cash prizes of a total of S$6,000 and were offered opportunities to work with GHY on video production projects, with one team having worked with GHY on a TikTok video for a community partner.

INDUSTRY IMMERSION PROGRAMMES

GHY fully supports the provision of opportunities for students to engage in immersive and out-of-classroom learning experiences. To support industry enrichment opportunities for students, the Group has partnered Curtin University to offer its New Colombo Plan ("NCP") Scholars opportunities to better understand media production in Asia. In collaboration with Curtin University and Curtin Academy, the Group has hosted more than 100 NCP scholars and lecturers across two batches at GHY's

CORPORATE SOCIAL RESPONSIBILITY

post-productions studio and at GHY's overseas production shoot locations so that these students can learn beyond their classrooms and be exposed to professional knowledge from industry veterans. Some of the content covered in the immersion programme included film and TV history in Singapore/Malaysia, and how hyper localisation of content drove the "Second Golden Age" of Singapore/ Malaysia film among others.

Apart from Curtin University, GHY has also collaborated with University of Nebraska Lincoln to provide students with opportunities to understand the media landscape in Asia. Close to 15 students spent an afternoon at GHY's post-productions studio to learn about the latest trends in content creation in Asia, and the differences between the media and entertainment in Asia and America, among others.

Moving on, the Group will offer industry attachment opportunities for academics and co-develop industry relevant programmes for tertiary education institutions in Singapore.

SOCIAL RESPONSIBILITY

ENDOWMENT FUND ON GLOBAL CHINESE MEDIA

To support exceptional students in their pursuit of education, the Group donated $75,000 to NUS FASS to establish the GHY Prize. The GHY Prize recognises exceptional students from the Communications and New Media major who have achieved outstanding performance in their Final Year Project(s) on Global Chinese Media. The GHY Prize is the first-of-its-kind academic award in a Singapore tertiary institution for the study of Global Chinese Media.

GRASSROOTS SPORTS DEVELOPMENT PROGRAMME

GHY firmly believes in supporting youths to realise their sporting dreams. The Group donated an approximately $56,000 (Malaysian Ringgit 200,000) to support grassroots sports development programme in Malaysia by the Ministry of Youth and Sports through the Malaysian Sports Council. The donation will help to advance various sports initiatives to elevate the skills and capabilities of young and aspiring sportsmen in Malaysia.

PRODUCTION WITH A PURPOSE

GHY believes in raising awareness of social issues through responsible media. To that end, the Group is committed to supporting social causes with community partners through media production. GHY has partnered Northeast Community Development Council to produce eight videos that showcased different community projects that supported less-privileged Singaporeans living in the Northeast District. In a similar vein, GHY has partnered Punggol Shore Constituency in a series of projects such as concert production for residents in the division.

GHY has also partnered SG Her Empowerment ("SHE"), an NGO with Institution of Public Character status that empowers women, to produce a four-episode web miniseries to raise awareness about online harms and misinformation that women might experience. The miniseries was launched at the Annual SHE Symposium by Senior Minister of State for Foreign Affairs, Ms Sim Ann.

PHILANTHROPIC RESPONSIBILITY

FUNDING AND DONATIONS

The Group believes that a greater level of awareness on social issues must be raised so that everyone, regardless of the circumstances they are in, can lead a meaningful, dignified, and enriched life. As part of the Group's contributions to social causes, the Group pledged a cash donation of $200,000 in 2023 to Community Chest. The donation will help to support Community Chest's causes to empower the lives of children with special needs and youths at risk, adults with disabilities, persons with mental health conditions, and seniors and families in need of assistance so that these vulnerable members of our community can live with dignity in a caring and inclusive Singapore.

CORPORATE DIRECTORY

Board of Directors

Mr. Guo Jingyu (郭靖宇)
(Executive Chairman and Group CEO)

Ms. Yue Lina (岳丽娜)
(Executive Director)

Ms. Wang Qing (王清)[1]
(Executive Director)

Mr. Yang Jun Rong (楊峻榮)[1]
(Non-Independent and Non-Executive Director)
(all references to "Yang Jun Rong" in this Annual Report shall be a reference to "Yang Chun-Jung")

Ms. Zeng Yingxue (曾映雪)
(Non-Independent and Non-Executive Director)

Mr. Yeo Guat Kwang[1]
(Lead Independent Director)

Mr. Ang Chun Giap
(Independent Director)

Mr. Chen Mingyu (陳明宇)
(Independent Director)

Dr. Jiang Minghua (江明華)
(Independent Director)

Mr. Li Qi (李其)
(Independent Director)

Mr. Shamsul Kamar Bin Mohamed Razali
(Independent Director)

Notes:

(1) The indicated Directors will be retiring at the forthcoming AGM and will not be seeking re-election. Following the retirement of the indicated Directors and subject to the re-election of retiring Directors who are seeking re-election at the AGM, the Board and Board Committees will be reconstituted with effect from the close of the AGM in the manner set out on page 130 and as announced on SGXNet on 12 March 2024.

Corporate Information

Audit and Risk Management Committee

Mr. Ang Chun Giap
(Independent Director) (Chairman)

Mr. Chen Mingyu (陳明宇)
(Independent Director)

Dr. Jiang Minghua (江明華)
(Independent Director)

Nominating Committee

Mr. Yeo Guat Kwang[1]
(Lead Independent Director) (Chairman)

Mr. Guo Jingyu (郭靖宇)
(Executive Chairman and Group CEO)

Dr. Jiang Minghua (江明華)
(Independent Director)

Remuneration Committee

Mr. Chen Mingyu (陳明宇)
(Independent Director) (Chairman)

Mr. Yeo Guat Kwang
(Lead Independent Director)

Mr. Li Qi (李其)
(Independent Director)

Mr. Shamsul Kamar Bin Mohamed Razali
(Independent Director)

Management Team

Ms. Venessa Lian[2]
(Group Deputy Chief Executive Officer)
(all references to "Venessa Lian" in this Annual Report shall be a reference to "Lian Lee Lee")

Ms. Low Hui Min[3]
(Chief Financial Officer)

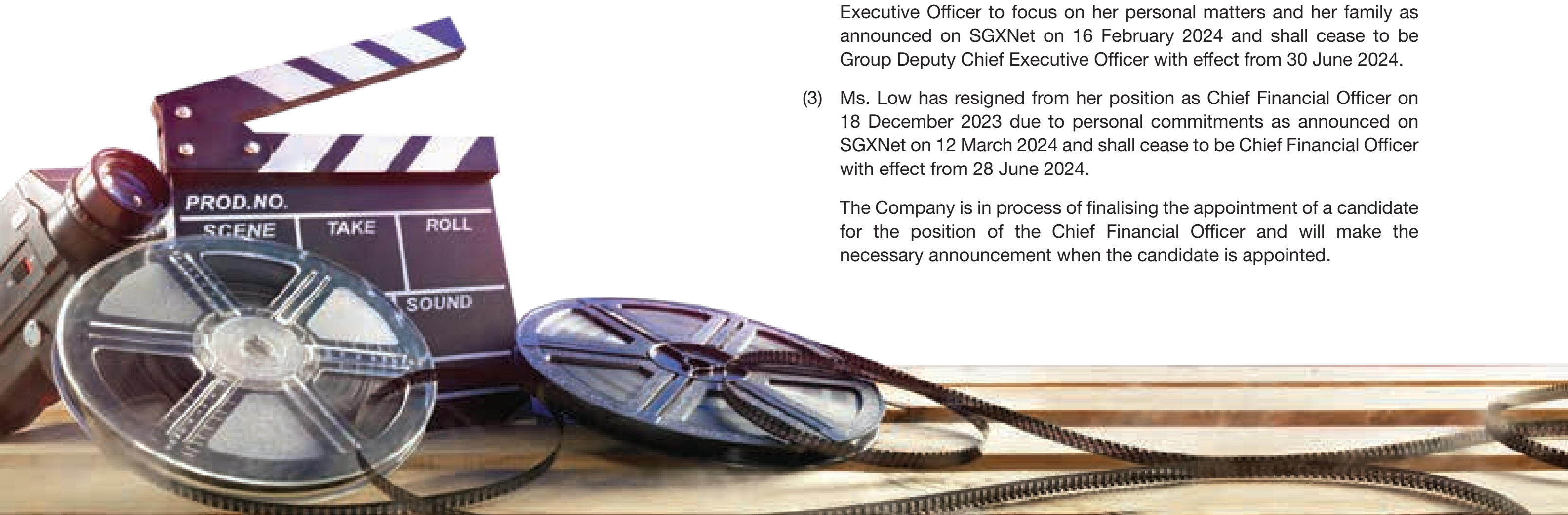
Mr. Xue Xin
(Senior Director of TV Program and Film Production)

Ms. Adeline Low Li Pheng
(Regional Senior Group Director of Concert Organisation and Management)

(2) Ms. Venessa Lian has resigned from her position as Deputy Chief Executive Officer to focus on her personal matters and her family as announced on SGXNet on 16 February 2024 and shall cease to be Group Deputy Chief Executive Officer with effect from 30 June 2024.

(3) Ms. Low has resigned from her position as Chief Financial Officer on 18 December 2023 due to personal commitments as announced on SGXNet on 12 March 2024 and shall cease to be Chief Financial Officer with effect from 28 June 2024.

The Company is in process of finalising the appointment of a candidate for the position of the Chief Financial Officer and will make the necessary announcement when the candidate is appointed.



CORPORATE DIRECTORY

Company Secretaries

Ms. Ong Beng Hong
Ms. Lee Yuan

Registered Office

The offices of Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive,
P.O. Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Principal Bankers

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

China Merchants Bank
No. A1, Yard 15 Nanhu South
Road Chaoyang District, Beijing
People's Republic of China

Shanghai Pudong Development Bank Co., Ltd
No. 2, Xinghua Street,
Daxing District, Beijing
People's Republic of China

East West Bank (China) Limited
33/F, Jin Mao Tower 88
Century Boulevard
Shanghai 20012,
People's Republic of China

Auditors

Deloitte & Touche LLP[(1)]
6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809

Partner-in-charge:
Ms. Mao Meijiao
(Member of the Institute of Singapore Chartered Accountants, appointed as auditor with effect from 27 April 2023)

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(1) Deloitte & Touche LLP will be retiring at the forthcoming AGM and will not be seeking re-appointment. Following the retirement of Deloitte & Touche LLP and subject to the approval of Shareholders at the forthcoming AGM, Crowe Horwath First Trust LLP will be appointed as the auditors of the Company.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 46 to 125 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Guo Jingyu
Yue Lina
Wang Qing
Yang Jun Rong
Yeo Guat Kwang
Ang Chun Giap
Chen Mingyu
Jiang Minghua
Shamsul Kamar Bin Mohamed Razali
Zeng Yingxue
Li Qi

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company except as follows:

Names of directors and companies in which interests are held	Shareholdings registered in names of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company (Ordinary shares)				
Guo Jingyu (Note A)	4,626,400	4,626,400	640,000,000	666,182,000
Yue Lina (Note A)	–	–	–	666,182,000
Yang Jun Rong (Note B)	–	–	76,230,000	76,230,000
Tianjin Changxin Film & Media Co., Ltd. ("Tianjin Changxin") (Ordinary shares)(i)				
Guo Jingyu	–(i)	–(i)	–(i)	–(i)

(i) Tianjin Changxin, a PRC Affiliated Entity[1], had a registered capital of RMB3.06 million (equivalent to $640,000) of which Mr. Guo Jingyu held 98.04% interest.

Note A:

Kang Ru Investments Limited ("Kang Ru") holds 666,182,000 (2022: 640,000,000) shares in the Company ("Shares"). Da Yuan Developments Limited ("Da Yuan") is the sole shareholder of Kang Ru. Vistra Trust (Singapore) Pte. Limited is the sole shareholder of Da Yuan and is the trustee of the Guo Yue Family Trust which is a discretionary trust. The Shares held by Kang Ru are assets of the Guo Yue Family Trust and the beneficiaries are Mr. Guo Jingyu, G.Y Media & Entertainment Limited and Ms. Yue Lina (including the minor child of Mr. Guo Jingyu and Ms. Yue Lina). Mr. Guo Jingyu is the sole shareholder and director of G.Y Media & Entertainment Limited, and is also the investment manager of the Guo Yue Family Trust. Accordingly, each of Mr. Guo Jingyu, G.Y Media & Entertainment Limited and Ms. Yue Lina is deemed to have an interest in all the Shares held by Kang Ru by virtue of Section 4 of the Securities and Futures Act, 2001 of Singapore ("SFA").

Note B:

Taiho Holding Ltd holds 76,230,000 Shares. Mr. Yang Jun Rong holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mr. Yang Jun Rong is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.

The directors' interest in the shares and debentures of the Company as at 21 January 2024 were the same as at 31 December 2023.

1 Entities which the Group is conferred operational control and economic rights over, and the Group is able to exercise control over the business operations of such entities and enjoy substantially all the economic rights arising from the business of such entities.

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) *Option to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company was granted.

(b) *Option exercised*

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company under option.

5 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company at the end of financial year comprises of three directors, all of whom are independent and non-executive directors. The Audit and Risk Committee is chaired by Mr. Ang Chun Giap and includes Dr. Jiang Minghua and Mr. Chen Mingyu. The Audit and Risk Management Committee has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) the audit plan and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

(c) the audit plan of the external auditors;

(d) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and the external auditor's report on those financial statements;

(e) the half-yearly and annual announcements as well as the related presentations and press releases on the results and financial positions of the Company and the Group;

(f) the co-operation and assistance given by the management to the Group's external and internal auditors;

(g) the re-appointment of the internal auditors of the Group; and

(h) the proposed change of the external auditors of the Group.

DIRECTORS' STATEMENT

The Audit and Risk Management Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Management Committee.

The Audit and Risk Management Committee has recommended to the directors the appointment of Crowe Horwath First Trust LLP as the external auditors of the Group in place of the retiring auditors, Deloitte & Touche LLP at the forthcoming annual general meeting of the Company.

ON BEHALF OF THE DIRECTORS

....

Guo Jingyu

....

Wang Qing

5 April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

Opinion

We have audited the financial statements of G.H.Y Culture & Media Holding Co., Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 46 to 125.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

Key Audit Matters (Continued)

Key audit matter(s)	How the matter was addressed in the audit
Revenue recognition For the financial year ended 31 December 2023, total revenue of the Group amounts to \$73.7 million which television program and film production segment contributed \$33.3 million. Under SFRS(I) 15 *Revenue from Contracts with Customers*, revenue from television program and film production segment is recognised at an amount that reflects the consideration in the contracts to which the Group expects to be entitled in exchange for promised goods or services to the customers as and when the Group satisfies its performance obligation, which may be satisfied at a point in time or over time based on the contractual arrangement with customers. The evaluation of the relevant terms in the respective contracts with customers requires management assessment. For the revenue which are recognised over time based on stage of completion of the contract, the revenue and profit recognised in a year on these dramas and films are dependent on, amongst others, the assessment of the actual costs incurred up to the end of the reporting period as a proportion of the total estimated costs for each contract budgeted by management. We focused on revenue as a key audit matter as this is a significant audit risk for the Group. In addition, management assessment is involved in evaluating the contractual terms and there is estimation uncertainty in determining the revision of total estimated costs for the production of each drama or film as the contract progresses, which will affect the revenue and profit recognised. The Group's revenue recognition policy and key sources of estimation uncertainty are set out in Notes 3.15, 4(ii) and 29 to the financial statements.	We have performed the following procedures: • Discussed with management on the processes involved in the revenue cycles and performed walkthroughs to confirm our understanding and to evaluate the design and implementation of relevant controls and tested operating effectiveness of the controls put in place by the Group; • Reviewed the relevant terms in the respective contracts with customers and evaluated the Group's revenue recognition policy in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*; • Selected samples for revenue recognised at point in time and checked to supporting documents, performed audit procedures, including cut-off tests, to ascertain that revenue was recognised in the correct financial year; • For revenue recognised over time, (i) performed retrospective review by comparing total actual contract costs incurred at completion against the total estimated costs budgeted by management to assess the reasonableness of the management's estimates; (ii) performed substantive testing, including reviewing the stage of completion by reference to the actual costs incurred up to the end of the reporting period as a proportion of the total estimated costs for each contract; (iii) evaluated management's estimates in relation to the total contract costs; and (iv) performed subsequent review of the ongoing projects; • Reviewed the adequacy and appropriateness of the related disclosures in the financial statements. Based on the procedures performed, we considered management assessment and key estimates applied by management to be reasonable.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

Key Audit Matters (Continued)

Key audit matter(s)	How the matter was addressed in the audit
<u>Consolidation of PRC Affiliated Entities' financial information</u> The Company, through the wholly-foreign owned enterprises ("WFOEs"), namely Tianjin Xinyuan and Beijing Xinyuan, entered into the contractual arrangements with the ultimate controlling shareholder and one individual shareholder ("Individual Shareholders") and each of the controlled structured entities ("PRC Affiliated Entities") (collectively known as "Contractual Arrangements"). The Contractual Arrangements confer operational control and economic rights over the PRC Affiliated Entities to the Group, which enables the Group to exercise control over the business operations of each of the PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities, enables the Company, through the WFOEs, to have rights to variable return from its involvement with the PRC Affiliated Entities; and to have the ability to use its power to affect its return. This structure has been put in place since November 2020. There are no changes to the Contractual Arrangements as well as the PRC law and regulations in relation to this Contractual Arrangements.	We have performed the following procedures: • Obtained and reviewed the Contractual Arrangements; • Assessed the competency, reputation and objectivity of the PRC legal adviser appointed by the Group in providing the legal opinion; • Reviewed the legal opinion; • Assessed management's judgement in determining control over the PRC Affiliated Entities and accounting treatment on the consolidation of the PRC Affiliated Entities; and • Reviewed the adequacy and appropriateness of the related disclosures in the financial statements. Based on the procedures performed, we considered management's judgement made on the Group's control over the PRC Affiliated Entities to be reasonable.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

Key Audit Matters (Continued)

Key audit matter(s)	How the matter was addressed in the audit
Consolidation of PRC Affiliated Entities' financial information (Continued) Further details of Contractual Arrangements are set out in the Note 19 of the financial statements. The Group consolidates the PRC Affiliated Entities even though the Group has no equity ownership interest in the PRC Affiliated Entities. Management has assessed, based on the legal opinion of its PRC legal adviser, that the Group has established control over the PRC Affiliated Entities on the basis that the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations, and confer operational control and economic rights arising from the business of the PRC Affiliated Entities to the Group. Therefore, the Company is considered to control the PRC Affiliated Entities. The Group's critical judgement in determining control over the PRC Affiliated Entities is set out in Notes 4(i) and 19 to the financial statements.	
Assessment of recoverability of trade receivables, notes receivables and contract assets from a major customer and customers and debtors with increased credit risk As at 31 December 2023, in relation to the Group's trade receivables, notes receivables and contract assets, there is concentration of credit risk from a major customer and increased credit risk from customers and a debtor who has not adhered to the repayment plan agreed in January 2023. Management engaged external independent valuer to perform expected credit loss assessment for the trade receivables, notes receivables and contract assets associated with the major customer.	We have discussed with management on analyses and assessments made with respect to recovery of significant and/or overdue trade receivables, notes receivables and contract assets. In addition, we have performed the following procedures: • Obtained an understanding of management's controls over monitoring and assessment of receivables to assess the expected recovery of trade receivables, notes receivables and contract assets;

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

Key Audit Matters (Continued)

Key audit matter(s)	How the matter was addressed in the audit
Assessment of recoverability of trade receivables, notes receivables and contract assets from a major customer and customers and debtors with increased credit risk (Continued) We focused on assessment of recoverability of trade receivables, notes receivables and contract assets as a key audit matter in view of the concentration risk and increased credit risk results in a greater inherent exposure to non-collectability. The assessment of recoverable amount requires management to make significant judgements regarding the identification of impaired receivables and contract assets and adequacy of allowance made using the expected credit losses ("ECL") model under SFRS(I) 9 *Financial Instruments*. These judgements include estimating and evaluating expected future receipts from customers based on historical experience and forward-looking information such as credit ratings, trade receivables aging analysis, collections subsequent to the end of the reporting period, local economic conditions, collection history and trend analysis and knowledge of the businesses. The Group's ECL model and key sources of estimation uncertainty are set out in Notes 4(ii), 5(b)(iii), 8 and 10 to the financial statements.	• Evaluated the basis of the ECL model used in determining the required loss allowance in accordance with SFRS(I) 9 *Financial Instruments*; • Evaluated management's assessment on both the quantitative and qualitative information considered by them that is reasonable and supportable, including the historical experience and forward-looking information such as credit ratings, trade receivables aging analysis, collections subsequent to the end of the reporting period, local economic conditions, collection history and trend analysis and knowledge of the businesses and financial condition of each customer, with focus on long outstanding debts which are past due but not impaired; and • Involved internal credit risk specialist to assess and review the expected credit loss assessment for the major customer performed by external independent valuer, engaged by management. Based on the procedures performed, we noted that the estimates applied by management over the recoverability were reasonable. We have also reviewed the adequacy and appropriateness of the disclosures made in the financial statements, regarding trade receivables, notes receivables and contract assets, the key assumptions and estimation on allowance for ECL and the related risks such as credit risk and the aging of the trade receivables as disclosed in Notes 4(ii), 5(b)(iii), 8 and 10 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. All other information was obtained prior to the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with SFRS(I)s, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mao Meijiao.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

5 April 2024

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Current assets					
Cash at bank and restricted bank deposits	7	**51,100**	36,760	**216**	830
Trade and notes receivables	8	**33,754**	46,742	**–**	–
Other receivables	9	**35,946**	13,742	**9,319**	7,871
Advances to subsidiaries	6A	**–**	–	**95,120**	95,593
Amount due from related parties	23A	**–**	920	**–**	–
Amount due from joint venture	23B	**29**	14	**–**	–
Tax recoverable		**71**	–	**–**	–
Contract assets	10	**3,264**	41,027	**–**	–
Contract costs	11	**1,304**	574	**–**	–
Financial assets at fair value through profit or loss ("FVTPL")	12	**671**	2,662	**–**	–
Inventories		**82**	177	**–**	–
Films and drama productions in progress	13A	**27,086**	23,566	**–**	–
Films and drama products	13B	**395**	387	**–**	–
		153,702	166,571	**104,655**	104,294
Non-current assets					
Plant and equipment	14	**4,868**	5,262	**–**	–
Right-of-use assets	15	**5,930**	2,928	**–**	–
Goodwill	16	**1,111**	1,111	**–**	–
Intangible assets	17	**1,856**	2,580	**–**	–
Other receivables	9	**73**	104	**–**	–
Deferred tax assets	18	**5,820**	4,362	**–**	–
Investment in subsidiaries	19	**–**	–	**8,518**	8,518
Investment in associate	20A	**840**	914	**–**	–
Investment in joint venture	20B	**–**	369	**–**	–
		20,498	17,630	**8,518**	8,518
Total assets		**174,200**	184,201	**113,173**	112,812

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2023

	Note	Group		Company	
		2023 $'000	2022 $'000	2023 $'000	2022 $'000
LIABILITIES					
Current liabilities					
Trade and other payables	21	**9,541**	22,691	**3,677**	1,945
Investment funds from investors	22A	**4,466**	–	**–**	–
Contract liabilities	22B	**16,586**	6,279	**–**	–
Amount due to related parties	23A	**1,122**	1,901	**346**	205
Lease liabilities	24	**2,637**	1,495	**–**	–
Borrowings	25	**12,357**	13,414	**–**	–
Income tax payable		**539**	740	**18**	–
		47,248	46,520	**4,041**	2,150
Non-current liabilities					
Lease liabilities	24	**3,122**	1,729	**–**	–
Borrowings	25	**127**	188	**–**	–
Deferred tax liabilities	18	**–**	19	**–**	–
		3,249	1,936	**–**	–
Total liabilities		**50,497**	48,456	**4,041**	2,150
NET ASSETS		**123,703**	135,745	**109,132**	110,662
EQUITY					
Share capital	26	**14**	14	**14**	14
Share premium	27	**111,979**	113,048	**111,979**	113,048
Treasury shares	28	**(2,687)**	(2,230)	**(2,687)**	(2,230)
Capital reserve		**629**	629	**–**	–
Statutory reserve		**297**	297	**–**	–
Retained earnings (Accumulated losses)		**15,867**	25,531	**(174)**	(170)
Translation reserves		**(1,157)**	(199)	**–**	–
Equity attributable to owners of the Company		**124,942**	137,090	**109,132**	110,662
Non-controlling interests		**(1,239)**	(1,345)	**–**	–
Total equity		**123,703**	135,745	**109,132**	110,662

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023	**2022**
		$'000	**$'000**
Revenue	29	**73,653**	45,732
Cost of sales		**(55,069)**	(31,483)
Gross profit		**18,584**	14,249
Other income	30	**6,191**	7,095
Share of result from associate	20A	**(39)**	(50)
Share of result from joint venture	20B	**(344)**	(296)
Administrative expenses		**(13,074)**	(13,367)
Selling and distribution expenses		**(5,175)**	(6,409)
Other expenses	31	**(14,488)**	(10,663)
Finance costs	32	**(2,625)**	(1,701)
Loss before income tax		**(10,970)**	(11,142)
Income tax credit	33	**1,159**	661
Loss for the year	34	**(9,811)**	(10,481)
Other comprehensive loss, net of income tax:			
Item that may be reclassified subsequently to profit or loss:			
Exchange loss arising on translation of foreign operations		**(696)**	(3,138)
Total comprehensive loss for the year		**(10,507)**	(13,619)
Loss for the year attributable to:			
Owners of the Company		**(9,664)**	(9,382)
Non-controlling interests		**(147)**	(1,099)
		(9,811)	(10,481)
Total comprehensive (loss) income attributable to:			
Owners of the Company		**(10,622)**	(12,520)
Non-controlling interests		**115**	(1,099)
		(10,507)	(13,619)
Loss per share			
Basic and diluted (cents)	37	**(0.90)**	(0.88)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

	Note	Share capital $'000	Share premium $'000	Treasury shares $'000	Capital reserve[(i)] $'000	Statutory reserve[(ii)] $'000	Retained earnings (Accumulated losses) $'000	Translation reserves $'000	Equity attributable to the owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
Balance at 1 January 2022		14	114,118	(367)	629	297	34,913	2,939	152,543	(444)	152,099
Total comprehensive loss for the year:											
Loss for the year		–	–	–	–	–	(9,382)	–	(9,382)	(1,099)	(10,481)
Other comprehensive loss for the year		–	–	–	–	–	–	(3,138)	(3,138)	–	(3,138)
		–	–	–	–	–	(9,382)	(3,138)	(12,520)	(1,099)	(13,619)
Transactions with owners, recognised directly in equity:											
Capital contribution from non-controlling interest	19	–	–	–	–	–	–	–	–	198	198
Shares repurchased	28	–	–	(1,863)	–	–	–	–	(1,863)	–	(1,863)
Dividends	39	–	(1,070)	–	–	–	–	–	(1,070)	–	(1,070)
		–	(1,070)	(1,863)	–	–	–	–	(2,933)	198	(2,735)
Balance at 31 December 2022		14	113,048	(2,230)	629	297	25,531	(199)	137,090	(1,345)	135,745
Total comprehensive (loss) income for the year:											
Loss for the year		–	–	–	–	–	(9,664)	–	(9,664)	(147)	(9,811)
Other comprehensive (loss) income for the year		–	–	–	–	–	–	(958)	(958)	262	(696)
		–	–	–	–	–	(9,664)	(958)	(10,622)	115	(10,507)
Transactions with owners, recognised directly in equity:											
Capital contribution from non-controlling interest	19	–	–	–	–	–	–	–	–	18	18
Non-controlling interest arising from investment in a subsidiary		–	–	–	–	–	–	–	–	(27)	(27)
Shares repurchased	28	–	–	(457)	–	–	–	–	(457)	–	(457)
Dividends	39	–	(1,069)	–	–	–	–	–	(1,069)	–	(1,069)
		–	(1,069)	(457)	–	–	–	–	(1,526)	(9)	(1,535)
Balance at 31 December 2023		**14**	**111,979**	**(2,687)**	**629**	**297**	**15,867**	**(1,157)**	**124,942**	**(1,239)**	**123,703**

(i) The paid-in capital of $629,000 of Tianjin Changxin injected by the Individual Shareholders in 2020 was accounted for as a capital contribution to the Group following the completion of the corporate reorganisation exercise of the Group for the purpose of listing.

(ii) Statutory reserve pertains to appropriation from net profit after tax (based on the financial statements prepared in accordance with the generally accepted accounting principles of the People's Republic of China ("PRC")) but before dividend distribution. The reserve fund can only be used, upon approval by the relevant authority in PRC, to offset accumulated losses or to increase share capital.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

	Note	Share capital $'000	Share premium $'000	Treasury shares $'000	Accumulated losses $'000	Total $'000
<u>**Company**</u>						
Balance at 1 January 2022		14	114,118	(367)	(109)	113,656
Loss for the year, representing total comprehensive loss for the year		–	–	–	(61)	(61)
Transaction with owners, recognised directly in equity:						
Shares repurchased	28	–	–	(1,863)	–	(1,863)
Dividends	39	–	(1,070)	–	–	(1,070)
		–	(1,070)	(1,863)	–	(2,933)
Balance at 31 December 2022		14	113,048	(2,230)	(170)	110,662
Loss for the year, representing total comprehensive loss for the year		–	–	–	(4)	(4)
Transaction with owners, recognised directly in equity:						
Shares repurchased	28	–	–	(457)	–	(457)
Dividends	39	–	(1,069)	–	–	(1,069)
		–	(1,069)	(457)	–	(1,526)
Balance at 31 December 2023		**14**	**111,979**	**(2,687)**	**(174)**	**109,132**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	Group	
	2023	**2022**
	$'000	**$'000**
Operating activities		
Loss before income tax	**(10,970)**	(11,142)
Adjustments for:		
Amortisation of films and drama products	**631**	2,061
Amortisation of intangible assets	**683**	701
Depreciation of plant and equipment	**1,332**	1,202
Depreciation of right-of-use assets	**1,834**	2,000
Allowance (Reversal of allowance) for expected credit losses	**6,554**	(384)
Written-off of plant and equipment	**–**	8
Bad debts written-off	**8**	15
(Gain) Loss on derecognition of financial assets at FVTPL (Note 12)	**(2,929)**	200
Impairment loss of intangible assets	**15**	143
Impairment loss of investment in joint venture	**25**	–
Written-off of inventories	**59**	2
Fair value loss on financial assets at FVTPL (Note 12)	**126**	145
Gain on early termination of right-of-use assets	**–**	(22)
Interest income	**(563)**	(395)
Interest expense	**2,625**	1,701
Gain on structured deposits	**(2)**	(3)
Share of result from associate (Note 20A)	**39**	50
Share of result from joint venture (Note 20B)	**344**	296
Written-off of films and drama production in progress	**1,679**	181
Net foreign exchange difference	**951**	(1,068)
Operating cash flows before movements in working capital	**2,441**	(4,309)
Films and drama productions in progress	**(6,844)**	(8,465)
Films and drama products	**79**	3,328
Trade, notes and other receivables	**(23,762)**	6,771
Amount due from related parties	**911**	417
Amount due from joint venture	**(15)**	63
Contract assets	**37,975**	19,248
Contract costs	**(730)**	89
Trade and other payables	**(13,784)**	(179)
Amount due to related parties	**(779)**	699
Inventories	**36**	12
Contract liabilities	**10,307**	(2,464)
Cash generated from operations	**5,835**	15,210
Interest income received	**629**	290
Interest paid	**(2,577)**	(1,810)
Income tax paid	**(883)**	(7,743)
Net cash generated from operating activities	**3,004**	5,947

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	Group	
	2023	**2022**
	$'000	**$'000**
Investing activities		
Purchase of plant and equipment (Note A)	**(894)**	(1,329)
Deposit paid for acquisition of shares in a subsidiary	**(945)**	–
Investments in financial assets at FVTPL	**(8,795)**	(820)
Purchase of intangible assets	**(83)**	(1,493)
Investment in structured deposits (Note B)	**2**	3
Proceeds from derecognition of financial assets at FVTPL	**12,699**	9
Net cash from (used in) investing activities	**1,984**	(3,630)
Financing activities		
Capital contribution from non-controlling interests	**18**	198
Restricted bank deposits	**–**	2,055
Dividend paid to shareholders	**(1,069)**	(1,070)
Repayment of lease liabilities	**(1,935)**	(1,440)
Proceeds from borrowings	**12,547**	14,751
Repayment of borrowings	**(4,041)**	(14,355)
Proceeds of investment funds from investors at FVTPL	**4,466**	–
Proceeds of film investment funds from an investor at amortised cost	**949**	–
Repayments of film investment funds to an investor at amortised cost	**(949)**	–
Shares buy-back	**(457)**	(1,863)
IPO listing expenses paid	**(6)**	–
Net cash from (used in) financing activities	**9,523**	(1,724)
Net increase in cash and cash equivalents	**14,511**	593
Cash and cash equivalents at beginning of year	**32,886**	32,312
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	**(19)**	(19)
Cash and cash equivalents at end of year (Note 7)	**47,378**	32,886

Note A:

In the financial year ended 31 December 2023, the Group acquired plant and equipment of $1,114,000, out of which $220,000 remains unpaid at the end of the reporting year.

In the financial year ended 31 December 2022, the Group acquired plant and equipment of $1,579,000 out of which $250,000 was acquired via hire purchase arrangement.

Note B:

For the financial year ended 31 December 2023, the Group entered into structured deposits which represented short-term deposits placed with financial institutions and the return of the investment is dependent on the return of the underlying investments of the structured deposits. As at 31 December 2023, gross investment and proceeds received arising from such investment upon maturity amounted to $2,847,000 (2022: $1,233,000) and $2,849,000 (2022: $1,236,000) respectively.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

1 GENERAL

G.H.Y Culture & Media Holding Co., Limited (the "Company") is incorporated in the Cayman Islands with its principal place of business at 988 Toa Payoh North, #07-08, Singapore 319002 and registered office at offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The financial statements are presented in Singapore dollar and all values are rounded to the nearest thousand ($'000).

The Company was listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST") on 18 December 2020.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries, associate and joint venture are disclosed in Note 19, Note 20A and Note 20B to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023 were authorised for issue by the Board of Directors on 5 April 2024.

2 **ADOPTION OF NEW AND REVISED STANDARDS** – On 1 January 2023, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported in these financial statements except as below:

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The Group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

2 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

At the date of authorisation of these financial statements, the following amendments to SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*.
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*.
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*.

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture.*

Management anticipates that the adoption of the above amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information below, and are drawn up in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 BASIS OF ACCOUNTING (CONTINUED)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Refer to Notes 12 and 22A for details of financial instruments that are measured at fair value on basis described above or where such fair values are disclosed.

3.2 SUBSIDIARIES – Subsidiaries are entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group's critical judgement in determining control over the PRC Affiliated Entities is set out in Notes 4(i) and the details of the Group's significant subsidiaries and composition of the Group are disclosed in Note 19.

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the those of the group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests in subsidiaries are identified separately from the Group's equity and are initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition date, the carrying amounts of non-controlling interests are adjusted for the non-controlling interests' share of changes in equity. Losses are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Company's separate financial statements

Investments in subsidiaries in the Company's separate financial statements are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

3.3.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price, net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets in the following measurement categories. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

Measurement category	Criteria	Financial assets
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").	Cash and cash equivalents (Notes 3.21 and 7) Trade and other receivables (Notes 8 and 9) Advances to subsidiaries (Note 6A) Amount due from related parties (Note 23A) Amount due from joint venture (Note 23B)
Financial assets at FVTPL	Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL	Financial assets at fair value through profit or loss (Note 12)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

3.3.1 Financial assets (Continued)

Classification of financial assets (Continued)

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value as at each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other income and expense" line item as "profit or loss on film borne by external investors" (see below). Fair value is determined in the manner described in Notes 5(b)(v) and 12.

Investment represent funds advanced to external parties for the financing of production and marketing expenditures that are associated with specific projects that the Group invested in. The Group is entitled to a pre-agreed specified percentage of the proceeds from the sale of the specific project associated with the financing provided.

Any gains or loss arising from changes in fair value of investment are recognised in profit or loss.

If the share of the proceeds receivable from the external parties is higher than the equivalent investment, the specific project made a profit and the proportionate profit to be received from the external parties is recognised as "fair value gain on financial assets at FVTPL" in other income. If the specific project made a loss and the proportionate loss to be deducted against the investment is recognised as "fair value loss on financial assets at FVTPL" in other expense.

For investing agreement where the Group is guaranteed on principals with fixed return by the external parties, the financial assets were measured at amortised cost with interest on the investment fund advances provided to external parties recognised in interest income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and notes receivables, other receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and notes receivables and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

3.3.1 Financial assets (Continued)

Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of debtors and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables. The Group has identified the gross domestic product ("GDP") of the country in which it sells services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

3.3.1 Financial assets (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Details about the Group's credit risk management and impairment policies are disclosed in Note 5(b)(iii).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

3.3.2 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

3.3.2 Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Financial liabilities at FVTPL (Continued)

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other income" and "other expense" line item in profit or loss (Notes 30 and 31 respectively).

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Fair value is determined in the manner described in Note 5(b)(v).

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the financial year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Investment funds from investors

Investment funds from investors represent funds received from third parties for the financing of production and marketing expenditures that are associated with specific projects that the Group produces. In accordance with the financing agreement, the investment funds from investors are not guaranteed on principals by the Group. The third-party investors are entitled to a pre-agreed specified percentage of the proceeds from the sale of the specific project associated with the financing provided.

Any gains or loss arising from changes in fair value of investment funds from investors are recognised in profit or loss. Fair value is determined in the manner described in Notes 5(b)(v) and 22A.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

3.3.2 Financial liabilities and equity instruments (Continued)

Investment funds from investors (Continued)

If the share of the proceeds payable to the investors is higher than the equivalent investment funds from investors, the project made a profit and the proportionate profit to be repaid to the investors is recognised as "fair value increase in amount due to external investors" in other expenses. If the project made a loss and the proportionate loss to be deducted against the investment funds from investors is recognised as "fair value decrease in amount due to external investors" in other income.

For financing agreement where investment funds from investors are guaranteed on principals with fixed return by the Group, the financial liabilities were measured at amortised cost with interests on investment funds from investors are recognised in finance costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.4 LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 LEASES (CONTINUED)

The Group as lessee (Continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS (I) 1-37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 LEASES (CONTINUED)

The Group as lessee (Continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.10.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Administrative expenses" in profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

3.5 FILMS AND DRAMA PRODUCTIONS IN PROGRESS/FILMS AND DRAMA PRODUCTS

Films and drama productions in progress

Films and drama productions in progress include all direct costs associated with the production of films and drama, costs of services, direct labour costs and facilities in the creation of films and drama, which are accounted for on a film-by-film or drama-by-drama basis. Upon completion and available for commercial exploitation, these films and drama productions in progress are reclassified as films and drama products. Films and drama productions in progress are stated at cost less any accumulated impairment losses.

Films and drama products

Films and drama products are stated at cost less accumulated amortisation and any accumulated impairment losses. The portion of films and drama products to be recovered through use, less estimated residual value and accumulated impairment losses, are amortised based on the proportion of actual revenues earned during the year to their total estimated projected revenues as an approximation of the consumption of their economic benefits. Additional adjustment to accumulated amortisation is made if the projected revenues are different from the previous estimation or to reflect the actual consumption of economic benefits, as appropriate. Cost of films and drama products, accounted for on a project-by-project basis, includes production costs, costs of services, direct labour costs, facilities and raw materials consumed in the creation of a film or drama product.

3.6 INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.7 PLANT AND EQUIPMENT – Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write-off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvements	–	2 to 3 years, or remaining lease term
Motor vehicles	–	5 years
Furniture and fixtures	–	3 years
Office equipment	–	3 to 5 years
Computer equipment	–	3 years
Film sets	–	6 years
Filming equipment	–	5 years
Concert equipment	–	8 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss.

3.8 GOODWILL – Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.9 INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful lives are as follows:

Film and drama adaptation licences	–	5 to 6 years
Rights to the film sets	–	3 to 10 years, or remaining contractual term
Computer software	–	3 years
Software royalty	–	5 years

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 INTANGIBLE ASSETS (CONTINUED)

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.10 IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL – At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

3.11 INVESTMENT IN ASSOCIATE AND JOINT VENTURE – An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Details of the Group's material associate is disclosed in Note 20A.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Details of the Group's material joint venture is disclosed in Note 20B.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.11 INVESTMENT IN ASSOCIATE AND JOINT VENTURE (CONTINUED)

Equity method of accounting

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Investment in each associate or joint venture is initially recognised at cost, and are subsequently accounted for by including the Group's share of its profit or loss and other comprehensive income or loss in the carrying amount of the investment until the date on which significant influence or joint control ceases. Dividends received reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the group discontinues recognising its share of further losses.

The requirements of SFRS(I) 1-36 *Impairment of Asset* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group. When necessary, adjustments are made to align the associate's or joint venture's accounting policies with those of the Group.

3.12 INTERESTS IN JOINT OPERATIONS – A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Details of the Group's material joint operations are disclosed in Note 13A.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the SFRS(I)s applicable to the particular assets, liabilities, revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.12 INTERESTS IN JOINT OPERATIONS (CONTINUED)

Share of revenue from production of drama, film, concert or other production where the Group acts as a co-producer and involves in a joint operation

The Group acts as a co-producer and leverages on the extensive experience of other producer(s) to make capital investment in production and jointly co-produce drama, film, concert or other production.

When the Group involves and participates in the determination of idea origination, script, budget, production crew, cast selection, shooting, post-production, and distribution plan for the drama, film, concert or other production with other co-producers, and when the key relevant activities of the drama, film, concert or other production are discussed and jointly determined by the Group and other producers, the arrangement is considered in substance as a joint operation. As a result, the Group shall recognise the share of revenue and cost of the drama, film, concert or other production based on its own interest percentage on the relevant drama, film, concert or other production.

Therefore, revenue from this type of production/investment arising from the revenue share of the drama, film, concert or other production, based on the interest percentage owned by the Group, is recognised on gross basis when the Group and other producers satisfy the performance obligations under SFRS(I) 15. The relevant cost of such drama, film, concert or other production shared to the Group is recognised and presented as cost of sales in the same interest percentage of the aforesaid revenue recognition.

Details of the revenue recognition are set out in Note 3.15.

3.13 PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.15 REVENUE RECOGNITION – The Group recognises revenue from the following major sources:

- Sale of television, drama and film production;
- Revenue from artistic performances and sponsorship revenue;
- Talent management service income; and
- Costume, make up and props services.

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at point in time or over time and the amount of revenue recognised is the amount allocated to the satisfied performance obligation when each of the Group's activities are performed.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not unconditional. It is assessed for impairment in accordance with SFRS(I) 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

<u>Sale of television, drama and film production</u>

Revenue from production of drama and film as engaged by the customer where the Group undertook the role of producer

Where the Group is engaged by the customer for the production of a drama or film, the Group is entitled to a fixed fee for such dramas and films. Revenue is recognised over time based on stages of completion of the contract as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group satisfies its performance obligation. Management has assessed that the stage of completion by reference to the actual costs incurred up to the reporting date as a proportion of the total estimated costs budgeted by management for each contract is an appropriate measure of progress towards complete satisfaction of the performance obligations under SFRS(I) 15.

Revenue from content production which is developed by the Group and licensed or sold to the customer(s) for fixed fees

When the drama and film is developed and produced by the Group, it either:

(i) licenses the copyright and ancillary rights to such dramas and films to the customers for a certain period of time or geographic region. Revenue is recognised at the point in time upon delivery and acceptance of the final product by the customer as control of the entertainment content is transferred so that the customer can direct the use and obtain the associated benefits; or

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.15 REVENUE RECOGNITION (CONTINUED)

Sale of television, drama and film production (Continued)

Revenue from content production which is developed by the Group and licensed or sold to the customer(s) for fixed fees (Continued)

(ii) sells and transfers the copyright and ancillary rights to such dramas and films to the customers. Revenue is recognised over time based on the stages of completion of the contract as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group satisfies its performance obligation. Management has assessed that the stage of completion by reference to the actual costs incurred up to the balance sheet date as a proportion of the total estimated costs budgeted by management for each contract is an appropriate measure of progress towards complete satisfaction of the performance obligations under SFRS(I) 15.

Revenue from content production which is developed by the Group and licensed to the customer(s) for variable fees based on viewership

The Group earns variable fees for such dramas and films, which is determined based on user clicks or viewership for each episode of the drama or the film on the online video platform. This constitutes a variable consideration and such revenue is only recognised to the extent that it is highly probable that there will be no significant reversal when the uncertainty is resolved.

Revenue from script production and sale of the script rights

Revenue derived from script production and sale of the script rights is recognised at the point in time as and when the script rights or distribution rights are transferred in accordance with the terms of the underlying contract.

Revenue from artistic performance and sponsorship revenue

Revenue from artistic performance and sponsorship revenue where the Group undertakes the role of Concert Organiser, and which the Group is acting as a principal

Revenue from artistic performances and other special events is recognised when the events take place. When subscription to a number of events is sold, the fee is allocated to each event on a basis which reflects the extent to which services are performed at each event.

The Group derives revenue from sponsorships associated with event management. Sponsorship fees relate to a one-time event. Revenue from a one-time event is recognised if (i) persuasive evidence of an arrangement exists; (ii) the event has occurred; (iii) the price is fixed or determinable; and (iv) collectability is reasonably assured.

Sponsorship advances are deferred until earned pursuant to the sponsorship agreement and are presented as contract liabilities on the statements of financial position. Revenue is recognised at point in time when the Group has fulfilled the performance obligation of the revenue contracts or recognised when services are rendered upon completion of events or services and when the Group has no remaining obligation to perform.

The Group also recognised an asset in relation to cost incurred to fulfil the contract for sponsorship revenue and are presented as contract cost on the statements of financial position.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.15 REVENUE RECOGNITION (CONTINUED)

Revenue from artistic performance and sponsorship revenue (Continued)

Revenue from artistic performance where the Group undertook the role of Concert Management, and which the Group is acting as an agent

Revenue from the concert management is recognised at the point of time when the services are rendered.

Talent management service income

The Group manages artists and revenue is derived from the artists' participation in events, advertisements, TV dramas, movies and other entertainment content projects. Revenue is recognised when the services are rendered upon completion of the events and when the Group has no remaining obligation to perform.

Costume, make-up and props services

The Group provides services to producers in designing and making of costume and props as well as providing make-up services to artistes in drama productions. Revenue is recognised when the services are rendered upon completion of the events and when the Group has no remaining obligation to perform.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.16 BORROWING COSTS – All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.17 RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.18 EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.19 INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on independent tax advice from tax specialist.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to recognise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 **MATERIAL ACCOUNTING POLICY INFORMATION** (CONTINUED)

3.20 **FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION** – The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the respective group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise (Note 5(b)(i)).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Upon the disposal of the entire interest in a foreign operation during the year, all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3.21 **CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS** – Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and at bank which are not restricted as to use and are subject to an insignificant risk of changes in value.

3.22 **SEGMENT REPORTING** – An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

<u>Determining control over PRC Affiliated Entities</u>

A subsidiary is an entity in which the Group (a) directly or indirectly control more than 50% of the voting power; or (b) have the power to appoint or remove the majority of the members of the board of directors or to cast a majority of votes at the meetings of the board of directors or to govern the financial and operating policies of the investee pursuant to a statute or under an agreement among the shareholders or equity holders. However, there are situations in which consolidation is required even though these usual conditions of consolidation are not present. Generally, this occurs when an entity holds an interest in another business enterprise that was achieved through contractual arrangements that do not involve voting interests, which results in a disproportionate relationship between the entity's voting interests in, and its exposure to the economic risks and potential rewards of, the other business enterprise. This disproportionate relationship results in what is known as a variable interest, and the entity in which the Group has the variable interest is referred to as a variable interest entity. The Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the variable interest entity and such uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the variable interest entity. Management has assessed, based on the legal opinion of its PRC legal adviser, that the Contractual Arrangements confer operational control and economic benefits from PRC Affiliated Entities to the Group and the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations.

As a result of the Contractual Arrangements as disclosed in Note 19, the Contractual Arrangements confer operational control and economic rights arising from the business of PRC Affiliated Entities to the Group, which enables the Group to exercise power over the business operations of PRC Affiliated Entities, and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities, and enables the Company, through the WFOEs, to have rights to variable return from its involvement with the PRC Affiliated Entities, and to have the ability to use its power to affect its return. Therefore, the Company is considered to control the PRC Affiliated Entities. Consequently, the Company regards PRC Affiliated Entities as controlled structured entities and consolidates the financial positions and results of operations of these entities in the financial statements of the Group.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(i) Critical judgements in applying the Group's accounting policies (Continued)

Classification of investment fund

As disclosed in Note 3.12, the Group sometimes participates in drama, film, concert or other production as a co-producer and assesses whether to undertake a particular drama, film, concert or other project with other co-production parties prior to the commencement of production for such drama, film, concert or other projects. Determining whether the investment is considered in substance a joint operation requires judgement and consideration of all relevant facts and circumstances, including whether the Group is involved in and participates in the determination of idea origination, script, budget, production crew, cast selection, shooting, post-production, and distribution plan for the drama, film, concert or other production with other co-producers. When the key relevant activities of the drama, film, concert or other project are discussed and jointly determined by the Group and other co-producers, the arrangement is considered in substance as a joint operation.

When the Group has joint control on the key relevant activities of the drama, film, concert or other production under the contractual agreements, unanimous consent is required from all parties to direct the key relevant activities, the arrangement is considered in substance as a joint operation. When joint controls cannot be demonstrated, the funds received from investors are classified as "investment funds from investors" under financial liabilities and the investment funds advanced to external parties are classified as "financial assets at fair value through profit or loss" under financial assets. The determination of the relevant activities under joint arrangements requires management's significant judgement.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Revenue recognition from sale of television, drama and film production

Under SFRS(I) 15 *Revenue from Contracts with Customers*, revenue from television program and film production segment is recognised at an amount that reflects the consideration in the contracts to which the Group expects to be entitled in exchange for promised goods or services to the customers as and when the Group satisfies its performance obligation, which may be satisfied at a point in time or over time based on the contractual arrangement with customers. The evaluation of the relevant terms in the respective contracts with customers requires management assessment.

As described in Note 3.15 to the financial statements, revenue from production of certain drama and film where the Group only undertook the role of Producer or sell and transfer the copyright and ancillary rights to such dramas and films to the customers, revenue is recognised over time based on stage of completion of the contract as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group satisfies its performance obligation. Management has assessed that the stage of completion by reference to the actual costs incurred up to the balance sheet date as a proportion of the total estimated costs budgeted by management for each contract is an appropriate measure of progress towards complete satisfaction of the performance obligations under SFRS(I) 15. Revenue is therefore recognised over time on cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the total estimated contract costs.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(ii) *Key sources of estimation uncertainty* (Continued)

Revenue recognition from sale of television, drama and film production (Continued)

Notwithstanding that management reviews and revises the estimates of costs for the production of drama or film as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

There is estimation involved in determining the costs for the production of each drama or film as the contract progresses, which will affect the revenue and profit recognised.

Calculation of loss allowance

As at 31 December 2023, the Group recorded $33,754,000, $36,019,000 and $3,264,000 (2022: $46,742,000, $13,846,000 and $41,027,000) for trade and notes receivables, other receivables and contract assets respectively. Management engaged an external independent valuer to perform expected credit loss assessment for the trade and notes receivables and contract assets associated with these debtors.

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of trade and notes receivables, other receivables and contract assets are disclosed in Notes 8, 9 and 10 of the financial statements respectively.

Impairment loss on films and drama productions in progress and films and drama products

Management carries out review on the films and drama productions in progress and films and drama products on a project-by-project basis at the end of each reporting period, and make allowances for films and drama productions in progress and films and drama products identified. The management estimates the recoverable amount for such films and drama productions in progress and films and drama products based primarily on their target market and business plan taking into consideration of the current market conditions, the jurisdiction or region of the broadcast and/or release of the drama or film, the length of the distribution, the number of rounds of distribution, the industry practice for the credit terms extended to customers in that particular jurisdiction or region, as well as the overall number of dramas and films produced and/or co-produced by the Group which are distributed in that particular jurisdiction or region. During the year, $1,679,000 (2022: $181,000) of films and drama productions in progress identified were written off as the script for the related projects no longer meets the current consumer preference, demand and trend in the market. The carrying amounts of films and drama productions in progress and films and drama products are disclosed in Notes 13A and 13B of the financial statements respectively.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(ii) *Key sources of estimation uncertainty* (Continued)

Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to losses carried forward are recognised when it is probable that the losses carried forward may be utilised. The evaluation of probability is based on historical earnings, expected future margins and the size of order backlog for the relevant entity. Any deviations in the probability evaluation will affect the deferred tax asset amount. As of 31 December 2023, the Group assessed the recoverability of the deferred tax assets considering the availability of sufficient taxable temporary differences and the probability that the entities will have sufficient taxable profits in the future based on management forecasts.

The carrying amounts of deferred tax assets and deferred tax liabilities are disclosed in Note 18 and income tax credit is disclosed in Note 33.

Recoverability of receivables in subsidiaries

The Company carried out a review of the recoverability of receivables in subsidiaries. In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate. The carrying amount of recoverability of receivables in subsidiaries in the Company's financial statements at the end of the reporting period are disclosed in Note 6A to the financial statements.

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Financial assets at amortised cost	**91,140**	87,316	**104,616**	104,255
Financial assets at FVTPL	**671**	2,662	**–**	–
	91,811	89,978	**104,616**	104,255
Financial liabilities				
Financial liabilities at amortised cost	**19,678**	31,831	**3,962**	2,126
Financial liabilities at FVTPL	**4,466**	–	**–**	–
Lease liabilities	**5,759**	3,224	**–**	–
	29,903	35,055	**3,962**	2,126

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management objectives and policies

Management monitors and manages the financial risk relating to operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (including currency risks and interest rate risk), credit risk and liquidity risk.

The risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Foreign exchange risk

The Group transacts business in various foreign currencies, including Singapore dollar, Australia dollar, Chinese Yuan, Malaysian Ringgit and United States dollar and therefore is exposed to foreign exchange rate fluctuation.

At the end of the reporting period, the carrying amounts of the monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group			
	2023		2022	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Singapore dollar	**207**	**76,950**	32	72,801
Australia dollar	**7,050**	**359**	1,335	6
Chinese Yuan	**9,287**	**693**	7,640	583
Malaysian Ringgit	**30**	**626**	32	648
United States dollar	**3,971**	**90**	449	7

	Company			
	2023		2022	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Australia dollar	**–**	**6**	–	6
Chinese Yuan	**2,363**	**306**	–	318
Malaysian Ringgit	**–**	**64**	–	68
United States dollar	**906**	**20**	1,226	291

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management objectives and policies* (Continued)

(i) Foreign exchange risk (Continued)

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the respective group entities' functional currencies. 10% is the sensitivity rate used when reporting foreign currency risk to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, loss before tax will (increase) decrease by:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	**(7,674)**	(7,277)	**–**	–
Australia dollar	**669**	133	**(1)**	(1)
Chinese Yuan	**859**	706	**206**	(32)
Malaysian Ringgit	**(60)**	(62)	**(6)**	(7)
United States dollar	**388**	44	**89**	94

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, the effect on (loss) profit before tax will be vice versa.

(ii) Interest rate risk

The Group does not have exposure on interest rate risk other than lease liabilities and borrowings, which bore interest at fixed rates. The interest rates and terms of repayment are disclosed in the Notes 24 and 25 respectively.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on the interest-bearing financial instruments at the end of the reporting period.

(iii) Credit risk

The Group's principal financial assets are cash and cash equivalents and trade, notes and other receivables.

The Group has exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statements of financial position.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own records to rate its major customers and other debtors.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management objectives and policies* (Continued)

(iii) Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past due amounts.	12-month ECL (other than trade and notes receivables without significant financing component and contract assets)
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written-off

The tables below detail the credit quality of the Group's and Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
2023						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	**40,144**	**(6,390)**	**33,754**
Other receivables	9	In default	Lifetime ECL – credit-impaired	**3,404**	**(1,383)**	**2,021**
		Performing	12-month ECL	**4,236**	**–**	**4,236**
Contract assets	10	(i)	Lifetime ECL (simplified approach)	**3,291**	**(27)**	**3,264**
Amount due from joint venture	23B	Performing	12-month ECL	**29**	**–**	**29**
				51,104	**(7,800)**	**43,304**

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
2022						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	36,777	(1,050)	35,727
Notes receivable	8	(i)	Lifetime ECL (simplified approach)	11,165	(150)	11,015
Other receivables	9	Performing	12-month ECL	3,694	–	3,694
Contract assets	10	(i)	Lifetime ECL (simplified approach)	41,266	(239)	41,027
Amount due from related parties	23A	Performing	12-month ECL	106	–	106
Amount due from joint venture	23B	Performing	12-month ECL	14	–	14
				93,022	(1,439)	91,583
Company						
2023						
Other receivables	9	Performing	12-month ECL	**9,280**	**–**	**9,280**
Advances to a subsidiary	6A	Performing	12-month ECL	**95,120**	**–**	**95,120**
				104,400	**–**	**104,400**
2022						
Other receivables	9	Performing	12-month ECL	7,832	–	7,832
Advances to a subsidiary	6A	Performing	12-month ECL	95,593	–	95,593
				103,425	–	103,425

(i) The Group determines the expected credit losses on these items by estimating based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

As at the reporting date, the Group's top 3 (2022: 3) debtors collectively accounted for approximately 76% (2022: 82%) of trade and notes receivables and contract assets, out of which 60% (2022: 67%) is from a major customer, indicating significant concentration of credit risk.

Further details of credit risks on trade and notes receivables, other receivables, contract assets, amount due from related parties and amount due from joint venture are disclosed in Notes 8, 9, 10, 23A and 23B respectively.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iv) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

Group

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	5 years and above $'000	Adjustment $'000	Total $'000
2023						
Non-interest bearing	**–**	**7,194**	**–**	**–**	**–**	**7,194**
Financial liabilities at FVTPL	**–**	**4,466**	**–**	**–**	**–**	**4,466**
Lease liabilities (fixed rate)	**5.14**	**2,851**	**3,287**	**–**	**(379)**	**5,759**
Fixed interest rate instruments	**4.37**	**12,677**	**133**	**–**	**(326)**	**12,484**
		27,188	**3,420**	**–**	**(705)**	**29,903**
2022						
Non-interest bearing	–	18,229	–	–	–	18,229
Lease liabilities (fixed rate)	5.47	1,616	1,915	–	(307)	3,224
Fixed interest rate instruments	5.19	13,859	202	–	(459)	13,602
		33,704	2,117	–	(766)	35,055

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management objectives and policies* (Continued)

(iv) Liquidity risk (Continued)

Liquidity and interest risk analyses (Continued)

Non-derivative financial liabilities (Continued)

Company

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	5 years and above $'000	Adjustment $'000	Total $'000
2023						
Non-interest bearing	–	**3,962**	**–**	**–**	**–**	**3,962**
2022						
Non-interest bearing	–	2,126	–	–	–	2,126

(v) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities, classified as current assets and current liabilities except for financial assets and financial liabilities at FVTPL as disclosed in Notes 12 and 22A to the financial statements, approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

(c) *Capital management policies and objectives*

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to Stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of borrowings as disclosed in Note 25 to the financial statements, and equity attributable to owners of the Company, comprising of share capital, share premium, capital reserve, statutory reserve and retained earnings.

The Group's overall strategy with regards to capital management remains unchanged from 2022.

6A HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Kang Ru Investments Limited, a company incorporated in the British Virgin Islands. The Company's intermediate holding company and ultimate holding company is Da Yuan Investments Limited and G.Y Media & Entertainment Limited, both incorporated in the British Virgin Islands. The ultimate controlling party is a director of the Company, Mr. Guo Jingyu, who is the sole shareholder of the ultimate holding company.

Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

6A HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (CONTINUED)

Some of the transactions and arrangements are between members of the Group and the effect of these on the basis determined between parties is reflected in these financial statements. The intercompany balances are unsecured, interest free and repayable on demand unless otherwise stated.

The advances to subsidiaries are unsecured, interest free and repayable on demand.

For purpose of impairment assessment, advances to subsidiaries are considered to have low credit risk as the timing of payment is controlled by the holding company taking into account cash flow management within the holding company's group of companies and there has been no significant increase in the risk of default on these receivables since initial recognition. Accordingly, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL") and management determines that these receivables are subject to immaterial credit losses.

6B RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than those disclosed elsewhere in the financial statements, significant related party transactions include the following:

	2023 $'000	2022 $'000
With entities associated to a shareholder of the Company and non-executive director:		
Expenses in relation to concert production	**8,303**	2,977
Payment on behalf of concert production related expenses	**–**	(9)
Artiste service fees	**45**	538
With family members of the ultimate controlling shareholder and director:		
Artiste service fees	**226**	647
Provision of talent management services	**(25)**	(72)
With an entity controlled by a family member of the ultimate controlling shareholder and director:		
Artiste service fees	**1,539**	48
Provision of talent management services	**(84)**	–

Compensation of directors and key management personnel

The remuneration of directors and other members of key management were as follows:

	2023 $'000	2022 $'000
Short-term benefits	**3,361**	2,955
Post-employment benefits	**155**	146
	3,516	3,101

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

7 CASH AT BANK AND RESTRICTED BANK DEPOSITS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank	**50,994**	36,729	**216**	830
Cash on hand	**106**	31	**–**	–
Total	**51,100**	36,760	**216**	830
Less: Restricted bank deposits	**(3,722)**	(3,874)	**–**	–
Cash and cash equivalents in the statement of cash flows	**47,378**	32,886	**216**	830

As at 31 December 2023, the restricted bank deposits amounting to $3,722,000 (2022: $3,874,000) pertained to deposits pledged to a bank to secure short-term borrowings granted to the Group. The Group's restricted bank deposits carry fixed interest at 2% (2022: 2%) per annum and will be released upon the repayment of the short-term borrowings (Note 25).

8 TRADE AND NOTES RECEIVABLES

	Group	
	2023	**2022**
	$'000	**$'000**
Trade receivables:		
Outside parties(i)	**40,144**	36,777
Loss allowance	**(6,390)**	(1,050)
	33,754	35,727
Notes receivable:		
Outside parties(ii)	**–**	11,165
Loss allowance	**–**	(150)
	–	11,015
Total trade and notes receivables	**33,754**	46,742

(i) In 2023, the Group entered into factoring facility on recourse basis with a bank for certain trade receivable of the major customer, with a carrying amount of $491,000. In April 2023, the Group has recognised the cash received as a secured borrowing (see Note 25) and recognised a finance cost of $14,000 for the financial year ended 31 December 2023 (Note 32).

(ii) In 2022, the Group received endorsed notes receivables from the major customer which is accepted by banks in PRC (the "Endorsed Notes") in order to settle the trade receivables due from the major customer with a carrying amount of $1,356,000. In January 2023, the Group received $1,349,000 net of finance costs of $7,000 (2022: $Nil) (Note 32) by presenting the Endorsed Notes to the bank.

In 2022, the Group also discounted certain notes receivables of the major customer which is accepted by a bank in PRC (the "Discounted Notes") with carrying amount of $9,809,000. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Discounted Notes have a right of recourse against the Group if the customer defaults. As at 31 December 2022, the Group recognised the proceeds received from the Discounted Notes with an amount of $9,809,000 as borrowings (current portion) because the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Notes (Note 25). In 2023, the major customer paid the Discounted Notes of $9,809,000 to the bank in PRC and the Group recognised the interest expense on the Discounted Notes receivables amounting to $393,000 (2022: $155,000) (Note 32).

As at 31 December 2023, the Group's concentration of credit risk arose mainly from a major customer whom contributed 57% and 99% (2022: 36%, 88% and 89% of the trade receivables, notes receivables and contract assets) of the trade receivables and contract assets balance respectively. Out of the Group's trade and notes receivables, $22,023,000 have been collected subsequent to year end, with $18,121,000 remaining uncollected as at date of these consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

8 TRADE AND NOTES RECEIVABLES (CONTINUED)

As at 1 January 2022, trade receivables from contract with customers amounted to $48,059,000 (net of loss allowance of $780,000).

The average credit period granted to customers is 30 days (2022: 30 days). No interest is charged on the outstanding balance.

Loss allowance for trade and notes receivables has been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade and notes receivables are estimated by reference to past default experience of the debtor and forward-looking information such as credit ratings, trade receivables aging analysis, collections subsequent to the end of the reporting period, local economic conditions, collection history and trend analysis and knowledge of the businesses. There has been no change in the estimation techniques or significant assumptions made during the financial year.

A trade and notes receivable is written-off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including but not limited to when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade and notes receivables are over two years past due, whichever occurs earlier. None of the trade and notes receivables that have been written-off is subject to enforcement activities.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimate of future economic conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group					
		Trade receivables – days past due				
	Not past due $'000	**1 to 30 days $'000**	**31 to 60 days $'000**	**61 to 90 days $'000**	**> 90 days $'000**	**Total $'000**
2023						
Estimated total gross carrying amount at default	**151**	**1,550**	**12,199**	**30**	**26,214**	**40,144**
Lifetime ECL	*****	**(4)**	**(101)**	**–**	**(6,285)**	**(6,390)**
						33,754
2022						
Estimated total gross carrying amount at default	3,797	2,516	8,848	4	21,612	36,777
Lifetime ECL	–	(33)	(47)	*	(970)	(1,050)
						35,727

* Amount less than $1,000.

8 TRADE AND NOTES RECEIVABLES (CONTINUED)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Group	
	2023	**2022**
	$'000	**$'000**
At the beginning of the year	**1,050**	780
Change in loss allowance	**5,495**	354
Write off during the year	**(13)**	–
Exchange differences	**(142)**	(84)
At the end of the year	**6,390**	1,050

As at 31 December 2022, the Group's notes receivable were all aged within one year and not past due.

The table below shows the movement in lifetime ECL that has been recognised for notes receivable in accordance with the simplified approach set out in SFRS(I) 9:

	Group	
	2023	**2022**
	$'000	**$'000**
At the beginning of the year	**150**	–
Change in loss allowance	**(147)**	159
Exchange differences	**(3)**	(9)
At the end of the year	**–**	150

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9 OTHER RECEIVABLES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Other receivables (current portion):				
Outside parties	**3,639**	1,580	**–**	–
Subsidiaries and related companies	**–**	–	**9,280**	7,832
Joint operator(i)	**652**	–	**–**	–
Film investment funds advanced to outside parties(ii)	**1,371**	1,247	**–**	–
Advances to staff	**27**	132	**–**	–
Advances to third party contractor	**1,211**	818	**–**	–
Director of a subsidiary	**298**	310	**–**	–
Refundable security deposits	**590**	163	**–**	–
Deposit paid for acquisition of shares in a subsidiary(iii)	**918**	–	**–**	–
Prepayments(iv)	**27,682**	8,454	**17**	39
Value-added tax receivable and goods and services tax receivable	**869**	880	**22**	–
Interest receivables	**72**	138	**–**	–
Grant receivables	**–**	20	**–**	–
	37,329	13,742	**9,319**	7,871
Less: Loss allowance(ii)	**(1,383)**	–	**–**	–
	35,946	13,742	**9,319**	7,871
Other receivables (non-current portion):				
Refundable security deposits	**73**	104	**–**	–
Total	**36,019**	13,846	**9,319**	7,871

(i) The Group and a third party joint operator has a 70.0% and 30.0% share respectively, in the ownership of a material joint operation for concert productions held in Australia in March 2024. As at 31 December 2023, $652,000 (2022: $Nil) is receivable from the joint operator, which pertains to the proportionate share of net cost from these concert productions attributable to the joint operator.

(ii) As at 31 December 2022, the film investment funds advanced to two investors for two drama and film productions were carried at amortised cost, bore interest at 15.0% – 16.0% and are due for repayment on 31 December 2022 and 30 June 2023 respectively. As at 31 December 2023, a credit loss allowance of approximately $1,371,000 (2022: $Nil) was made as the receivables have high risk of default and there has been significant increase in credit risk since initial recognition. The Group has identified indications of adverse changes in business, financial or economic conditions that are expected to cause a significant change in the counterparties' ability to meet the repayment obligations and the loss allowance is measured at an amount equal to lifetime ECL.

(iii) As at 31 December 2023, the Group had paid a deposit of approximately $918,000 (MYR3,200,000) to Granatum Ventures Sdn Bhd ("GVSB") in connection with its proposed acquisition of 100% of the issued shares in the capital of Iskandar Malaysia Studios Sdn Bhd (the "proposed acquisition of IMS") through its subsidiary, Studio Management Services Sdn. Bhd. ("SMS") (Note 19).

The proposed acquisition of IMS was terminated in April 2024 and pursuant to such termination, GVSB has agreed to return the deposit of approximately $918,000 (MYR3,200,000) to the Group through SMS.

1 SGX announcement reference: SG230331OTHR04WH.

9 OTHER RECEIVABLES (CONTINUED)

(iv) These amounts paid in advance are mainly in relation to:

a. the collaboration fee and service fees of approximately $16,186,000 paid to Al Nassr Club Company ("Al Nassr") and third parties respectively for a soccer tournament titled "China Tournament January 2024". Subsequent to year end, the soccer tournament has been cancelled (Note 40); and

b. preparation work for various ongoing and upcoming drama and film projects of the Group, including but not limited to the purchase and development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects and concert production. Such amounts are paid in accordance with the contractual obligations and/or planned production schedule.

Other receivables at the end of the reporting period are unsecured, interest free and not past due unless otherwise stated.

For purpose of impairment assessment, as there has been significant increase in the risk of default of other receivables of $3,404,000 since initial recognition, the loss allowance is measured at an amount equal to lifetime expected credit losses (ECL). In determining the ECL, management has taken into account the financial position of the debtors, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default as well as loss upon default. Based on management's estimates, loss allowances amounting to $1,412,000 has been made.

Other receivables unless otherwise stated are considered to have low risk of default as they are not due for payment at the end of the reporting period and there has been no significant increase in credit risk since initial recognition, as the Group has not identified any indications of adverse changes in business, financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its repayment obligations. The loss allowance is measured at an amount equal to 12-month ECL and is determined to be immaterial.

Other receivables at the Company level are receivables due from subsidiaries and related companies, which are considered to have low credit risk because they have strong financial capacity to meet the contractual obligation. Accordingly, the Group has applied the practical expedient under SFRS(I) 9 to measure the loss allowance at an amount equal to 12-month ECL and has determined the amount to be immaterial.

The table below shows the movement in lifetime ECL that has been recognised for other receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Group	
	2023	**2022**
	$'000	**$'000**
At the beginning of the year	**–**	–
Change in loss allowance	**1,412**	–
Exchange differences	**(29)**	–
At the end of the year	**1,383**	–

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10 CONTRACT ASSETS

	Group	
	2023	**2022**
	$'000	**$'000**
Drama and film production	**3,291**	41,266
Less: loss allowance	**(27)**	(239)
	3,264	41,027

As at 1 January 2022, contract assets amounted to $59,313,000 (net of loss allowance of $1,201,000).

The contract assets relate to the Group's right to consideration for drama and film production in progress or completed but not billed at the reporting date. Contract assets are initially recognised for revenue earned from drama and film production to represent the Group's right to consideration for the services transferred to date. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group satisfies its performance obligation. Upon subsequent billing to the customer, the amounts recognised as contract assets are reclassified to trade receivables.

The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the amounts due from customers at the end of the reporting period is past due.

The table below shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in SFRS(I) 9:

	Group	
	2023	**2022**
	$'000	**$'000**
At the beginning of the year	**239**	1,201
Change in loss allowance	**(206)**	(897)
Exchange differences	**(6)**	(65)
At the end of the year	**27**	239

11 CONTRACT COSTS

	Group	
	2023	**2022**
	$'000	**$'000**
Costs to fulfil contracts	**1,304**	574

The Group incurred costs to fulfil contracts associated with artistic performance management. The costs related directly to the contract, generate resources that will be used in satisfying the contract. They were therefore recognised as an asset from costs to fulfil a contract. The asset will be recognised as expense at point in time consistent with the recognition of the associated revenue.

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12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group	
	2023	**2022**
	$'000	**$'000**
At the beginning of the year	**2,662**	3,029
Additions:		
Cash	**8,795**	820
Non-cash[(i)]	**155**	397
Fair value loss (Note 31)	**(126)**	(145)
Gain (Loss) on derecognition (Notes 30 and 31)	**2,929**	(200)
Settlement:		
Cash	**(11,899)**	(9)
Reclass to other receivables[(ii)]	**(1,767)**	(972)
Non-cash[(ii)]	**(28)**	–
Exchange differences	**(50)**	(258)
At the end of the year	**671**	2,662

(i) In 2023, an amount of $155,000 (2022: $397,000) due from an external party was converted into an investment in a film (2022: investments in films) to be produced and distributed by the external party.

(ii) In 2023, the Group was entitled to proceeds of $13,694,000 from completed films and concert investments, out of which $28,000 was converted into an investment in film to be produced and distributed by an external party. As at 31 December 2023, $11,899,000 has been collected and the remaining amount of $1,767,000 remained uncollected out of which, $1,347,000 was subsequently collected in February 2024.

In 2022, the Group was entitled to proceeds of $981,000 from completed film and concert investments, out of which $972,000 remained uncollected as at 31 December 2022. In 2023, an amount of $800,000 was collected and an amount of $50,000 was converted into an investment in film produced and distributed by the external party in 2023. The remaining amount of $122,000 remained uncollected as at 31 December 2023.

The financial assets at FVTPL represent films, concert and musical play investments advanced to external parties for the financing of production and marketing expenditures that are associated with specific films, concerts and musical play that the Group invested in.

The fair value of investment is determined based on the estimated box office revenue and fees from licensing rights. A fair value loss of $126,000 (2022: $145,000) is recognised for the financial year ended 31 December 2023.

For the financial year ended 31 December 2023, a gain of $2,929,000 (2022: loss of $200,000) has been recognised based on the actual box office revenue, actual fees from licensing rights and actual ticket sales for certain film and concert investments.

The fair value measurement is categorised in Level 3 of the fair value hierarchy.

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YEAR ENDED 31 DECEMBER 2023

13A FILMS AND DRAMA PRODUCTIONS IN PROGRESS

	Group	
	2023 **$'000**	**2022** **$'000**
At the beginning of the year	**23,566**	22,687
Additions	**9,997**	11,193
Transfer to films and drama products (Note 13B)	**(734)**	(5,314)
Sales of films and drama productions in progress[i]	**(3,153)**	(2,712)
Written-off	**(1,679)**	(181)
Exchange differences	**(911)**	(2,107)
At the end of the year	**27,086**	23,566

(i) For the financial year ended 31 December 2023, the Group sold and transferred the copyrights and ancillary rights for musical plays (2022: adaptation of scripts and musical plays) to the customers.

The Group sometimes participates in drama and film production as a co-producer and the Group involves and participates in the determination of idea origination, script, budget, production crew, cast selection, shooting, post-production, and distribution plan for the drama and film with other co-producers. Under the contractual agreements, unanimous consent is required from all parties to direct the key relevant activities. Accordingly, the Group has joint control on the key relevant activities of certain drama and film production as at 31 December 2023 and $2,375,000 (2022: $2,426,000) is related to the Group's proportionate share in the ownership of the films and drama productions in progress. The Group is entitled to a proportionate share of the revenue received and bears a proportionate share of the joint operation's expenses.

The balances are classified as current as the films and drama productions in progress are expected to be realised within the Group's normal operating cycle.

In 2023, management carries out review on the films and drama productions in progress and films and drama products on a project-by-project basis, and $1,679,000 (2022: $181,000) of films and drama productions in progress identified were written off as the script for the related projects no longer meets the current consumer preference, demand and trend in the market.

At the reporting date, the Group has the following material joint operations in PRC:

a) Moon Romance 月上朝颜: In 2023, the Group has a 15.0% (2022: 15.0%) share in the ownership of the drama production in progress.

b) Basketball Miracle 空中接力: In 2023, the Group has 60.0% (2022: 66.7%) share in the ownership of the film production in progress.

13B FILMS AND DRAMA PRODUCTS

	Group	
	2023 **$'000**	**2022** **$'000**
Cost:		
At the beginning of the year	**48,337**	48,869
Transfer from films and drama productions in progress (Note 13A)	**734**	5,314
Sales of films and drama products	**(79)**	(3,328)
Exchange differences	**(978)**	(2,518)
At the end of the year	**48,014**	48,337
Accumulated amortisation:		
At the beginning of the year	**47,950**	48,362
Amortisation charge	**631**	2,061
Exchange differences	**(962)**	(2,473)
At the end of the year	**47,619**	47,950
Net carrying amount	**395**	387

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13B FILMS AND DRAMA PRODUCTS (CONTINUED)

The balances are classified as current as the films and drama products has an economic life of less than twelve months and are expected to be realised within the Group's normal operating cycle.

In light of the circumstances of the films and drama industry, the Group regularly reviewed its films and drama products to assess the marketability/future economic benefits of films and drama products and the corresponding recoverable amounts. The estimated recoverable amount as at 31 December 2023 and 2022 was determined based on the expected future revenues.

14 PLANT AND EQUIPMENT

Group	Leasehold improvements $'000	Motor vehicles $'000	Furniture and fixtures $'000	Office equipment $'000	Computer equipment $'000	Film sets $'000	Filming equipment $'000	Concert equipment $'000	Total $'000
Cost:									
At 1 January 2022	631	690	204	84	829	1,388	39	3,694	7,559
Additions	1,048	489	9	7	22	–	4	–	1,579
Written-off	(51)	–	(1)	–	–	–	–	–	(52)
Exchange differences	(70)	(10)	(8)	(4)	(21)	(134)	(4)	(356)	(607)
At 31 December 2022	1,558	1,169	204	87	830	1,254	39	3,338	8,479
Additions	801	–	131	21	161	–	–	–	1,114
Exchange differences	(59)	(4)	(6)	(2)	(13)	(49)	(2)	(131)	(266)
At 31 December 2023	**2,300**	**1,165**	**329**	**106**	**978**	**1,205**	**37**	**3,207**	**9,327**
Accumulated depreciation:									
At 1 January 2022	443	303	85	34	371	37	27	911	2,211
Depreciation	148	150	42	17	217	216	8	404	1,202
Written-off	(44)	–	*	–	–	–	–	–	(44)
Exchange differences	(7)	(3)	(2)	(1)	(9)	(16)	(3)	(111)	(152)
At 31 December 2022	540	450	125	50	579	237	32	1,204	3,217
Depreciation	320	221	41	14	158	200	5	373	1,332
Exchange differences	(9)	(2)	(1)	(1)	(8)	(13)	(1)	(55)	(90)
At 31 December 2023	**851**	**669**	**165**	**63**	**729**	**424**	**36**	**1,522**	**4,459**
Carrying amount:									
At 31 December 2023	**1,449**	**496**	**164**	**43**	**249**	**781**	**1**	**1,685**	**4,868**
At 31 December 2022	1,018	719	79	37	251	1,017	7	2,134	5,262

* Amount less than $1,000.

The Group's concert equipment is used to generate rental income which is subject to short-term operating lease arrangement with lessee.

As at 31 December 2023, the Group's motor vehicles included an amount of $383,000 (2022: $479,000) in respect of asset held under hire purchase agreement (Note 25).

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15 RIGHT-OF-USE ASSETS (THE GROUP AS LESSEE)

The Group leases several assets including office premises/filming studios, office equipment and motor vehicles. The leases have varying terms and renewal rights. The lease term ranges between 1 to 3 years (2022: 1 to 3 years) and rentals are generally fixed for the same periods.

The Group does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

Group	**Office premises/ filming studios $'000**	**Office equipment $'000**	**Motor vehicles $'000**	**Total $'000**
Cost:				
At 1 January 2022	8,012	22	264	8,298
Additions	157	22	–	179
Disposals	(279)	–	–	(279)
Exchange differences	(572)	–	(25)	(597)
At 31 December 2022	7,318	44	239	7,601
Additions	4,989	–	–	4,989
Written-off	(1,652)	–	–	(1,652)
Exchange differences	(256)	–	(9)	(265)
At 31 December 2023	**10,399**	**44**	**230**	**10,673**
Accumulated depreciation:				
At 1 January 2022	3,026	19	78	3,123
Depreciation	1,941	5	54	2,000
Disposals	(199)	–	–	(199)
Exchange differences	(239)	–	(12)	(251)
At 31 December 2022	4,529	24	120	4,673
Depreciation	1,778	4	52	1,834
Written-off	(1,652)	–	–	(1,652)
Exchange differences	(106)	–	(6)	(112)
At 31 December 2023	**4,549**	**28**	**166**	**4,743**
Carrying amount:				
At 31 December 2023	**5,850**	**16**	**64**	**5,930**
At 31 December 2022	2,789	20	119	2,928

Certain leases for the plant and equipment expired in the current financial year. The expired contracts were either replaced by new leases for identical underlying assets or extended through exercising the extension options. This resulted in additions to right-of-use assets of $2,950,000 (2022: $179,000).

For the financial year ended 31 December 2023, the Group entered into new leases for additional plant and equipment which resulted in additions to right-of-use assets of $2,039,000 (2022: $Nil).

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

16 GOODWILL

	Group $'000
Cost:	
At 1 January 2022, 31 December 2022 and 31 December 2023	1,111
Accumulated impairment:	
At 1 January 2022, 31 December 2022 and 31 December 2023	–
Carrying amount:	
At 31 December 2022 and 31 December 2023	1,111

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill arose from the acquisitions of G.H.Y Culture & Media (Singapore) Pte. Ltd. and GHY Culture & Media (Malaysia) Sdn. Bhd. in 2018 and is allocated as follows:

	Group	
	2023 $'000	**2022 $'000**
Television Program and Film Production	**510**	510
Concert Production	**601**	601
	1,111	1,111

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the future contract revenue, discount rate, EBITDA and terminal growth rate. Management estimates discount rate using pre-tax rate that reflect current market assessment of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next three years and thereafter budget a perpetual growth of 1.00% (2022: 1.00%). This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows is 14.3% (2022: 14.3%).

As at 31 December 2023 and 2022, any reasonably possible change to the key assumptions applied not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

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17 INTANGIBLE ASSETS

	Film and drama adaptation licenses $'000	Rights to the film sets $'000	Computer software $'000	Software royalty $'000	Total $'000
Cost:					
At 1 January 2022	146	2,330	119	88	2,683
Additions	–	1,493	–	–	1,493
Exchange differences	–	(241)	–	(8)	(249)
At 31 December 2022	146	3,582	119	80	3,927
Additions	–	16	–	67	83
Exchange differences	–	(172)	–	(4)	(176)
At 31 December 2023	**146**	**3,426**	**119**	**143**	**3,834**
Accumulated amortisation:					
At 1 January 2022	122	359	51	20	552
Amortisation charge	21	625	40	31	717
Exchange differences	–	(57)	–	(3)	(60)
At 31 December 2022	143	927	91	48	1,209
Amortisation charge	3	629	28	23	683
Exchange differences	–	(56)	–	(3)	(59)
At 31 December 2023	**146**	**1,500**	**119**	**68**	**1,833**
Accumulated impairment:					
At 1 January 2022	–	–	–	–	–
Impairment charge	–	143	–	–	143
Exchange differences	–	(5)	–	–	(5)
At 31 December 2022	–	138	–	–	138
Impairment charge	–	15	–	–	15
Exchange differences	–	(8)	–	–	(8)
At 31 December 2023	**–**	**145**	**–**	**–**	**145**
Carrying amount:					
At 31 December 2023	**–**	**1,781**	**–**	**75**	**1,856**
At 31 December 2022	3	2,517	28	32	2,580

Film and drama adaptation licenses are amortised over their estimated useful life of 5 to 6 years. The amortisation expenses of $Nil (2022: $16,000) have been capitalised in the line item "films and drama productions in progress" in statements of financial position as at 31 December 2023 (Note 13A).

The Group signed agreements with joint investors to operate and manage the business of licensing and exploiting the jointly owned film sets. The Group is entitled to a proportionate share of the rights to the film sets, rental income received and bears a proportionate share of the joint operations' expenses. The film sets are held for leasing purpose and own use.

17 INTANGIBLE ASSETS (CONTINUED)

The Group has the rights to the following film sets:

a) Malaysia: As at 31 December 2023, the Group has a 50% (2022: 50%) share of rights to the film set located in Malaysia for 10 years upon completion of the construction of the film set in 2020.

b) PRC: As at 31 December 2023, the Group has a 60% and 50% (2022: 60% and 50%) share of rights to the film sets located in PRC for 3 years and 4 years (2022: 3 years and 4 years) upon completion of the construction of the film sets in 2021 and 2022 respectively.

During the year, the Group carried out a review of the recoverable amount of the rights to the film sets. The recoverable amount is determined based on value-in-use and the review led to the recognition of an impairment loss of $15,000 (2022: $143,000) that has been recognised in profit or loss under the other expenses line item.

18 DEFERRED TAX

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group	
	2023	**2022**
	$'000	**$'000**
Deferred tax liabilities	**–**	19
Deferred tax assets	**(5,820)**	(4,362)
	(5,820)	(4,343)

	Group
	$'000
At 1 January 2022	(3,761)
Credit to profit or loss during the year (Note 33)	(938)
Exchange differences	356
At 31 December 2022	(4,343)
Credit to profit or loss during the year (Note 33)	(1,679)
Exchange differences	202
At 31 December 2023	**(5,820)**

As at 31 December 2023, deferred tax assets arose from deductible temporary differences and unutilised tax losses of $1,570,000 and $4,250,000 (2022: $1,387,000 and $2,975,000) respectively. The deductible temporary differences mainly arose from net tax effect of allowance for expected credit losses, deferred income and unrealised profits (2022: deferred income, contract costs, prepayments and unrealised profits).

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18 DEFERRED TAX (CONTINUED)

Subject to the agreement by the tax authorities and satisfaction of certain conditions, as at 31 December 2023, the Group has unutilised tax losses of $28,576,000 (2022: $20,909,000) available for offset against future profits. A deferred tax asset has been recognised in respect of $13,070,000 (2022: $12,160,000) of such losses, including amounts of $2,222,000, $2,918,000, $7,165,000 and $766,000 (2022: $1,226,000, $6,205,000 and $4,267,000) that will expire at the end of the year 2026, 2027, 2028 and 2033 (2022: year 2025, 2026 and 2027) respectively and an amount of $Nil (2022: $462,000) that may be carried forward indefinitely for offset against future profits subject to the conditions imposed by law in the respective jurisdiction of the subsidiaries. No deferred tax asset has been recognised in respect of the remaining tax losses of $11,225,000 (2022: $8,749,000) due to the unpredictability of future profit streams. These tax losses will expire at the end of the year 2028 (2022: 2027).

The Group intends to permanently reinvest earnings to further expand its businesses in PRC. It does not intend to declare dividends to its immediate foreign holding entities in the foreseeable future. Accordingly, no deferred tax liability on withholding tax was accrued as at the end of each reporting period. Cumulative undistributed earnings of the Company's PRC subsidiaries intended to be permanently reinvested in PRC amounted to $32,023,000 (2022: $37,637,000) as of 31 December 2023.

19 INVESTMENT IN SUBSIDIARIES

	Company	
	2023	2022
	$'000	$'000
Unquoted shares, at cost	**8,518**	8,518

The details of the Group's subsidiaries for the financial year are as follows:

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Effective percentage of equity interest and voting power held	
			2023 %	2022 %
Directly held:				
G.H.Y Culture & Media (Singapore) Pte. Ltd.(i)	TV program and film production; Concert production; Talent management	Singapore	**100**	100
G.Yue Culture and Media Limited(iii)	Investment holding	Hong Kong	**100**	100
BJHJHL Limited(iv)	Investment holding	Hong Kong	**100**	100

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19 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Effective percentage of equity interest and voting power held	
			2023 %	**2022 %**
Indirectly held:				
GHY Culture & Media (Malaysia) Sdn. Bhd.(ii)	TV program and film production; Concert production	Malaysia	**100**	100
GHY Culture & Media (IMS) Sdn. Bhd.(ii)	TV program and film production	Malaysia	**100**	100
GHY Culture & Media (ISK) Sdn. Bhd.(ii)	TV program and film production	Malaysia	**100**	100
Studio Management Services Sdn. Bhd.(iv), (v)	Investment holding	Malaysia	**80**	–
G.H.Y Culture & Media (Australia) Pty Ltd(i)	Concert production	Australia	**100**	100
G.H.Y Talent Pte. Ltd.(iv)	Talent management	Singapore	**100**	100
G.H.Y. Culture & Media Japan Co., Ltd.(iv), (vii)	Concert production	Japan	**100**	–
Tianjin Xinhe Culture & Broadcast Co., Ltd. (天津信和文化传播有限公司)(iii)	Talent management services and the renting and leasing of concert equipment	PRC	**100**	100
Tianjin Zhengzai Vision Co., Ltd. (天津正在视觉有限公司)(iii)	Costume, props and make up services	PRC	**100**	100
Huahuo Entertainment (Tianjin) Culture & Management Co., Ltd. (花火乐娱(天津)文化经纪有限公司)(iii)	Talent management services	PRC	**100**	100
Beijing Xinyuan Culture & Broadcast Co., Ltd. (北京信远文化传播有限公司)(iii)	Consultancy services	PRC	**100**	100
Tianjin Xinyuan Culture & Broadcast Co., Ltd. (天津信远文化传播有限公司)(iii)	Consultancy services	PRC	**100**	100

The English names of certain subsidiaries and associates referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

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YEAR ENDED 31 DECEMBER 2023

19 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Effective percentage of equity interest and voting power held	
			2023 %	**2022 %**
Indirectly held: (Continued)				
Shanghai Xincheng Culture & Broadcast Co., Ltd. (上海信澄文化传播有限公司)[(iii)]	Talent management services, costume, props and make up services and consultancy services	PRC	**100**	100
Shanghai Senwu Culture & Management Co., Ltd. (上海森梧文化传播有限公司)[(iii)]	Talent management services	PRC	**100**	100
PT. Creative Ocean Pictures[(iii)]	TV program and film production, distribution, and post-production	Indonesia	**100**	100
Structured entities controlled via the Contractual Arrangements[(iii)] (Note A):				
Tianjin Changxin Film & Media Co., Ltd. (天津长信影视传媒有限公司) (the "PRC Affiliated Holdco")	TV program and film production and operation	PRC	**100**	100
Beijing Changxin Film & Media Co., Ltd. (北京长信影视传媒有限公司)	TV program and film production and operation	PRC	**100**	100
Tianjin Ruyang Film & Media Co., Ltd. (天津如阳影视传媒有限公司)	TV program and film production and operation	PRC	**100**	100
Beijing Yizhongdao Film & Media Co., Ltd. (北京易中道影视传媒有限公司)	TV program and film production and operation	PRC	**100**	100
Guangzhou Fengye Culture & Co., Ltd. (广州风也文化传媒有限公司)	TV program and film production	PRC	**60**	60
Xiamen Jinzhao Film Culture & Media Co., Ltd. (厦门今朝映画文化传媒有限公司)[(vi)]	TV program and film production	PRC	**51**	51

The English names of certain subsidiaries, associates and joint ventures referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

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19 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Effective percentage of equity interest and voting power held	
			2023 %	2022 %
Structured entities controlled via the Contractual Arrangements[iii] (Note A): (Continued)				
Beijing Haifan Interactive Entertainment Management Consulting Co., Ltd. (北京嗨泛互娱管理咨询有限公司)	TV program and film production	PRC	**100**	100
Shanghai Haifan Interactive Entertainment Culture & Media Co., Ltd. (上海嗨泛互娱文化传媒有限公司)	TV program and film production	PRC	**100**	100
Beijing N'Cubic LIVE Management Consulting Co., Ltd. (北京立次方管理咨询有限公司)	TV program and film production	PRC	**100**	100
N'Cubic LIVE (Shanghai) Culture & Media Co., Ltd. (立次方(上海)文化传媒有限公司)	TV program and film production	PRC	**100**	100
Shijiazhuang Changxin Film & Media Co., Ltd. (石家庄长信影视传媒有限公司)	TV program and film production	PRC	**100**	100

(i) Audited by Deloitte & Touche LLP, Singapore for group consolidation purpose.

(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited for group consolidation purpose.

(iii) The consolidated financials of the G.Yue Culture and Media Limited and its subsidiaries (including PRC Affiliated Entities) are audited by overseas practices of Deloitte Touche Tohmatsu Limited for group consolidation purpose.

(iv) Not material to the results of the Group.

(v) In 2023, in connection with the proposed acquisition of IMS (Note 9(iii)), the Company, through its indirect wholly-owned subsidiary, GHY Culture & Media (Malaysia) Sdn. Bhd. acquired 80% of the issued shares in the capital of SMS ("acquisition of SMS"). The aggregate consideration for the acquisition of SMS is approximately $2,618,000 (MYR8,840,000), of which the Group has paid a partial amount of approximately $918,000 (MYR3,200,000), with the remaining balance of the consideration amounting approximately to $1,700,000 (MYR5,640,000) being due and payable on the date falling 12 months after the completion of the acquisition of SMS. The acquisition of SMS is out of scope of SFRS(I) 3 *Business Combinations*.

The proposed acquisition of IMS was terminated in April 2024 and pursuant to such termination, GVSB has agreed to return the deposit of approximately $918,000 (MYR3,200,000) to the Group through SMS (Note 9(iii)). As a result of the termination of the proposed acquisition of IMS, GHY Culture & Media (Malaysia) Sdn. Bhd. was deemed to have exercised a put option to sell the shares in SMS to the non-controlling shareholders of SMS for a consideration of approximately $918,000 (MYR3,200,000). Following completion of the sale of the shares in SMS under the put option, the Group will cease to hold any shares in SMS.

(vi) On 6 May 2021, Tianjin Changxin acquired 51% of the equity interest in Xiamen Jinzhao Film Culture & Media Co. Ltd ("Xiamen Jinzhao") which was incorporated in March 2021. The non-controlling interest of 49% ownership interest recognised at the acquisition date of $11,000 was measured by reference to the net asset value of Xiamen Jinzhao. During the financial year ended 31 December 2023, the paid-in capital of $18,000 (2022: $198,000) injected by the non-controlling shareholder was accounted for as a capital contribution to the Group.

(vii) Newly incorporated during the year.

The English names of certain subsidiaries, associates and joint ventures referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

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19 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Note A:

Contractual Arrangements

On 1 November 2020, the Company, through the wholly-foreign owned enterprises ("WFOEs"), namely Tianjin Xinyuan and Beijing Xinyuan, entered into the contractual arrangements with the ultimate controlling shareholder and Mr. Xue Xin ("Individual Shareholders") and each of the controlled structured entities ("PRC Affiliated Entities"). During the financial year ended 31 December 2021, there were new subsidiaries incorporated by PRC Affiliated Entities, being Guangzhou Fengye Culture & Media Co., Ltd. and Xiamen Jinzhao Film Culture & Media Co., Ltd.. These 2 new subsidiaries are controlled by Tianjin Changxin and both subsidiaries have entered into supplemental agreements with WFOEs, PRC Affiliated Entities, Individual Shareholders and each of the spouse of the Individual Shareholders dated 30 December 2021. During the financial year ended 31 December 2022, there are new subsidiaries incorporated by PRC Affiliated Entities, being Beijing Haifan Interactive Entertainment Management Consulting Co., Ltd., Shanghai Haifan Interactive Entertainment Culture & Media Co., Ltd., Beijing N'Cubic LIVE Management Consulting Co., Ltd., N'Cubic LIVE (Shanghai) Culture & Media Co., Ltd. and Shijiazhuang Changxin Film & Media Co., Ltd.. These 5 new subsidiaries are controlled by Tianjin Changxin and the entities have entered into supplemental agreements with GHY WFOEs, PRC Affiliated Entities, Individual Shareholders and each of the spouse of the Individual Shareholders dated 28 September 2022 (collectively known as "Contractual Arrangements").

The Contractual Arrangements confer operational control and economic rights over the PRC Affiliated Entities are conferred to the Group, which enables the Group to exercise control over the business operations of each of the PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities, enables the Company, through the WFOEs, to have rights to variable return from its involvement with the PRC Affiliated Entities, and to have the ability to use its power to affect its return. Further details of Contractual Arrangements are set out below.

Following the completion of the Corporate Reorganisation Exercise of the Group in 2020, the Company became the holding company of the subsidiaries and the PRC Affiliated Entities. The Company together with subsidiaries and the PRC Affiliated Entities are known as the Group.

To comply with the PRC laws, rules and regulations that prohibit foreign ownership of companies that are engaged in television program and film production and operation (including distribution of television programs and films produced overseas) and other businesses, such as internet cultural business (except music), and restrict foreign ownership of companies that are engaged in the business of concert organisation in the PRC, the Company engages in prohibited and restricted businesses in the PRC through certain PRC Affiliated Entities, whose equity interests are held by the Individual Shareholders.

The Company through wholly-foreign owned enterprises ("WFOEs") has entered into Contractual Arrangements with the Individual Shareholders and the PRC Affiliated Entities, which provide the Company the power to control and the ability to enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

19 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Note A: (Continued)

Contractual Arrangements (Continued)

The following is a summary of the Contractual Arrangements:

Exclusive Business Cooperation Agreement

Pursuant to the Exclusive Business Cooperation Agreement, the WFOEs will provide, as the exclusive service providers, management, consultation, technical and business support to the PRC Affiliated Entities and comprehensive services related to its business activities to the extent permitted under relevant laws and regulations, including but not limited to, assisting in formulating management modes and business plans and market development plans, establishing sound business process management, providing management and consulting services in daily operation, finance, investment, assets, creditor's rights and liabilities, human resources services, providing technical research and development, software development, technical upgrading services, and such other service matters specified by the WFOEs through negotiation, from time to time, according to actual business needs and ability to provide services.

With respect to the services provided by the WFOEs, the PRC Affiliated Entities and the Individual Shareholders will irrevocably ensure that the PRC Affiliated Entities will pay the services fees to the WFOEs, which shall be 100% of the remaining amount of the pre-tax profit of each of the PRC Affiliated Entities, after deducting related costs and reasonable expenses, to the extent permitted under the applicable PRC laws and regulations. The service agreements are effective from financial year ended 31 December 2021 and the PRC Affiliated Entities will make payment of service fees to the WFOEs when the service fees are due.

In addition, the WFOEs are granted certain rights under the terms of the Exclusive Business Cooperation Agreement, including but not limited to (i) the sole responsibility for the selection of the senior executives and employees of the PRC Affiliated Entities, and the finance, management and daily operations of the PRC Affiliated Entities; (ii) the right to enjoy and bear all economic benefits and risks arising out of the business of the PRC Affiliated Entities; and (iii) the right to consolidate the financial results of the PRC Affiliated Entities, each as a wholly-owned subsidiary of Tianjin Xinyuan or Beijing Xinyuan, as the case may be, in accordance with the applicable accounting standards.

Equity Pledge Agreement

Pursuant to the Equity Pledge Agreement, the Individual Shareholders and Tianjin Changxin which is the PRC Affiliated Holdco, as the case may be, irrevocably pledge 100% of their equity in the relevant PRC Affiliated Entities and all rights and benefits related thereto to the WFOEs as a guarantee for the PRC Affiliated Entities and the Individual Shareholders to fulfil all obligations under the Contractual Arrangements.

The WFOEs have the right to dispose of the pledged equity in the event of breach of contract under the Equity Pledge Agreement.

The Individual Shareholders and Tianjin Changxin, as the case may be, further undertake to the WFOEs, including but not limited to, that the Individual Shareholders and Tianjin Changxin, as the case may be, will not sell, lease, lend, transfer, assign, gift, re-mortgage, trust, make capital contribution with the pledged equity or otherwise dispose of all or part of the pledge equity, agree to make resolutions to increase or decrease the registered capital of the PRC Affiliated Entities, or agree to any form of initial public offering, backdoor listing and/or asset restructuring, without the prior written consent of the WFOEs. The aforementioned undertakings would restrict the Individual Shareholders from pledging their interests in the PRC Affiliated Entities and/or Tianjin Changxin's interests in the PRC Affiliated Entities, as collateral and/or encumbrance for any loans undertaken by the Individual Shareholders.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

19 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Note A: (Continued)

Contractual Arrangements (Continued)

Agreement on Exclusive Purchasing Power

Pursuant to the Agreement on Exclusive Purchasing Power, the PRC Affiliated Entities and the Individual Shareholders exclusively, irrevocably and freely grant the WFOEs or their respective designated third party an option to purchase all or part of the PRC Affiliated Entities' equities which the Individual Shareholders hold and/or all or part of the businesses or assets of the PRC Affiliated Entities at a nominal consideration of RMB1 or such other minimum price allowed by PRC laws and regulations.

Once the PRC laws and regulations permit the WFOEs to directly hold and the WFOEs decide to hold the equity interest of the PRC Affiliated Entities, and the WFOEs and/or its subsidiaries and branches can legally engage in the business of the PRC Affiliated Entities, the parties will immediately terminate the Agreement on Exclusive Purchasing Power and the WFOEs will have the right to immediately exercise all exclusive rights to purchase under the Agreement on Exclusive Purchasing Power.

Powers of Attorney

Pursuant to the Powers of Attorney granted by each of the Individual Shareholders and Tianjin Changxin in favour of the WFOEs, the Individual Shareholders and Tianjin Changxin appointed the WFOEs and their designated third parties as trustees and as their sole, comprehensive and exclusive agents, and in the name of the Individual Shareholders and Tianjin Changxin, to exercise all shareholder rights the Individual Shareholders and Tianjin Changxin enjoy in accordance with laws and the articles of association of the PRC Affiliated Entities for and on behalf of the Individual Shareholders and Tianjin Changxin, including the rights to attend and vote at shareholders' meetings and appoint directors.

The Contractual Arrangements confer operational control and economic rights arising from the business of PRC Affiliated Entities to the Group, which enables the Group to exercise power over the business operations of PRC Affiliated Entities, and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities, and enables the Company, through the WFOEs, to have rights to variable return from its involvement with the PRC Affiliated Entities, and to have the ability to use its power to affect its return. Therefore, the Company is considered to control the PRC Affiliated Entities. Consequently, the Company regards PRC Affiliated Entities as controlled structured entities and consolidates the financial positions and results of operations of these entities in the financial statements of the Group.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the PRC Affiliated Entities and such uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the PRC Affiliated Entities. The directors are of the view that the Contractual Arrangements confer operational control and economic benefits from PRC Affiliated Entities to the Group and the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations. However, there is no assurance that the PRC government and regulatory authorities will not take a view that is contrary to or otherwise different from the advice of the legal adviser, or adopt new laws and regulations in the future which may invalidate the Contractual Arrangements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

19 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Note A: (Continued)

Contractual Arrangements (Continued)

Powers of Attorney (Continued)

If the PRC government finds that the Contractual Arrangements do not comply with its restrictions on foreign investment in businesses, or if the PRC government otherwise finds that the Group or the PRC Affiliated Entities are in violation of PRC laws or regulations or lack the necessary permits or licences to operate its business, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with these violations or failures, including but not limited to, revoking the business and operating licences of the PRC Affiliated Entities, requiring the Group to discontinue or restrict its operations, imposing fines or confiscating any of its income that they deem to have been obtained through illegal operations, imposing conditions or requirements with which the Group and the PRC Affiliated Entities may not be able to comply, requiring the Group to restructure the relevant corporate entities and their operations or taking further actions in order to comply with these laws, regulations and rules or taking other regulatory or enforcement actions against the Group. The imposition of any of these measures could significantly disrupt the Group's business operations and may result in a material and adverse effect on the Group's ability to conduct all or any portion of its business and operations in the PRC. If the imposition of any of these government actions causes the Group to lose its right to direct the activities of any of the PRC Affiliated Entities or otherwise separate from any of these entities and if the Group is not able to restructure its corporate structure and operations in a satisfactory manner, the Company would no longer be able to consolidate the financial results of the PRC Affiliated Entities in the consolidated financial statements of the Group.

20A INVESTMENT IN ASSOCIATE

	Group	
	2023	**2022**
	$'000	**$'000**
Cost of investment in associate	**1,071**	1,071
Share of post-acquisition loss	**(97)**	(58)
Foreign currency exchange differences	**(134)**	(99)
	840	914

Details of the Group's associate at the end of the financial year is as follows:

Name of associate	**Principal activities**	**Country of incorporation/ place of business**	**Effective percentage of equity interest and voting power held**	
			2023	**2022**
			%	**%**
Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership (厦门开门见君影视产业投资合伙企业(有限合伙))[(i)]	TV program and film production and operation; Talent management	PRC	**48.92**	48.92

(i) Not material to the results of the Group.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

20A INVESTMENT IN ASSOCIATE (CONTINUED)

The associate is accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with SFRS(I)s.

	Group	
	2023	**2022**
	$'000	**$'000**
Current assets	**1,707**	1,857
Non-current assets	**10**	15
Current liabilities	**–**	(4)
	1,717	1,868
Post-acquisition revenue	**–**	–
Post-acquisition loss for the year	**(81)**	(102)
Total post-acquisition comprehensive loss for the year	**(81)**	(102)

The share of loss from associate for the financial year ended 31 December 2023 is $39,000 (2022: $50,000).

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in these consolidated financial statements:

	Group	
	2023	**2022**
	$'000	**$'000**
Net assets of the associate	**1,717**	1,868
Proportion of the Group's ownership interest in the associate	**48.92%**	48.92%
Carrying amount of the Group's interest in the associate	**840**	914

20B INVESTMENT IN JOINT VENTURE

	Group	
	2023	**2022**
	$'000	**$'000**
Cost of investment in joint venture	**950**	950
Share of post-acquisition loss	**(925)**	(581)
Impairment loss during the year	**(25)**	–
	–	369

During the financial year ended 30 December 2023, the Group recognised $25,000 (2022: $Nil) of impairment loss for a joint venture which management has determined that its carrying amounts are in excess of its recoverable amounts.

20B INVESTMENT IN JOINT VENTURE (CONTINUED)

Details of the Group's joint venture at the end of the financial year is as follows:

Name of joint venture	Principal activities	Country of incorporation/ place of business	Effective percentage of equity interest and voting power held	
			2023 %	**2022** %
Uni-Icon Entertainment Pte. Ltd.[(i),(ii)]	Talent management	Singapore	**70**	70

(i) Not material to the results of the Group.

(ii) Although the Group has 70% shareholding interest and majority of the board seats, the Group only carries out routine business operations based on resolutions/decisions jointly decided by both the Group and joint venture partner.

The joint venture is accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with SFRS(I)s.

	Uni-Icon Entertainment Pte. Ltd.	
	2023 **$'000**	**2022** **$'000**
Current assets	**104**	571
Current liabilities	**(68)**	(44)
Net assets	**36**	527
Revenue	**–**	–
Loss for the year	**(492)**	(423)
Total comprehensive loss for the year	**(492)**	(423)

The share of loss from joint venture for the financial year ended 31 December 2023 is $344,000 (2022: $296,000).

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in these consolidated financial statements:

	Uni-Icon Entertainment Pte. Ltd.	
	2023 **$'000**	**2022** **$'000**
Net assets of the joint venture	**36**	527
Proportion of the Group's ownership interest in the joint venture	**70%**	70%
	25	369
Impairment loss during the year	**(25)**	–
Carrying amount of the Group's interest in the joint venture	**–**	369

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables:				
Outside parties	**2,728**	2,646	**–**	–
Other payables:				
Outside parties	**915**	1,810	**92**	109
Subsidiaries	**–**	–	**3,160**	1,417
Joint operators[(i)]	**35**	1,400	**–**	–
With an entity connected to a shareholder of the Company[(ii)]	**88**	132	**–**	–
With a non-controlling shareholder and director of a subsidiary	**40**	–	**–**	–
Advance receipts from customers	**263**	–	**–**	–
Advance receipts from joint operators:				
Outside parties	**796**	969	**–**	–
With entity connected to a shareholder of the Company[(iii)]	**–**	6,958	**–**	–
Accruals:				
Outside parties	**2,028**	3,179	**360**	385
With an entity connected to a shareholder of the Company	**167**	174	**–**	–
Accrued interest	**67**	19	**–**	–
Provision	**388**	107	**61**	–
Deferred income[(iv)]	**1,042**	969	**–**	–
Listing expense payable	**4**	10	**4**	10
Value added tax payable and goods and services tax payable	**980**	4,318	**–**	24
	9,541	22,691	**3,677**	1,945

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The average credit period on purchases of goods is 30 days (2022: 30 days). No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

(i) As at 31 December 2023, $35,000 (2022: $1,400,000) is payable to joint operators, which pertains to the proportionate share of revenue from concert and drama productions attributable to the joint operators.

In 2022, the Group has a 70.0% share in the ownership in relation to a material joint operation for a concert held in Malaysia in 2023.

(ii) As at 31 December 2023, $88,000 (2022: $132,000) is payable for operating expenses paid on behalf by an entity connected to a shareholder of the Company.

(iii) Prior to 2022, the Group received an amount of $9,371,000 (equivalent to RMB43,750,000) from a joint operator, an entity connected to a shareholder of the company being advances for joint operation in a drama production. In 2022, the Group entered into an addendum agreement with the joint operator to repay the full amount, bearing fixed interest at 5% per annum with effect from 1 January 2022 as the drama production did not commence filming as of 31 December 2022. Under the addendum agreement, upon full settlement of these advances, both parties will enter into a termination agreement.

In 2022, the Group recognised an interest expense of $446,000 (Note 32) and refunded $1,937,000 (equivalent to RMB10,000,000) to the joint operator. The Group repaid the remaining balance of $6,958,000 (equivalent to RMB33,750,000) in 2023 and recognised an interest expense of $62,000 (Note 32).

(iv) As at 31 December 2023, deferred income of $1,042,000 (2022: $969,000) represented government grant received for film and drama productions in progress. The deferred income is recognised in profit or loss when the Group recognises as expenses the related cost for which the grants are intended to compensate.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

22A INVESTMENT FUNDS FROM INVESTORS

	Group	
	2023	**2022**
	$'000	**$'000**
At amortised cost[i]:		
Balance at beginning of year	**–**	–
Additions	**949**	–
Settlement	**(949)**	–
Balance at end of the year	**–**	–
At FVTPL[ii]:		
Balance at beginning of year	**–**	–
Additions	**4,466**	–
Balance at end of the year	**4,466**	–

(i) The investment fund from an investor at amortised cost represented drama investment advanced from the external party, bore interest at 10% per annum and is repayable by December 2023. The amount has been fully repaid as at 31 December 2023 and the Group recognised the interest expense on the film investment fund from investor amounting to $48,000 (Note 32).

(ii) As at 31 December 2023, the investment funds at FVTPL are investments advanced from two investors for a soccer tournament titled "China Tournament January 2024" (Note 40), represent funds received from external parties for the financing of production and marketing expenditures that are associated with the soccer tournament. The third-party investors are entitled to a pre-agreed specified percentage of the net profit or loss from the "China Tournament January 2024" associated with the financing provided. As the related investments are received close to year end and China Tournament January 2024 is originally scheduled in January 2024, the fair value of the investments approximates the cost of the investments fund received. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

22B CONTRACT LIABILITIES

	Group	
	2023	**2022**
	$'000	**$'000**
Contract liabilities	**16,586**	6,279

As at 1 January 2022, contract liabilities amounted to $5,130,000.

Contract liabilities related to payments received in advance from customers. The related amounts are recognised as revenue when the Group fulfils its performance obligation under the contract with the customers which generally does not exceed one year. The balances are classified as current as the performance obligations are expected to be fulfilled within the Group's normal operating cycle.

Revenue recognised in the financial year ended 31 December 2023 amounting to $5,804,000 (2022: $1,209,000) was included in contract liabilities at the beginning of the financial year.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

23A AMOUNT DUE FROM (TO) RELATED PARTIES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
AMOUNT DUE FROM RELATED PARTIES:				
Trade				
(a) With entities associated to a shareholder of the Company and non-executive director				
– prepayment of grant of rights for concert production	–	814	–	–
– payment on behalf of concert production related expenses	–	9	–	–
(b) With a key management personnel and shareholder of PRC Affiliated entities				
– advances paid in respect of the expenditure for an ongoing drama project	–	97	–	–
	–	920	–	–

The credit period for balances is 30 days (2022: 30 days) and will be settled under normal credit terms. Management estimates the loss allowance on trade-related balances at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. The amounts due from related parties are not past due at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

23A AMOUNT DUE FROM (TO) RELATED PARTIES (CONTINUED)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
AMOUNT DUE TO RELATED PARTIES:				
Non-trade				
(a) With directors of the Company	**448**	271	**346**	205
(b) With a key management personnel and shareholder of PRC Affiliated entities	**43**	41	**–**	–
(c) With family members of the ultimate controlling shareholder and director of the Company	**3**	3	**–**	–
Trade				
(d) With a company controlled by a shareholder and non-executive director of the Company – artiste fees	**59**	538	**–**	–
(e) With companies controlled by a shareholder and non-executive director of the Company – concert production related expenses	**450**	1,015	**–**	–
(f) With a director of the Company – talent management fees and acting services	**57**	33	**–**	–
(g) With an entity controlled by a family member of the ultimate controlling shareholder and director of the Company – talent management fees and acting services	**62**	–	**–**	–
	1,122	1,901	**346**	205

Trade payables principally comprise amounts outstanding for services received from related parties in relation to Television Program and Film Production and Concert Production. The credit period taken for trade purchases is 30 days (2022: 30 days).

The non-trade payables are unsecured, interest-free and repayable on demand unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

23B AMOUNT DUE FROM JOINT VENTURE

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Non-trade				
With a joint venture – operating expenses paid on behalf	**29**	14	**–**	–

The credit period for balances is 30 days (2022: 30 days) and will be settled under normal credit terms. The amount due from joint venture is not past due at the end of the reporting period.

24 LEASE LIABILITIES (THE GROUP AS LESSEE)

	Group	
	2023	2022
	$'000	$'000
Maturity analysis:		
Year 1	**2,851**	1,616
Year 2	**2,233**	636
Year 3	**820**	551
Year 4	**234**	485
Year 5	**–**	243
	6,138	3,531
Less: Unearned interest	**(379)**	(307)
	5,759	3,224
Analysed as:		
Current	**2,637**	1,495
Non-current	**3,122**	1,729
	5,759	3,224

The Group does not face a significant liquidity risk regarding its lease liabilities.

As at 31 December 2023, the weighted average incremental borrowing rate applied to the lease liabilities is 5.14% (2022: 5.47%) per annum.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

24 LEASE LIABILITIES (THE GROUP AS LESSEE) (CONTINUED)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes				
	1 January 2023 $'000	**Financing cash flows[(i)] $'000**	**New lease liabilities $'000**	**Dividends declared $'000**	**Recourse factoring facilities $'000**	**Foreign exchange movement $'000**	**31 December 2023 $'000**
Investment funds from investors (Note 22A)	**–**	4,466	–	–	–	–	**4,466**
Lease liabilities (Note 24)	**3,224**	(1,935)	4,772	–	–	(302)	**5,759**
Borrowings (Note 25)	**13,602**	8,506	–	–	(9,318)	(306)	**12,484**
Dividend payable	**–**	(1,069)	–	1,069	–	–	**–**
	16,826	9,968	4,772	1,069	(9,318)	(608)	**22,709**

			Non-cash changes					
	1 January 2022 $'000	**Financing cash flows[(i)] $'000**	**New lease liabilities $'000**	**Early termination of lease $'000**	**Hire purchase $'000**	**Dividends declared $'000**	**Foreign exchange movement $'000**	**31 December 2022 $'000**
Lease liabilities (Note 24)	4,924	(1,440)	179	(80)	–	–	(359)	3,224
Borrowings (Note 25)	14,352	396	–	–	250	–	(1,396)	13,602
Dividend payable	–	(1,070)	–	–	–	1,070	–	–
	19,276	(2,114)	179	(80)	250	1,070	(1,755)	16,826

(i) The cash flows make up the net amount of proceeds from investment funds from investors and borrowings and repayments of investment funds from investors and borrowings in the consolidated statement of cash flows.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

25 BORROWINGS

At the end of the reporting period, the Group have the following borrowings:

	Group	
	2023	**2022**
	$'000	**$'000**
Short-term bank loans[(i)]	**12,296**	13,357
Other borrowings[(ii)]	**188**	245
	12,484	13,602
Analysed as:		
Current	**12,357**	13,414
Non-current	**127**	188
	12,484	13,602

(i) Bank borrowings bore interest rates ranging from 2.80% to 5.00% per annum (2022: 3.25% to 5.60%) and are repayable within 12 months from the financial year end. As at 31 December 2023, bank loans amounting to $11,805,000 (31 December 2022: $3,548,000) are singly or jointly guaranteed by (i) the ultimate controlling shareholder and director of the company, (ii) third parties, (iii) restricted bank deposits of not less than RMB20 million, and (iv) assignment of sales contracts and sales proceeds. Out of these bank borrowings of $11,805,000, $8,004,000 have been paid subsequent to year end, with remaining balance of $3,801,000 unpaid as at date of these consolidated financial statements.

As at 31 December 2023, a bank loan of $491,000 is related to proceeds received from factoring facility on recourse basis with a bank for certain trade receivable of the major customer (Note 8).

As at 31 December 2022, a bank loan of $9,809,000 is related to proceeds received from the Discounted Notes. In 2023, the major customer had paid the Discounted Notes of $9,809,000 to the bank in PRC (Note 8).

(ii) At the reporting date, the hire purchase agreement for a motor vehicle purchased, bore interest rate at 2.78% (2022: 2.78%) per annum, constituting in-substance purchase with financing arrangement.

The Group has access to financing facilities of which $1,878,000 (2022: $31,187,000) were unused at the reporting date. The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

26 SHARE CAPITAL

	Number of shares	Par value US$	Share capital US$
Authorised share capital of the Company:			
At 1 January 2022, 31 December 2022 and 31 December 2023	**500,000,000**	**0.0001**	**50,000**

The share capital as at 31 December 2023 and 2022 represented the issued share capital of the Company.

	Number of shares	
	2023	**2022**
Company		
Issued and fully paid:		
At beginning and end of year	**1,073,792,000**	1,073,792,000

26 SHARE CAPITAL (CONTINUED)

	Share capital			
	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Issued and fully paid:				
At beginning and end of year	**14**	14	**14**	14

27 SHARE PREMIUM

	Group and Company	
	2023	2022
	$'000	$'000
At beginning of year	**113,048**	114,118
Dividends (Note 39)	**(1,069)**	(1,070)
At end of year	**111,979**	113,048

28 TREASURY SHARES

	Group and Company		Group and Company	
	2023	2022	2023	2022
	Number of shares ('000)		$'000	$'000
At beginning of year	**4,549**	672	**2,230**	367
Repurchased during the year	**1,192**	3,877	**457**	1,863
At end of year	**5,741**	4,549	**2,687**	2,230

During the financial year ended 31 December 2023, the Company paid $457,000 (2022: $1,863,000) to acquire 1,192,000 (2022: 3,877,000) of its own shares through purchases on the SGX-ST and the amounts have been deducted from shareholders' equity. The shares are held as "treasury shares".

29 REVENUE

	Group	
	2023	2022
	$'000	$'000
Sale of television, drama and film production	**33,295**	20,024
Revenue from artistic performance and sponsorship revenue	**33,841**	20,255
Talent management service income	**599**	1,554
Costume, make-up and props services	**2,424**	1,116
Others	**3,494**	2,783
	73,653	45,732

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

29 REVENUE (CONTINUED)

A disaggregation of the Group's revenue for the year is as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Timing of revenue recognition:		
At a point in time	**40,967**	34,352
Over time	**32,686**	11,380
	73,653	45,732

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sale of television, drama and film production and concert as at the end of the reporting period is:

	Group	
	2023	**2022**
	$'000	**$'000**
Performance obligations that are unsatisfied (or partially unsatisfied)	**16,586**	6,279

Management expects that full amount will be recognised as revenue during the next operating cycle.

30 OTHER INCOME

	Group	
	2023	**2022**
	$'000	**$'000**
Interest income	**387**	279
Interest income on film investment funds advanced to outside parties (Note 9)	**176**	116
Gain on derecognition of financial assets at FVTPL (Note 12)	**2,929**	–
Gain on structured deposits	**2**	3
Gain on early termination of right-of-use assets	**–**	22
Government grant[(i)]	**1,284**	5,658
Rental income from film set	**799**	588
Service income	**287**	–
Reversal of allowance for expected credit losses	**–**	384
Others	**327**	45
	6,191	7,095

(i) The government grants received by the Group mainly relate to grants for production of dramas under the TV program and film production business segment and grants from government relief schemes.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

31 OTHER EXPENSES

	Group	
	2023	**2022**
	$'000	**$'000**
Allowance for expected credit losses	**6,554**	–
Amortisation of rights to the film sets (Note 17)	**629**	625
Bad debts written-off	**8**	15
Donation	**540**	140
Fair value loss on financial assets at FVTPL (Note 12)	**126**	145
Film set operating expenses (Note 17)	**578**	342
Net foreign currency exchange loss	**4,000**	8,824
Impairment loss on film sets (Note 17)	**15**	143
Impairment loss on investment in joint venture (Note 20B)	**25**	–
Loss on derecognition of financial assets at FVTPL (Note 12)	**–**	200
Written-off of inventories	**59**	2
Written-off of plant and equipment	**–**	8
Written-off of film and drama production in progress (Note 13A)	**1,679**	–
Others	**275**	219
	14,488	10,663

32 FINANCE COSTS

	Group	
	2023	**2022**
	$'000	**$'000**
Interest expense on:		
Lease liabilities	**209**	221
Discounted notes receivable (Note 8)	**393**	155
Endorsed notes receivable (Note 8)	**7**	–
Borrowings	**1,843**	856
Advance receipts from joint operator (Note 21)	**62**	446
Factoring facility (Note 8)	**14**	–
Investment fund from investor (Note 22A)	**48**	–
Other finance cost	**49**	23
	2,625	1,701

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

33 INCOME TAX CREDIT

	Group	
	2023	**2022**
	$'000	**$'000**
Tax expense comprises:		
Current tax		
– Current year	**561**	151
– (Over) Under provision of prior year tax	**(93)**	30
Deferred tax (Note 18)		
– Current year	**(1,571)**	(864)
– Overprovision of prior year tax	**(108)**	(74)
Withholding tax	**52**	96
Total	**(1,159)**	(661)

Under the current laws of the Cayman Islands, there is no corporate income tax or capital gains tax. Accordingly, the Company is not subject to tax on its income or capital gains. In addition, there is no withholding tax on dividends in the Cayman Islands. Therefore, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed. The Company is regarded as a tax resident in Singapore on the basis that its control and management for the financial year 2023 and 2022 was exercised in Singapore.

The Company's subsidiaries incorporated in other jurisdictions were subject to income tax charges calculated according to the tax laws enacted or substantially enacted in the countries where they operate and generate income.

The statutory tax rates for subsidiaries in Malaysia, Australia and the PRC were 24%, 30% and 25%, respectively.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

33 INCOME TAX CREDIT (CONTINUED)

The total charge for the year can be reconciled to the accounting profit by applying the Singapore income tax rate of 17% as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Loss before income tax	**(10,970)**	(11,142)
Income tax credit calculated at 17%	**(1,865)**	(1,894)
Effect of expenses that are not deductible in determining taxable profit	**496**	718
Effect of income not taxable in determining taxable profit	**(177)**	(263)
Stepped income exemption	**(34)**	(17)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**1,423**	1,407
Effect of previously unrecognised tax losses and capital allowance now recognised as deferred tax assets	**(12)**	–
Effects of different tax rate of subsidiaries operating in other jurisdictions	**(848)**	(952)
Utilisation of deferred tax benefit not recognised in the prior years	**(9)**	–
Others	**16**	288[i]
Withholding tax	**52**	96
	(958)	(617)
Overprovision of prior year tax – net	**(201)**	(44)
Income tax credit	**(1,159)**	(661)

(i) During the financial year ended 31 December 2022, this is mainly related to the tax expense recognised on deferred income representing government grant received for a film production in progress (Note 21).

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

34 LOSS FOR THE YEAR

Loss for the year has been arrived at after (crediting) charging:

	Group	
	2023	**2022**
	$'000	**$'000**
Gain on early termination of right-of-use assets	**–**	(22)
Gain on structured deposits	**(2)**	(3)
(Gain) Loss on derecognition of financial assets at FVTPL	**(2,929)**	200
Government grants	**(1,284)**	(5,658)
Interest income	**(563)**	(395)
Allowance (Reversal of allowance) for expected credit losses	**6,554**	(384)
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	**631**	2,061
Amortisation of intangible assets	**683**	701
Bad debts written-off	**8**	15
Cost of defined contribution plans included in employee benefits expense	**626**	863
Cost of television, drama and film production recognised as cost of sales	**25,729**	15,356
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	**373**	404
Depreciation of plant and equipment recognised in administrative expenses, selling and general expenses and other expenses	**959**	798
Depreciation of right-of-use assets	**1,834**	2,000
Employee benefits expense	**9,209**	11,088
Expenses relating to leases of low value assets	**1**	1
Expenses relating to short-term leases	**36**	130
Fair value loss on financial assets at FVTPL	**126**	145
Impairment loss of intangible assets	**15**	143
Impairment loss of investment in joint venture	**25**	–
Interest expense	**2,625**	1,701
Net foreign currency exchange loss	**4,000**	8,824
Written-off of films and drama production in progress	**1,679**	181
Written-off of inventories	**59**	2
Written-off of plant and equipment	**–**	8
Audit fees:		
– auditors of the company and Deloitte network firms	**571**	591
– other auditors	**1**	-
Total audit fees:	**572**	591
Non-audit fees:		
– auditors of the company and Deloitte network firms	**75**	43
– other auditors	**1**	-
	76	43
Aggregate amount of fees paid or payable to auditors	**648**	634

The total cash outflow for leases amount to $2,272,000 (2022: $1,636,000) for the financial year ended 31 December 2023.

During the financial year, the total employee benefits expense incurred of $9,533,000 (2022: $11,535,000) and recognised in profit or loss is $9,209,000 (2022: $11,088,000). During the financial year, total employee benefit expenses incurred of $324,000 (2022: $447,000) is capitalised in the line item "films and drama productions in progress".

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

35 DEFINED CONTRIBUTION PLANS

The employees of the Group are members of state-managed retirement benefit plans, operated by relevant governmental authorities in those countries. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

During the financial year, the total expense of $669,000 (2022: $911,000) was incurred and expense of $626,000 (2022: $863,000) was recognised in the profit or loss. At the end of reporting period, total expense incurred of $43,000 (2022: $48,000) was capitalised in the line item “films and drama productions in progress”.

As at 31 December 2023, contributions of $85,000 (2022: $90,000) due in respect of current financial year had not been paid over to the plans, which was included in the “trade and other payables” line item in the consolidated statement of financial position. The amounts were paid subsequent to the end of the reporting period.

36 SEGMENT INFORMATION

The Group’s chief operating decision-maker (“CODM”) comprises the Chief Executive Officer, Executive Directors, Chief Financial Officer, and the heads of each business within the operating segment. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of services provided.

The Group has 4 reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different services and are managed separately because they require different marketing strategies. For each of the strategic business units, the CODM reviews the internal management report on periodic basis.

The following describes the operations in each of the Group’s reportable segments:

Segment	**Principal activities**
Television Program and Film Production	Production of dramas and films and script production.
Concert Production	Provision of Concert Organisation and Concert Management, sponsorship income and rental of concert equipment.
Talent Management Services	Participation and engagement of the artistes managed by the Group in the projects and events which are produced by the Group as their talent management agency on a project basis.
Costumes, Props and Make-up Services	Provision of costumes, props and make up services to artists and third-party production companies.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

36 SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

	Group For the year ended 31 December 2023			
	Television Program and Film Production $'000	**Concert Production $'000**	**All Other Segments $'000**	**Total $'000**
Revenue	**34,504**	**33,841**	**9,676**	**78,021**
Inter-segment elimination	**(1,209)**	**–**	**(3,159)**	**(4,368)**
	33,295	**33,841**	**6,517**	**73,653**
Gross profit	**6,652**	**9,062**	**2,977**	**18,691**
Inter-segment elimination	**914**	**2,123**	**(3,144)**	**(107)**
	7,566	**11,185**	**(167)**	**18,584**
Other income				**6,191**
Share of result from associate				**(39)**
Share of result from joint venture				**(344)**
Administrative expenses				**(13,074)**
Selling and distribution expenses				**(5,175)**
Other expenses				**(14,488)**
Finance costs				**(2,625)**
Loss before tax				**(10,970)**
Income tax credit				**1,159**
Loss for the year				**(9,811)**

	Group For the year ended 31 December 2022			
	Television Program and Film Production $'000	**Concert Production $'000**	**All Other Segments $'000**	**Total $'000**
Revenue	20,058	20,255	9,733	50,046
Inter-segment elimination	(34)	–	(4,280)	(4,314)
	20,024	20,255	5,453	45,732
Gross profit	4,543	8,902	3,876	17,321
Inter-segment elimination	125	–	(3,197)	(3,072)
	4,668	8,902	679	14,249
Other income				7,095
Share of result from associate				(50)
Share of result from joint venture				(296)
Administrative expenses				(13,367)
Selling and distribution expenses				(6,409)
Other expenses				(10,663)
Finance costs				(1,701)
Loss before tax				(11,142)
Income tax credit				661
Loss for the year				(10,481)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

36 SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

Segment assets and liabilities are not reported to the board of directors of the Company.

All other segments include but not limited to talent management services, and costumes, props and make-up services.

Revenue reported above represents revenue generated from external customers. There were inter-segment sales for the financial year ended 31 December 2023 and 2022 of $4,368,000 and $4,314,000 respectively.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of other income, share of result from associate, administrative expenses, selling and distribution expenses, other expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Revenue from major products and services

The Group's revenue from its major products and services are disclosed in Note 29.

Geographical information

Geographically, management reviews the performance of the businesses in Singapore, Australia, China, Malaysia and Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers' operations. Non-current assets other than goodwill, investment in associate, investment in joint venture, and deferred tax assets are based on the geographical location of the assets.

	Revenue from external customers	
	2023	**2022**
	$'000	**$'000**
Singapore	**59**	20,474
Thailand	**19,709**	–
Australia	**8,279**	–
China	**40,326**	25,258
Malaysia	**5,280**	–
	73,653	45,732

	Non-current assets	
	2023	**2022**
	$'000	**$'000**
Singapore	**1,622**	1,280
China	**10,065**	8,292
Malaysia	**1,040**	1,302
	12,727	10,874

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

36 SEGMENT INFORMATION (CONTINUED)

Information on major customers

The revenue from customers individually contributed over 10% of total revenue of the Group during the periods are as follows:

	Group	
	2023	2022
	$'000	$'000
Customer A	**32,692**	10,706
Customer B	**–**	5,040

37 LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	Group	
	2023	2022
	$'000	$'000
Loss for the year attributable to the owners of the Company	**(9,664)**	(9,382)
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted loss per share	**1,068,742**	1,070,635
Basic and diluted loss per share (cents)	**(0.90)**	(0.88)

The fully diluted loss per share and basic loss per share for the financial years ended 31 December 2022 and 31 December 2023 are the same because the Group does not have any dilutive instruments.

38 LEASE ARRANGEMENTS

At the reporting date, the Group is committed to $36,000 (2022: $124,000) for short-term leases.

39 DIVIDENDS

During the year ended 31 December 2022, the Company declared and paid a tax-exempt final dividend of 0.10 Singapore cents per share in respect of the financial year ended 31 December 2021 amounting approximately $1,070,000 representing approximately 30% of the Group's net profit after tax for the financial year ended 31 December 2021.

During the year ended 31 December 2023, the Company declared and paid a tax-exempt final dividend of 0.10 Singapore cents per share in respect of the financial year ended 31 December 2022 amounting approximately $1,069,000.

Subject to the approval of Shareholders at the forthcoming annual general meeting, the directors propose the payment of a tax-exempt final dividend of 0.10 Singapore cents per share in respect of the financial year ended 31 December 2023 amounting to approximately $1,069,000 for the financial year ended 31 December 2023 out of share premium, in accordance with Cayman Companies Act and the Company shall be able to pay its debts as they fall due in the ordinary course of business, following the date on which this final dividend is proposed to be paid. As at the date of these consolidated financial statements, this final dividend has not yet been paid and is not accrued as a liability for the current financial year in accordance with SFRS(I) 1-10 *Events After the Reporting Period*.

40 EVENTS AFTER THE REPORTING PERIOD

Other than those disclosed elsewhere in the financial statements, events after the reporting period include the following:

The "China Tournament January 2024" Soccer Tournament Update

During the year ended 31 December 2023, a collaboration fee and service fees were paid to Al Nassr and third parties respectively for the China Tournament January 2024 (Note 9(iv)(a)). The soccer tournament was scheduled to take place on 24 January 2024 and 28 January 2024 in Shenzhen, PRC.

The Group was informed on 24 January 2024 that Cristiano Ronaldo, who is the registered first team player of Al Nassr in the 2023 – 2024 season, was injured and not fit to play in the soccer tournament. Accordingly, the soccer tournament, on such scheduled dates, were cancelled.

As at date of these consolidated financial statements, the Group is in discussions with the relevant parties involved in the organisation of the soccer tournament following the cancellation of the soccer tournament on the scheduled dates (the "Tournament Cancellation"), including ongoing discussions with Al Nassr on the terms of a supplemental agreement. It is envisaged that the soccer tournament will be postponed to the second half of 2024 ("Replacement Tournament").

The Group expects estimated losses of RMB94.0 million (approximately $17.9 million) for the financial year ending 31 December 2024, being the Group's share of the losses for the soccer tournament in accordance with the pre-agreed specified percentage with investors (Note 22A) and from the collaboration fee paid to Al Nassr and other related costs arising from the Tournament Cancellation and assuming no Replacement Tournament is held.

CORPORATE GOVERNANCE REPORT

G.H.Y Culture & Media Holding Co., Limited (the "**Company**" and together with its subsidiaries and its PRC Affiliated Entities[1], the "**Group**") and the Board of Directors (the "**Board**") and management of the Company strive to maintain high standards of corporate governance, to promote greater transparency and to protect the interests of Shareholders. The Board's commitment to good corporate governance practices is essential for Directors to discharge their corporate and fiduciary responsibilities, and is fundamental to the enhancement of long-term shareholders' value.

The Board has taken steps to align the Group's corporate governance framework with the principles and provisions set out in the Code of Corporate Governance 2018 (the "**Code**") since the listing of the Company on the Mainboard of Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 18 December 2020. Where there are deviations from the provisions of the Code, an explanation has been provided in this report, which includes the reason for the variation, as well as the practices adopted to which are consistent with the relevant principle of the Code.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board is responsible for the overall performance of the Group. The Board sets the strategic direction and vision of the Group and directs the overall strategy, policies, and business plans of the Group, as well as oversees the stewardship and allocation of the Group's resources.

Provision 1.1 – Principal functions of the Board

The Board's objective is to achieve sustained value creation for all Stakeholders. It sets the appropriate tone-from-the-top for the proper conduct of the Group's businesses and affairs, the organisational culture, ethics and code of conduct to ensure proper accountability within the Group. As at the date of this report, the Board is made up of the following members:

Executive Directors:
Mr. Guo Jingyu (Executive Chairman and Group Chief Executive Officer ("**CEO**"))
Ms. Yue Lina
Ms. Wang Qing*

Non-Independent and Non-Executive Directors:
Mr. Yang Jun Rong*
Ms. Zeng Yingxue

Independent Directors:
Mr. Yeo Guat Kwang (Lead Independent Director)*
Mr. Ang Chun Giap
Mr. Chen Mingyu
Dr. Jiang Minghua
Mr. Li Qi
Mr. Shamsul Kamar Bin Mohamed Razali

1 Entities which the Group is conferred operational control and economic rights over, and the Group is able to exercise control over the business operations of such entities and enjoy substantially all the economic rights arising from the business of such entities. The Group regards each PRC Affiliated Entity as a controlled structured entity and consolidates the financial positions and results of operations of the PRC Affiliated Entities in the financial statements of the Group.

CORPORATE GOVERNANCE REPORT

Notes:

* The indicated Directors will be retiring at the forthcoming AGM and will not be seeking re-election. Following the retirement of the indicated Directors and subject to the re-election of retiring Directors who are seeking re-election at the AGM, the Board and Board Committees will be reconstituted with effect from the close of the AGM in the manner set out on page 130 below and as announced on SGXNet on 12 March 2024.

The Board comprises Directors from diverse business, industry, management, and financial backgrounds. The Directors bring with them a wide spectrum of skills, experience, expertise and perspectives to effectively lead and direct the Group. The diversity of the Directors' experience enables meaningful exchange of ideas and views in the development of the Group's strategy and performance. The profiles of the Directors are set out under Board of Directors section of this Annual Report.

The principal functions of the Board include, but are not limited to, the following:

- reviewing and approving Board policies, strategies and financial objectives for the Group and supervising, monitoring and reviewing the performance of the management team;

- overseeing the processes for evaluating and assessing the adequacy of internal controls and risk management (including financial, operational and compliance risk areas identified by the Audit and Risk Management Committee that need to be strengthened), recommending actions to be taken to address and monitor areas of concern, and establishing and maintaining a sound risk management framework to effectively monitor and manage risks;

- deciding on matters in relation to the Group's activities which are of a significant nature, including approving major funding proposals, investment and divestment proposals including merger and acquisition transactions and timely announcements of material transactions;

- approving matters such as half-year and full year results announcements and appointment of directors and key management personnel, and recommending the declaration of dividends;

- setting of the Group's value and standards (including ethical standards), and ensuring transparency and accountability to Shareholders and other Stakeholders; and

- assuming responsibility for corporate governance and considering sustainability issues (including environmental and social factors) as part of the Company's overall strategy.

Directors are cognisant of their fiduciary duties at law. All Directors are expected to objectively discharge their duties and responsibilities as fiduciaries, take decisions in the best interests of the Company at all times and ensure proper accountability within the Group, including complying with the requirements of the SGX-ST Listing Manual, the Company's internal guidelines and policies, and other applicable laws and regulations, from time to time. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself/herself from discussions and refrain from exercising any influence over other members of the Board. Where such participation is permitted, the conflicted Director will participate only for an appropriate period during the discussions to allow full and frank exchange with the other Directors. In any event, the conflicted Director will abstain from the decisions involving the issues of conflict.

The Board has implemented a code of conduct and ethics which the Group's employees are required to observe. The code of conduct and ethics embodies the ethical standards of the Group and the Group's commitment to conduct its businesses in accordance with all the ethical standards of the Group, laws, rules and regulations applicable from time to time and provides a communicable and understandable framework for all Directors and the Group's employees to observe the principles of honesty, integrity, responsibility and accountability at all levels of the organisation and in their relationships with customers, suppliers and amongst employees, including situations where there are potential conflict of interests.

CORPORATE GOVERNANCE REPORT

Provision 1.2 – Directors' orientation and training

The Group encourages Directors to receive regular training and updates on relevant laws and regulations and to participate in conferences, seminars or any training programmes to equip themselves with the relevant knowledge to discharge their responsibilities in an effective and efficient manner.

Newly appointed Directors are briefed on his/her roles, duties, obligations, responsibilities and expectations, and receive orientation and training, if necessary, to familiarise themselves with the Group's business activities, strategic direction and the regulatory environment in which the Group operates in, as well as their statutory and other duties and responsibilities as Directors. Directors are provided with extensive background information on the Group's corporate structure, history, industry-specific knowledge, mission, and values. Directors are also briefed on the key audit matters in the auditors' report and receive quarterly updates on the strategic development of the Group.

The Board is also kept updated on the relevant amendments and/or requirements of the SGX-ST, including the SGX-ST Listing Manual and the Code, and other statutory and regulatory requirements and key changes in financial reporting standards from time to time. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority which are relevant to the Directors are circulated to the Board.

Newly appointed Directors are given letters explaining the terms of their appointment as well as their duties and obligations. The Company arranges for any new Director with no prior experience of serving as a director in a listed company ("**First-time Director**") to attend appropriate courses, conferences or seminars, including the mandatory training conducted by the Singapore Institute of Directors in accordance with the SGX-ST Listing Manual or other training institutions in areas such as accounting, legal and industry-specific knowledge, at the expense of the Company, unless the First-time Director has been assessed by the Nominating Committee to possess relevant experience. In assessing whether the First-time Director has the relevant experience, the Nominating Committee will consider whether the experience is comparable to the experience of a person who has served as a director of an issuer listed on the SGX-ST, and the Nominating Committee will disclose the reasons for such assessment in the Company's announcement of the First-time Director's appointment as director of the Company.

Provision 1.3 – Matters for Board Approval

The Group has formalised a set of internal guidelines for matters reserved for the Board's approval and which have been clearly communicated to the management in writing. The following is an extract of some of these matters:

a. corporate restructuring;

b. mergers and acquisitions;

c. investments and divestments;

d. acquisitions and disposals of assets;

e. major corporate policies on key areas of operations;

f. acceptance of bank facilities;

g. the Group's half-yearly and full year results announcements;

h. recommendation and declaration of dividends;

i. convening of general meetings;

j. material regulatory matters or litigation;

k. appointment of Directors and key management personnel;

l. compliance matters associated with the SGX-ST Listing Manual and other relevant laws and regulations; and

m. interested person transactions.

In addition, there is a formalised delegation of authority matrix that sets out financial approval limits for the Board and the management team of the Group regarding operational expenditure, capital expenditure, investments, financial costs and cheque signatory arrangements.

Provision 1.4 – Board Committees

The Board is supported by 3 Board Committees: namely, the Audit and Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). These Board Committees function within clearly defined and written terms of reference (which sets out their respective duties, authority, responsibilities and accountability to the Board) and operating procedures, and they play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed by the Board on a regular basis to enhance the effectiveness of the Board Committees. The terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees, can be found in the subsequent sections of this report.

All committees are chaired by an Independent Director. The ultimate responsibility for the final decision on all matters, however, lies with the Board, and all matters discussed at the Board Committees' meetings are presented and reported to the Board for approval prior to its implementation.

The compositions of the Board Committees as at the date of this report are as follows:

Designation	**Audit and Risk Management Committee**	**Nominating Committee**	**Remuneration Committee**
Chairman	Mr. Ang Chun Giap	Mr. Yeo Guat Kwang* (Lead Independent Director)	Mr. Chen Mingyu
Member	Dr. Jiang Minghua	Mr. Guo Jingyu	Mr. Yeo Guat Kwang*
Member	Mr. Chen Mingyu	Dr. Jiang Minghua	Mr. Shamsul Kamar Bin Mohamed Razali
Member	–	–	Mr. Li Qi

* Following the retirement of Mr Yeo Guat Kwang at the forthcoming AGM and subject to the re-election of the retiring Directors, with effect from the close of the AGM:

a) Mr Chen Mingyu will be re-designated as Lead Independent Director;

b) Mr Chen Mingyu will be appointed as the Chairman of the Nominating Committee;

c) Mr Chen Mingyu will step down as Chairman of the Remuneration Committee but will remain as a member of the Remuneration Committee; and

d) Mr Li Qi will be appointed as the Chairman of the Remuneration Committee.

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Consequent to the above changes and subject to the re-election of the retiring Directors, the composition of the Board Committees shall be reconstituted as follows with effect from the close of the Annual General Meeting ("**AGM**"):

Designation	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
Chairman	Mr. Ang Chun Giap	Mr. Chen Mingyu (Lead Independent Director)	Mr. Li Qi
Member	Dr. Jiang Minghua	Mr. Guo Jingyu	Mr. Chen Mingyu
Member	Mr. Chen Mingyu	Dr. Jiang Minghua	Mr. Shamsul Kamar Bin Mohamed Razali

Provision 1.5 – Board meetings, attendance, and multiple commitments

The Board schedules at least 2 meetings a year to coincide with the announcements of the Group's half-year and full year financial results. Additional meetings are convened as and when they are deemed necessary to address significant transactions or issues that may arise in between the scheduled meetings. The Board is free to seek clarification and information from the management on all matters within their purview. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

Where a physical Board meeting is not possible, the Company's Articles of Association and the terms of reference for each Board Committee provide for meetings to be held via telephone, electronic or other communication facilities which permit all persons participating in meetings to communicate with each other simultaneously and instantaneously. Matters concerning the Group requiring approval of the Board are also put to the Board for its decision by way of written resolutions.

In FY2023, the Board convened 3 meetings, the ARMC convened 3 meetings, the NC convened 2 meetings and the RC convened 2 meetings, respectively. The Board members were either present at the meetings in person or via teleconference. The table below shows the attendance of the Directors at the Board and respective Board Committee meetings in FY2023[1].

Name of Director	Board		Audit and Risk Management Committee		Nominating Committee		Remuneration Committee	
	Number of Meetings		Number of Meetings		Number of Meetings		Number of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Guo Jingyu	3	3	3	0	2	2	2	0
Yue Lina	3	3	3	0	2	0	2	0
Wang Qing	3	3	3	2[2]	2	1[2]	2	1[2]
Yang Jun Rong	3	2	3	0	2	0	2	0
Yeo Guat Kwang	3	2	3	0	2	2	2	2
Ang Chun Giap	3	3	3	3	2	0	2	0
Chen Mingyu	3	3	3	3	2	0	2	2
Jiang Minghua	3	3	3	3	2	2	2	0
Shamsul Kamar Bin Mohamed Razali	3	3	3	0	2	0	2	2
Li Qi	3	2	3	0	2	0	2	2
Zeng Yingxue	3	2	3	0	2	0	2	0

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Notes:

(1) Refers to the number of meetings held/attended while each Director was in office.

(2) By invitation.

The Board Meetings and Board Committee meetings were attended by all the Directors and the relevant Board members, respectively, save where the Directors have abstained from attending due to conflict of interest or were unable to attend due to scheduling conflicts. During the meetings, members of the Board and the respective Board Committees deliberated and approved the new policies to be implemented, the unaudited half-year and full year results of the Group and various other matters. The external and internal auditors of the Company and the Company Secretaries were invited to join the relevant meetings.

Provision 1.6 – Access to information

The Board is furnished with complete, detailed and timely information concerning the Group prior to Board and Board Committee meetings and on an ongoing basis, to enable them to be fully apprised of conditions and other factors affecting the Group's operations and to understand the decisions and actions of the management. All Directors have unrestricted access to the Group's management and information. From time to time, the Independent Directors may meet with the management team to conduct ad-hoc discussions on the Group's business and operational matters. The relevant management staff may also be invited to attend Board meetings, as and when appropriate, to provide additional insight to matters raised, and to respond to any queries that the Board members may have.

The management provides Board members with detailed Board papers containing complete and timely information before each meeting of the Board and the Board Committees. Such Board papers and any other relevant documents are circulated to all Board members before the meetings. The management provides periodic financial and corporate information, performance of the individual divisions within each business segment and management proposals to enable the Directors to make informed decisions on issues to be considered at Board meetings.

Directors may request for further explanations, briefings or discussions on any aspect of the Group's operations or business from the management team. When circumstances require, the Board members may also exchange their views outside the formal environment of Board meetings.

Provision 1.7 – Access to Management, Company Secretary and External Advisers

The Company Secretaries and/or their representatives attend the Board and Board Committee meetings. The roles of the Company Secretaries have been formally established in the letter of engagement with the Company. The Company Secretaries are responsible for advising the Board on governance matters, facilitating the orientation of new Directors and keeping the Board updated on any relevant regulatory changes. The Company Secretaries also ensure that established procedures and all relevant rules and regulations that are applicable to the Group are complied with.

The appointment and the removal of the Company Secretaries shall be decided by the Board as a whole.

The Board has separate and independent access to the management team and the Company Secretaries at all times. The Directors are aware that they may direct the Company to appoint external advisers in order for the Board or the Independent Directors to seek independent legal and other professional advice, at the Company's expense, in order to discharge the responsibilities effectively, as and when necessary.

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Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1 – Board independence

The Board comprises 11 members as at the date of this report, of which the Independent Directors are Mr. Yeo Guat Kwang, Dr. Jiang Minghua, Mr. Ang Chun Giap, Mr. Chen Mingyu, Mr. Shamsul Kamar Bin Mohamed Razali and Mr. Li Qi.

The profile of each Director may be found on pages 4 to 7 of the Annual Report.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required annually to complete a checklist to confirm his independence. The checklist is drawn up based on the definitions and guidelines provided in the Code and the SGX-ST Listing Manual, and requires each Director to assess whether he or considers himself independent despite not having any of the relationships identified in the Code. The Directors are also required to disclose to the Board any such relationships as and when they arise. If the Board determines that a Director is independent notwithstanding the existence of such relationships or circumstances which might suggest otherwise, the Board will provide its reasons.

The NC adopts the Code's definition of what constitutes an "Independent" Director in its review. An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. Thereafter, the NC reviews the checklist completed by each Independent Director, assesses the independence of the Independent Directors and recommends its assessment to the Board. There is no Independent Director who has served the Board for an aggregate period of more than 9 years.

The NC, with the concurrence of the Board, is of the view that no individual or small group of individuals dominates the Board's decision-making process. The NC has reviewed the independence of the Independent Directors, and is satisfied that the Independent Directors, Mr. Yeo Guat Kwang, Dr. Jiang Minghua, Mr. Ang Chun Giap, Mr. Chen Mingyu, Mr. Shamsul Kamar Bin Mohamed Razali and Mr. Li Qi are independent in accordance with the Provision 2.1 of the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. Each of the Independent Directors abstained from the discussions and voting in respect of their own independence.

The Independent Directors offer alternative views to the Group's business and corporate activities and bring objective judgement to bear on business activities as well as transactions involving conflicts of interest and other complexities.

Provisions 2.2, 2.3 and 2.4 – Board composition and diversity

The Independent and Non-Executive Directors make up a majority of the Board. No alternate Director has been appointed. The composition of the Board complies with Provision 2.2 of the Code as Independent Directors make up a majority of the Board where the Chairman of the Board is not independent, and complies with Provision 2.3 of the Code as Non-Executive Directors make up a majority of the Board.

The Directors have given due consideration to the size and composition of the Board. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective and informed decision-making. The Board, in concurrence with the NC, considers the present Board size appropriate and effective, taking into the account the size, scope and nature of the Group's operations.

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The Company has also adopted the Board Diversity Policy which provides that, in reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including diversity of skills, professional experience and knowledge, gender, age, ethnicity and culture and educational background, tenure of service and other relevant factors. These differences and additional measurable objectives will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, extensive experience, and knowledge which the Board as a whole requires to be effective. Diversity is a key criterion in the instructions to external search consultants.

In recognition of the importance and value of gender diversity in the composition of the Board, the Board considered diversity in the appointment of the Directors when it was listed on the Mainboard of the SGX-ST on 18 December 2020 and continues to consider diversity in its subsequent appointments of Directors. The current Board comprises 3 female Directors and 8 male Directors, with Ms. Yue Lina and Ms. Wang Qing appointed as the Executive Directors of the Company and Ms. Zeng Yingxue appointed as a Non-Independent and Non-Executive Director of the Company. After the forthcoming AGM and if the Directors seeking re-election are re-elected, the Board will comprise 2 female Directors, upon the retirement of Ms Wang Qing, and 6 male Directors, upon the retirement of Mr Yang Jun Rong and Mr Yeo Guat Kwang. Each Director has been appointed based on the strength of his/her calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. The Board, in concurrence of the NC, is of the view that the Directors possess the necessary competencies to provide the management with diverse and objective perspectives on issues so as to lead and govern the Company effectively.

The Group's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are described below:

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets
To have at least 2 female Directors on the Board during the period leading up to 2026. The Group believes in achieving an optimum mix of men and women on the Board to provide different approaches and perspectives.	Achieved – As at 31 December 2023, 3 out of 11 Directors are female. This represents approximately 27.3% of the Board.
To ensure that the Directors, as a group, possess: (a) a variety of skill sets, including in core competencies, domain knowledge and other fields of expertise, such as finance, tax among others; and (b) a mix of industry experience, management experience, business acumen and listed company board experience, in particular on sustainability matters and ESG matters, by 2026, or (if applicable) to maintain such level of diversity in skill sets and experience during the period leading up to 2026. The Group believes that diversity in skill sets would support the work of the Board and Board Committees and needs of the Company, and that an optimal mix of experience would help shape the Company's strategic objectives and provide effective guidance and oversight of management and the Group's operations.	In Progress – As at 31 December 2023, the Board comprises Directors with a variety of skills and expertise in areas including finance and tax among others. In terms of experience, the Board comprises Directors who collectively have experience in general business management, have served on public listed company boards and have international or regional experience. In terms of industry experience, the Directors collectively have exposure in various sectors and markets, including the China market among others. The Board will identify opportunities to strengthen certain skill sets of the Board in particular on sustainability matters and ESG matters.

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Provision 2.5 – Non-Executive Directors and/or Independent Directors meet regularly without the presence of management

Non-Executive and/or Independent Directors contribute to the Board process by monitoring and reviewing the management's performance against the goals and objectives of the Group. Independent Directors fulfil a pivotal role in corporate accountability and their views and opinions provide alternative perspectives to the Group's business. When challenging management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities.

The Independent Directors meet without the presence of the management as and when required. The Chairman of such meetings provides feedback to the Board and/or the Chairman, as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 – Separation of the role of the Chairman and the CEO

The Board notes that Provision 3.1 of the Code requires the Chairman and CEO to be separate persons in order to ensure an appropriate balance of power, increased accountability and greater capacity of the Board's independent decision making. Presently, the Chairman of the Board, Mr. Guo Jingyu, is also the Group CEO.

The Board believes that there is a strong independent element on the Board which enables the Board to exercise independent decision-making separate from the management. The Independent Directors are also encouraged to constructively challenge and help develop proposals on strategy. Their views and opinions provide alternative perspectives to the Group's business. As at date of this report, as recommended by Provision 3.3 of the Code, a Lead Independent Director, Mr. Yeo Guat Kwang, has been appointed and a majority of the Board's composition is occupied by Independent Directors. Following the retirement of Mr. Yeo Guat Kwang at the forthcoming AGM and subject to re-election of Mr. Chen Mingyu, Mr Chen Mingyu, who is currently an Independent Director of the Board, will be re-designated as the Lead Independent Director with effect from the close of the AGM. In addition, the ARMC, NC and RC comprise either fully or a majority of Independent Directors. Each of the ARMC, NC and RC are also chaired by Independent Directors. The Board believes that the Independent Directors have demonstrated a high level of commitment in their roles as Directors and have ensured that there is a good balance of power and authority on the Board.

Provision 3.2 – Role of the Chairman and the CEO

As Chairman of the Board, Mr. Guo Jingyu bears primary responsibility for the workings of the Board by ensuring effectiveness in all aspects of its role, including setting the agenda for Board meetings and ensuring that the Directors receive complete and adequate information. Although the roles and responsibilities of the Chairman and the CEO are vested in Mr. Guo Jingyu, the Board believes that the current composition of the Board is able to make an objective and prudent judgement of the Group's corporate affairs separate from the management and that there are sufficient safeguards and checks to ensure that the Board's decision making process is independent and based on collective decisions without any individual or small group of individuals exercising any unfettered or considerable concentration of power or influence.

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With the establishment of various Board Committees who have power and authority to perform key functions and to put in place internal controls for effective oversight of the Group's business, the Board is of the view that these arrangements enable the Board to exercise objective decision-making in the interests of the Group. The Board, with the concurrence of the NC, believes that Mr. Guo Jingyu's dual role as Executive Chairman and Group CEO allows for more effective planning and execution of long-term business strategies as he is knowledgeable in the business of the Group and provides the Group with strong and consistent leadership. Mr. Guo Jingyu plays an instrumental role as the Group CEO in (i) formulating the overall business and corporate policies and strategies of the Group; (ii) managing the overall business and operations of the Group; and (iii) overseeing the Group's overall business development. Given the foregoing, the Board believes that there is no need for the roles of the Chairman and the CEO to be separated for the Company.

Provision 3.3 – Lead Independent Director

Taking cognisance of the non-separation of the roles of the Chairman of the Board and the CEO, as at date of this report, the Board has in the spirit of good corporate governance, appointed Mr. Yeo Guat Kwang as the Lead Independent Director to represent the views of Independent Directors and to facilitate a two-way flow of information between Shareholders, the Chairman and the Board. The Lead Independent Director will be available to Shareholders in the event their concerns are not resolved through the Chairman, the Executive Directors, or for which contact is inappropriate or inadequate. Following the retirement of Mr. Yeo Guat Kwang at the forthcoming AGM and subject to re-election of Mr. Chen Mingyu, Mr Chen Mingyu, who is currently an Independent Director of the Board, will be re-designated as the Lead Independent Director with effect from the close of the AGM.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2 – Composition of the Nominating Committee

The Board has established a NC which consists 3 members, a majority of whom, including the Chairman of the NC, are Independent Directors. The Lead Independent Director, Mr. Yeo Guat Kwang, is a member and the Chairman of the NC. The members of the NC are as follows:

Mr. Yeo Guat Kwang (Chairman)
Mr. Guo Jingyu
Dr. Jiang Minghua

The NC meets at least once a year. The NC is responsible for:

(a) making recommendations to the Board on relevant matters relating to:

   (i) the review of board succession plans for Directors, in particular, the appointment and/or replacement of the Executive Chairman and Group CEO, and key management personnel;

   (ii) the process and objective performance criteria for the evaluation of the performance and effectiveness of the Board as a whole, each Board Committee separately, the contribution by the Executive Chairman and Group CEO and each individual Director;

   (iii) the review of training and professional development programmes for the Board, its Board Committees and the Directors; and

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(iv) the appointment and re-appointment of Directors (including alternate directors, if any), including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates;

(b) reviewing annually whether the Board and the Board Committees are of:

(i) an appropriate size;

(ii) an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company; and

(iii) an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate;

(c) reviewing and determining annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set out in the SGX-ST Listing Manual, the Code and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented);

(d) ensuring that the Directors disclose their relationships with the Company, the related corporations, the Substantial Shareholders or the officers, if any, which may affect their independence and reviewing such disclosures from the Directors and highlighting these to the Board as required;

(e) reviewing the training and professional development programs for the Board, in particular, ensuring that new Directors are aware of their duties and obligations;

(f) reviewing and determining if a Director is able to and has been adequately carrying out his duties as a Director of the Company. Where a Director holds a significant number of listed company directorships and principal commitments which involve significant time commitment (such as a full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and non-profit organisations), providing a reasoned assessment of the ability of the Director to diligently discharge his duties;

(g) reviewing the appointment of the relevant persons as the director and legal representative of the Group's WFOE(s)[2];

(h) reviewing any material amendments to the terms and conditions of the service agreement entered into between the Group and Mr. John Ho in respect of his role as the Group Adviser and the scope of the provision of his services for such role;

(i) in the event that any associate of Mr. John Ho proposes to be a Director or Executive Officer of the Company or the Group, assessing that such relevant associate possesses the relevant experience, expertise, qualification, character and integrity to perform in the proposed role as a Director or Executive Officer and ensuring that an announcement is made on the SGXNet, the web-based platform of the SGX-ST, on the proposed appointment of such relevant associate and the NC's views (including bases), in a timely manner;

(j) setting the objectives for achieving board diversity and reviewing the progress towards achieving these objectives;

2 Refers to wholly-foreign owned enterprises, Tianjin Xinyuan Culture & Broadcast Co., Ltd. and Beijing Xinyuan Culture & Broadcast Co., Ltd., and each a "GHY WFOE".

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(k) reviewing the statements relating to the following matters in the annual reports, with a view to achieving clear disclosure of the same:

  (i) the induction, training and development provided to new and existing Directors;

  (ii) the process for selection, appointment and re-appointment of Directors to the Board, criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates;

  (iii) the Directors' relationships with the Company, the related corporations, the Substantial Shareholders or the officers, if any, which may affect their independence and the reasons of the Board in determining that such Directors are independent notwithstanding the existence of such relationships;

  (iv) the listed company directorships and principal commitments of each Director and the Board's and NC's reasoned assessment of the Director's ability to diligently discharge his duties;

  (v) how the assessments of the Board, the Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of the Directors; and

  (vi) the Board Diversity Policy and progress made towards implementing the Board Diversity Policy, including objectives;

(l) taking into consideration all factors as may be specified in the Code and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented) in carrying out its duties;

(m) reviewing the NC's terms of reference annually and recommending any proposed changes to the Board for approval; and

(n) assuming such other duties (if any) that may be required by law or the SGX-ST Listing Manual and/or the Code (as each may be, from time to time, amended, modified or supplemented).

Provision 4.3: Process for selection, appointment and re-appointment of Directors

When reviewing and recommending the appointment and re-appointment of new Directors, the Board takes into consideration the current Board's diversity, size and mix. The NC has put in place a process for shortlisting, evaluating and nominating candidates for appointment as Directors. The selection and appointment of candidates is evaluated through taking into account various factors including the current and mid-term needs and goals of the Company, as well as the relevant background of the candidates, the key attributes that an incoming Director should have and their potential contributions. Candidates may be put forward or sought through contacts and recommendations by the Directors or through external referrals where applicable. The NC will review and shortlist candidates and provide a recommendation for Board approval.

In accordance with the SGX-ST Listing Manual and the Company's Articles of Association, each Director is required to retire at least once in every 3 years. New Directors who are appointed during the financial year are required to submit themselves for re-election at the next AGM. Mr. Guo Jingyu, Ms. Yue Lina, Ms. Wang Qing, Mr. Yang Jun Rong, Mr. Yeo Guat Kwang, Mr. Ang Chun Giap, Mr. Chen Mingyu and Dr. Jiang Minghua will be retiring at the forthcoming AGM. Mr. Guo Jingyu, Ms. Yue Lina, Mr. Ang Chun Giap, Mr. Chen Mingyu and Dr. Jiang Minghua have indicated their consent to remain in office.

Each member of the NC is required to abstain from voting, approving or making a recommendation on any resolutions of the NC in which he has a conflict of interest in the subject matter under consideration, including participating in deliberations in respect of his re-election as Director (if applicable).

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Provision 4.4 – Independence review of Directors

The task of assessing the independence of the Directors is delegated to the NC which reviews the independence of each Director annually, and as and when circumstances require, having regard to the provisions of the Code and the SGX-ST Listing Manual. Based on the confirmation of independence checklist submitted by the Independent Directors, the NC is of the view that each Independent Director is independent in accordance with the Listing Rule 210(5)(d) as, *inter alia*, the Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past 3 financial years; (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past 3 financial years, and whose remuneration is determined by the RC; or (iii) have not been directors of the Company for an aggregate period of more than 9 years (whether before or after listing).

As described under Principle 2 of this Report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Annually, each Independent Director is required to complete a confirmation of independence checklist to confirm his independence. At the recent NC meeting held in February 2024 (which does not fall in FY2023), the NC has reviewed and is satisfied that the Independent Directors are independent. As at the date of this Report, there is no relationship or circumstance set forth in Provision 2.1 of the Code which puts the independence of the Independent Directors in question.

The Board, after taking into account the views of the NC, determined that Mr. Yeo Guat Kwang, Dr. Jiang Minghua, Mr. Ang Chun Giap, Mr. Chen Mingyu, Mr. Shamsul Kamar Bin Mohamed Razali and Mr. Li Qi are independent.

As at the date of this Report, no alternate Director has been appointed.

Provision 4.5 – Multiple directorships and commitments of Directors

The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Company and in particular to take into account multiple directorships and significant principal commitments held by the Directors. A Director with multiple board representations is expected to ensure that sufficient time and attention is given to the affairs of the Group.

Details of the appointment of the current Directors including date of initial appointment and date of last re-election are set out below:

Name of Director	**Age**	**Date of Initial Appointment**	**Date of Last Re-election**
Guo Jingyu	50	29 May 2018	29 April 2021
Yue Lina	49	23 November 2020	29 April 2021
Wang Qing	45	23 November 2020	29 April 2021
Yang Jun Rong	60	23 November 2020	29 April 2021
Yeo Guat Kwang	63	23 November 2020	29 April 2021
Ang Chun Giap	66	23 November 2020	29 April 2021
Chen Mingyu	61	23 November 2020	29 April 2021
Jiang Minghua	58	23 November 2020	29 April 2021
Shamsul Kamar Bin Mohamed Razali	52	1 February 2022	28 April 2022
Li Qi	63	1 February 2022	28 April 2022
Zeng Yingxue	54	1 February 2022	28 April 2022

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A list of directorships of the Directors of the Board in other listed companies, as well as their principal commitments as at the date of this Report are set out below:

Name of Director	Present Directorships in Other Listed Companies	Principal Commitments (excluding the Company)	
		Present	**Past 5 years**
Guo Jingyu	Nil	• G.H.Y Culture & Media (Singapore) Pte. Ltd. • G.H.Y Culture & Media (Malaysia) Sdn. Bhd. • G.H.Y Culture & Media (Australia) Pty Ltd • G.Yue Culture and Media Limited • Kang Ru Investments Limited • G.Y Media & Entertainment Limited • GHY Culture & Media (IMS) Sdn. Bhd. • GHY Culture & Media (ISK) Sdn. Bhd.	• Tianjin Changxin Film & Media Co., Ltd • Beijing Changxin Film & Media Co., Ltd • Chengde Hengyu Pawn Co. Ltd. • Beijing Perfect Jianxin Film & Culture Co., Ltd. • Chengde Perfect Jianxin Film & Culture Co., Ltd. • Chengde Jianxin Hanzheng Culture & Media Co., Ltd. • Chongqing Perfect Jianxin Film & Culture Co., Ltd.
Yue Lina	Nil	• G.H.Y Culture & Media (Singapore) Pte. Ltd. • Uni-Icon Entertainment Pte. Ltd.	Nil
Wang Qing	Nil	Nil	Nil
Yang Jun Rong	Nil	• JVR Music International Ltd • Eastern Eagle Investment Co., Limited • Sure Legend International Limited • Taiho Holding Ltd • 8 Dimension Corporation • OMusic Co., Ltd • SelvaRey GC Limited • Star Plus Legend Holdings Limited • Balcony International Limited • Legend Key International Limited	• G.H.Y Culture & Media (Singapore) Pte. Ltd. • Dream Started Limited
Yeo Guat Kwang	SIIC Environment Holdings Ltd.(1) Koyo International Ltd.(2)	• SIIC Environment Holdings Ltd. • Koyo International Ltd. • Motorway Automotive Pte. Ltd. • The Place Holdings Limited • Tianjin Pharmaceutical Da Ren Tang Group Corp Ltd.	• Poh Ern Shih

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Name of Director	Present Directorships in Other Listed Companies	Principal Commitments (excluding the Company)	
		Present	Past 5 years
Ang Chun Giap	Nil	• Acevision & Associates PAC • Acevision Management Consultants	• Lian Beng Group Ltd • Acevision Blast & Coat Pte Ltd
Chen Mingyu	Fujian Cosunter Pharmaceutical Co., Ltd[3]	• D&E (Beijing) Business Consulting Co., Ltd • Fujian Cosunter Pharmaceutical Co., Ltd.	Nil
Jiang Minghua	Haoxiangni Health Food Co., Ltd.	• Haoxiangni Health Food Co., Ltd.	• Beijing Fund River Investment Co., Ltd • AVIC Culture Co., Ltd
Shamsul Kamar Bin Mohamed Razali	Advancer Global Limited[4]	• Independent Non-Executive Director, Advancer Global Limited • Member, M3 FA4 Taskforce Workgroup Panel • Adviser to Aljunied GRC GROs (Kaki Bukit) • Chairman, PAP Community Foundation (PCF Kaki Bukit) • Director, Thye Hwa Kwan Moral Charities Limited	• Executive Director, Centre for Domestic Employees, NTUC • Deputy Executive Secretary, Education Services Union • Member, Mendaki Tuition Scheme (MTS) Review Panel
Li Qi	Nil	• Associate Professor, Guanghua School of Management, Peking University	• Associate Professor, Guanghua School of Management, Peking University • Dean of Guanghua School of Management Shenzhen Campus • Dean of Guanghua School of Management Shanghai Campus • Associate Dean of Guanghua School of Management, Peking University • Head of EMBA Program of Guanghua School of Management

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Name of Director	Present Directorships in Other Listed Companies	Principal Commitments (excluding the Company)	
		Present	Past 5 years
Zeng Yingxue	Nil	• Senior Vice President, Perfect World Co., Ltd (A company listed on Shenzhen Stock Exchange) and its subsidiaries (Perfect World Group) • Director, General Manager and Deputy General Manager, Perfect World Pictures Co., Ltd and its subsidiaries	• Chief Financial Officer, Perfect World Holding Co., Ltd. and its subsidiaries • Executive Director, Perfect World Holding Co., Ltd. and its subsidiaries

Notes:

(1) Mr. Yeo Guat Kwang is the Lead Independent Non-Executive Director of SIIC Environment Holdings Ltd.

(2) Mr. Yeo Guat Kwang is the Lead Independent Non-Executive Director of Koyo International Ltd.

(3) Mr. Chen Mingyu is an Independent Director of Fujian Cosunter Pharmaceutical Co., Ltd.

(4) Mr. Shamsul Kamar Bin Mohamed Razali is an Independent Director of Advancer Global Limited.

The Board, with the concurrence of the NC, having considered the confirmations received from Mr. Yang Jun Rong, Mr. Yeo Guat Kwang, Dr. Jiang Minghua, Mr. Ang Chun Giap, Mr. Chen Mingyu, Ms. Zeng Yingxue, Mr. Shamsul Kamar Bin Mohamed Razali and Mr. Li Qi, is of the view that their multiple board representations and/or principal commitments do not hinder them from carrying out their duties as Directors of the Company. The Board and the NC are also satisfied that sufficient time and attention have been accorded by these Directors to the affairs of the Company. The NC is of the view that putting a maximum limit on the number of listed company board representations is arbitrary, given that time requirements for each company vary, and time commitment cannot be objectively determined in all situations.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its Board Committees and Individual Directors.

Provisions 5.1 and 5.2 – Assessment of the Board and the Board Committees

The Board, through the NC, adopts a process to evaluate the effectiveness of the Board as a whole and its Board Committees and the contribution by each individual Director to the effectiveness of the Board. As part of this process, the Directors have completed the respective performance evaluation questionnaires of the Board, the relevant Board Committees and in their capacity as individual Directors, and the findings have been analysed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board, Board Committees and each individual Director.

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The assessment of the Board's performance will focus on a set of performance criteria for the Board's evaluation which includes (a) Board structure, strategy and performance, (b) governance on the Board's risk management and internal controls, (c) information to the Board, (d) Board procedures, (e) the CEO and top management and the Directors' standards of conduct. The performance criteria for each Board Committee focuses on the nature of the respective roles and responsibilities of the ARMC, NC and RC. The annual assessment of individual Directors considers, among other matters, each Director's attendance as well as generation of constructive debate and participation in meetings of the Board and Board Committees, contribution, initiative, responsiveness of the Director, knowledge of senior management and the Group's businesses, and the Director's self-assessment.

There was no external facilitator engaged for FY2023. However, the NC will consider such engagement to carry out the evaluation process at the Company's expense if the need arises.

(B) RENUMERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2 – Composition of the Remuneration Committee

The Board has established a RC which consists 4 members, all of whom are Independent and Non-Executive Directors. The members of the RC are as follows:

Mr. Chen Mingyu (Chairman)
Mr. Yeo Guat Kwang
Mr. Shamsul Kamar Bin Mohamed Razali
Mr. Li Qi

The RC meets at least once every year. The RC is responsible for:

(a) reviewing and recommending to the Board a framework of remuneration and guidelines for the remuneration of the Directors and such other persons having authority and responsibility for planning, directing and controlling the activities of the Company, which, for the avoidance of doubt, will only take into consideration the role undertaken by the Directors in their capacity as a director of the Company, and will not take into consideration any other role(s) they may undertake in the Group, such as producer, director, scriptwriter or actor/actress in the drama and film projects;

(b) reviewing and recommending to the Board specific remuneration packages for each Director and key management personnel;

(c) considering all aspects of remuneration (including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments) and termination terms, to ensure they are fair and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives;

(d) ensuring that:

  (i) a significant and appropriate proportion of the remuneration of Executive Directors and key management personnel is structured so as to link rewards to corporate and individual performance and performance-related remuneration is aligned with the interests of Shareholders and other Stakeholders and promotes the long-term success of the Company;

  (ii) the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities; and

  (iii) the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company, and key management personnel to successfully manage the Company for the long term;

(e) administering any share schemes which may be approved by Shareholders, including the GHY Performance Share Plan and the GHY Employee Share Option Scheme;

(f) reviewing the remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in the annual report with a view to achieving clear disclosure of the same;

(g) taking into consideration all factors as may be specified in the Code and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented) in carrying out its duties;

(h) reviewing the RC's terms of reference annually and recommending any proposed changes to the Board for approval; and

(i) assuming such other duties (if any) that may be required by law or the Listing Manual and/or the Code of Corporate Governance (as each may be, from time to time, amended, modified or supplemented).

Provision 6.3 – Remuneration framework

The review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, and benefits-in-kind. The remuneration packages take into consideration the long-term interests of the Group, industry standards, and ensure that the interests of the Executive Directors are aligned with that of Shareholders.

Termination clauses are included in the service agreements for key management personnel. The RC has reviewed and recommended to the Board and the Board concurred that the termination clauses are fair and reasonable and are not overly generous. There was no termination of any key management personnel during FY2023.

If a member of the RC has an interest in a matter being reviewed or considered by the RC, he will abstain from voting on the matter.

Provision 6.4 – Remuneration consultant

No external remuneration consultants were appointed for FY2023. The RC will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external firm before any engagement.

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Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 and 7.3 – Remuneration of Executive Directors and Key Management Personnel

As part of its responsibilities, the RC reviews the remuneration of each of the Directors and key management personnel's remuneration packages annually and makes recommendations to the Board for approval. The RC ensures that their remuneration commensurate with their performance, giving due regard to the financial and commercial performance and business needs of the Group and the performance of the individual Director and key management personnel.

The remuneration packages of Executive Directors and key management personnel consist of fixed, variable components and benefits. The fixed component mainly comprises the basic salary and statutory contributions. To ensure that key management personnel's remuneration is comparable with industry practice, the RC may benchmark remuneration components against those of comparable companies, giving due regard to the performance criteria as set out in the key performance indicators (which are specific, measurable, result oriented and time-bound) and that are linked to pre-agreed financial and non-financial performance targets for variable bonuses and incentives, while continuing to be mindful that there is a general correlation between increased remuneration and performance improvements. The variable component is linked to the Group or Company's performance and the individual personnel's performance. Such performance-related remuneration is designed to align the individual with the interests of Shareholders and other Stakeholders and promote the long-term success of the Group.

The Company has also adopted the employee share incentive schemes, the GHY Performance Share Plan and GHY Employee Share Option Scheme, which were adopted by the Company on 25 November 2020 (the "**GHY Share Incentive Schemes**"). The GHY Share Incentive Schemes provide eligible participants with an opportunity to participate in the equity of the Company, motivate them towards better performance through increased dedication and loyalty, and align the interests of the Directors and the Group's employees, especially key executives, with those of Shareholders. The GHY Share Incentive Schemes, which form an integral and important component of the Group's compensation plan are designed primarily to reward and retain the Directors (including Independent Directors) and the Group's employees whose services are vital to the Group's well-being and success. The selection of a participant and the number of shares to be granted in accordance with the GHY Share Incentive Schemes is determined in the absolute discretion of the RC, taking into criteria such as his/her rank, job performance during the performance period, potential for future development, and his/her future contribution to the success and development of the Group. Entitled participants will be allotted fully paid-up shares upon satisfactory achievement of pre-determined performance target(s) within the performance period.

The Executive Directors' service agreements are for an initial period of 3 years (the "**Initial Term**") and are automatically renewed yearly. After the Initial Term, the service agreements can be terminated by 6 months' notice by either party. Notwithstanding the foregoing, the Company may also forthwith terminate the Executive Directors' service agreements at any time if they, among other matters, are guilty of any dishonesty, gross misconduct, or material breach of their service agreement, or if the Executive Director acts in a manner that is likely to bring himself or herself and/or any member of the Group into disrepute. The Company is not required to make any termination payments to Executive Director in the event of termination under such circumstances. The Executive Directors do not receive Directors' fees.

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The Company does not have any contractual provisions that allow for the reclaiming of incentive components from the key management personnel in the exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Company remunerates key management personnel based on a balanced assessment of each individual's performance and the performance of the Group, taking into account industry benchmarking, without setting excessive bonuses. Furthermore, the Board believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the key management personnel. The Group currently does not offer any termination or retirement benefits to the Directors and key management personnel.

Provision 7.2 – Remuneration of Non-Executive Directors

The RC is of the view that the current remuneration of the Non-Executive Directors is appropriate, taking into account their level of contribution, as well as factors such as effort and time spent and responsibilities of the Directors, and the fees paid by comparable companies. Other than the Directors' fees, the Non-Executive Directors do not receive any other form of remuneration from the Company. The Directors' fees are reviewed annually to ensure that the Independent Non-Executive Directors are not overly compensated to the extent that their independence may be compromised.

The RC had recommended to the Board an amount of approximately $410,000 and $300,000 as Directors' fees for FY2023 and the financial year ending 31 December 2024 respectively. The Board will table these recommendations at the forthcoming AGM for Shareholders' approval. No Director or a member of the RC is involved in deciding his/her own remuneration.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 – Remuneration of Directors and Key Management Personnel

The following table sets out the Directors' Remuneration for FY2023:

Name of Directors	Remuneration Band[(1)(2)(3)]	Salary %	Fees %	Bonus %	Other Benefits %	Total %
Mr. Guo Jingyu[(4)]	C	69.1	–	–	30.9	100
Ms. Yue Lina	B	84.5	–	6.1	9.4	100
Ms. Wang Qing[(5)]	B	71.5	–	17.8	10.6	100
Mr. Yang Jun Rong[(6)]	A	–	100.0	–	–	100
Mr. Yeo Guat Kwang[(7)]	A	–	100.0	–	–	100
Mr. Ang Chun Giap	A	–	100.0	–	–	100
Mr. Chen Mingyu	A	–	100.0	–	–	100
Dr. Jiang Minghua	A	–	100.0	–	–	100
Mr. Li Qi	A	–	100.0	–	–	100
Ms. Zeng Yingxue	A	–	100.0	–	–	100
Mr. Shamsul Kamar Bin Mohamed Razali	A	–	100.0	–	–	100

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The aggregate total remuneration paid to the Directors for FY2023 is approximately $2,045,000.

In addition, the Group only has 5 key management personnel who are not Directors or the CEO. A breakdown, showing the level of the 5 key management personnel's remuneration (who are not Directors or the CEO) in bands of $250,000 for FY2023 is set out below:

Name of Key Management Personnel (who are not Directors or the Chief Executive Officer)	Remuneration Band	Salary %	Fees %	Bonus %	Other Benefits[8] %	Total %
Ms. Low Li Pheng Adeline	B	56.9	–	31.5	11.6	100.0
Ms. Low Hui Min[9]	B	70.2	–	16.8	13.0	100.0
Ms. Venessa Lian[10]	B	75.2	–	20.5	4.3	100.0
Mr. Xue Xin	A	80.1	–	19.9	–	100.0
Ms. Chan Pui Yin[11]	A	69.3	–	22.2	8.6	100.0

Notes:

1. Remuneration band "A" refers to remuneration below the equivalent of $250,000.
2. Remuneration band "B" refers to remuneration between the equivalent of $250,000 and $500,000.
3. Remuneration band "C" refers to remuneration between the equivalent of $1,000,000 and $1,250,000.
4. No compensation or remuneration was paid to Mr. Guo Jingyu for his roles or his services rendered in his capacity as executive producer, director and/or scriptwriter in any of the dramas and films produced or co-produced by the Group and no such compensation and/or remuneration will be paid to Mr. Guo Jingyu by the Group.
5. Ms. Wang Qing is due to retire at the Company's forthcoming Annual General Meeting on 26 April 2024. As part of the Board's renewal process, Ms. Wang has chosen not to seek re-election.
6. Mr. Yang Jun Rong is due to retire at the Company's forthcoming Annual General Meeting on 26 April 2024. As part of the Board's renewal process, Mr. Yang has chosen not to seek re-election.
7. Mr. Yeo Guat Kwang is due to retire at the Company's forthcoming Annual General Meeting on 26 April 2024. As part of the Board's renewal process, Mr. Yeo has chosen not to seek re-election.
8. Other benefits include but not limited to post-employment benefits and benefits-in-kind such as housing allowance.
9. Ms. Low Hui Min shall cease to be Chief Financial Officer with effect from 28 June 2024.
10. Ms. Venessa Lian shall cease to be Group Deputy Chief Executive Officer with effect from 30 June 2024.
11. Ms. Chan Pui Yin resigned with effect from 11 October 2023.

The aggregate total remuneration paid to the abovenamed 5 key management personnel (who are not Directors or the CEO) for FY2023 is approximately $1,472,000.

In considering the disclosure of remuneration of Directors and the key management personnel of the Company, the Board has taken into account the sensitive nature of such information in a niche business environment, the confidential nature and commercial sensitivity of remuneration matters, the relative size of the Group and the negative impact such disclosure may have on the Group in attracting and retaining talent at the Board level on a long term basis, and also considered factors such as competitiveness of the industry of key talents and increased risk of poaching by other competitors in the market. The Board believes that full detailed disclosure of the specific remuneration figures of each Director and the CEO as recommended by the Code would be prejudicial to the interests of the Group. As such, the Board has deviated from complying with Provision 8.1 of the Code and presented such information in remuneration bands no wider than $250,000.

Having considered the foregoing, the Board believes that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation are consistent with the intent of Principle 8 of the Code.

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As disclosed above, the remuneration packages of Executive Directors and key management personnel consist of fixed and variable components and benefits. The fixed component mainly comprises the basic salary and statutory contributions. The variable component is based on the performance criteria as set out in the key performance indicators (which are specific, measurable, result-oriented and time-bound) and linked to pre-agreed financial and non-financial performance targets for variable bonuses and incentives, while continuing to be mindful that there is a general correlation between increased remuneration and performance improvements.

Provision 8.2 – Remuneration of related employees

Mr. Guo Jingyu, the Executive Chairman and Group CEO, is also a Substantial Shareholder of the Company and his remuneration is disclosed as above, in bands of $250,000.

Ms. Yue Lina, the Executive Director, is the spouse of Mr. Guo Jingyu and her remuneration is disclosed as above, in bands of $250,000.

Ms. Venessa Lian, the Group Deputy Chief Executive Officer, is the spouse of Mr. John Ho, a Substantial Shareholder of the Company and her remuneration is disclosed as above, in bands of $250,000.

Except for Mr. Guo Jingyu, Ms. Yue Lina and Ms. Venessa Lian, there were no employees of the Group who are immediate family members of a Director or the CEO or a Substantial Shareholder, and whose remuneration exceeds $100,000 during FY2023.

In considering the disclosure of remuneration paid to the Group's employees, including those who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, the Board has taken into account the sensitive nature of such information in a niche business environment, the confidential nature and commercial sensitivity of remuneration matters, the relative size of the Group and the negative impact such disclosure may have on the Group in attracting and retaining talent at the Board level on a long term basis, and also considered factors such as competitiveness of the industry of key talents and increased risk of poaching by other competitors in the market. The Board believes that full detailed disclosure of the specific remuneration figures of each of Mr. Guo Jingyu, Ms. Yue Lina and Ms. Venessa Lian, who each hold senior positions and are considered key management personnel, as recommended by the Code would be prejudicial to the interests of the Group. As such, the Board has deviated from complying with Provision 8.2 of the Code and presented such information in remuneration bands no wider than $250,000.

Provision 8.3 – Forms of remuneration and details of employee share schemes

As disclosed above, the GHY Share Incentive Schemes were adopted on 25 November 2020 and disclosed in the Prospectus, comprising the GHY Performance Share Plan and the GHY Employee Share Option Scheme.

The GHY Share Incentive Schemes administered by the RC, provide eligible participants with an opportunity to participate in the equity of the Company, motivate them towards better performance through increased dedication and loyalty, and to align the interests of the Directors and the Group's employees, especially key executives, with those of Shareholders. The GHY Share Incentive Scheme form an integral and important component of the Group's compensation plan designed primarily to reward and retain Directors (including Independent Directors) and the Group's employees whose services are vital to the Group's well-being and success.

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Unlike the GHY Employee Share Option Scheme whereby participants are required to pay the exercise price of the Options, the GHY Performance Share Plan allows the Group to provide an incentive for participants to achieve certain specific performance targets by awarding fully paid Shares to participants after these targets have been met. In addition to the common objectives of fostering an ownership culture within the Group and ensuring that the Group is able to retain skilled staff, the GHY Performance Share Plan incorporates an element of stretch targets for senior executives and Directors, which is aimed at delivering long-term Shareholder value and sustaining long-term growth. As such, the assessment criteria for granting Options under the GHY Employee Share Option Scheme are more general (such as length of service and general performance of the Group) and do not relate to specific performance targets imposed by the Group. On the other hand, the assessment criteria for granting of Awards under the GHY Performance Share Plan will be based on specific performance targets, time-based service conditions or a combination of both.

Full-time employees of the Company, its subsidiaries and its PRC Affiliated Entities and Directors (including Independent Directors) who have attained the age of 21 years and hold such rank as may be designated by the RC, from time to time, shall be eligible to participate in the GHY Share Incentive Schemes, provided that none shall be an undischarged bankrupt or have entered into a composition with his/her creditors. Associates of such Controlling Shareholders who meet the eligibility criteria are also eligible to participate in the GHY Share Incentive Schemes if their participation and Awards and/or Options are approved by independent Shareholders in separate resolutions for each such person and for each such Award or Option.

The aggregate number of ordinary shares in the issued share capital of the Company which the RC may grant on any date, when added to the number of ordinary shares issued and issuable in respect of all shares granted under the GHY Share Incentive Schemes and any other share schemes to be implemented by the Company, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings from time to time, if any) on the day preceding the relevant date of Award.

Since the commencement of the GHY Share Incentive Schemes till the date hereof, no Share Options or Awards have been granted under the GHY Share Incentive Schemes. Accordingly, none of the Directors, controlling Shareholders or their associates has been awarded any shares under the GHY Share Incentive Schemes and none of the participants was granted 5% or more of the total number of shares available under the GHY Share Incentive Schemes.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

Provision 9.1 – Risk management and internal controls

The Board has overall responsibility for the governance of risk and with the support of the ARMC, oversees the design, implementation and monitoring of the risk management and internal control systems. The Group has established adequate and effective risk management and internal control systems, addressing financial, operational, compliance and information technology risks.

The Board is of the view that the Group's risk management process and system of internal controls are designed to manage, rather than to eliminate, the risk of failure to achieve the Group's strategic objectives. Action plans to manage the risks are continually being monitored and refined. The Board acknowledges that it is responsible for the overall internal controls framework to safeguard Shareholders' interests and the Group's businesses and assets but recognises that no cost-effective internal controls system will preclude all errors and irregularities. The internal controls system provides a reasonable but not absolute assurance against material misstatement or loss. The Board also notes that all internal control systems contain inherent limitations and no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

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The internal controls system stipulates a series of procedures and policies, which the Board believes plays an important role in assisting the Board and the management with respect to risk management. The key elements of the Group's system of internal controls are as follows:

Operating structure

The Group has a well-defined operating structure with clear lines of responsibility and delegated authority, complementing the reporting mechanism to the management and the Board.

Policies, procedures and practices

Controls are detailed in formal procedures and manuals. For example, the Board has approved a set of delegations of authority that sets out approval limits for operational and capital expenditures, investments and divestments, bank borrowings and cheque signatory arrangements. Approval sub-limits are also provided at various management levels to facilitate operational efficiency and provide a system of check and balance. The Group's procedures and practices are regularly reviewed as well as revised where necessary to enhance controls and efficiency.

Risk management

Risk management is an integral part of the Group's business strategy. In order to safeguard and create value for Stakeholders, the Group proactively manages risks and embeds the risk management process into the Group's planning and decision-making process. On a semi-annual or more frequent basis if required, the ARMC will meet with the management team and the external and internal auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. The Group has identified key risks, assessed their likelihood of occurrence and impact on the Group's businesses, and established corresponding mitigating controls. The information is reviewed and updated regularly. The outsourced internal audit function is also reviewed regularly to ensure that an effective system of internal controls is maintained in the Group.

Whistleblowing policy

The Company has in place a whistle-blowing policy whereby employees of the Group and any other party may, in confidence, raise concerns about possible improprieties and other reporting matters to the Chairman of the ARMC and Lead Independent Director and at the same time, assure them that they will be protected from victimisation for whistle-blowing in good faith. Whistle-blowing concerns may be reported in writing via electronic mail at sg_whistleblow_ghy@pwc.com or through postal mail at 7 Straits View, Marina One East Tower Level 12 Singapore 018936. Channels for reporting fraudulent practices and inappropriate activities are also clearly communicated to employees and the contact information can be found at the Company's corporate website at https://ghyculturemedia.com/investor-relations/ir-whistle-blowing-policy/. The Group will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. There were no whistle-blowing incidents reported during FY2023.

Information Technology (IT) controls

As part of the risk management process, general IT controls and cyber security measures are reviewed to ensure that IT risks and cybersecurity threats are identified and mitigated. In addition, as part of the Group's business continuity plan, IT disaster recovery planning and tests are conducted to ensure that critical IT systems remain functional during a crisis.

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Financial reporting

The Board is updated quarterly on the Group's financial performance whereby explanations for significant variances in financial performance, in comparison with budgets and actual performance of corresponding periods in the preceding year are provided. The Board is also provided with quarterly updates on key operational activities.

Financial management

The management reviews the performance of the various business units monthly to instill financial and operational discipline at all levels of the Group. The key financial risks which the Group is exposed to comprise of interest rate risk, liquidity risk and credit risk. In addition, the management proactively manages liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations of cash flows. The Group also maintains revolving credit facilities with various banks that can be drawn down to meet short-term financing needs. The Group has in place credit control procedures for managing credit risk and monitoring debt collection.

Regular review

Management regularly reviews the Group's business and operational activities to identify areas of significant financial, operational and compliance risks. Steps have been taken to document the operational procedures to minimise the identified risks in various areas. Any significant matters are reported to the ARMC and the Board.

Provision 9.2 – Assurance from the CEO, Executive Director and Chief Financial Officer ("CFO")

As required under the Code, the Board had received written assurances from:

(a) the Executive Chairman and the Group CEO, an Executive Director and the CFO of the Company that the financial records have been properly maintained and that the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Executive Chairman and the Group CEO, an Executive Director and the CFO of the Company regarding the effectiveness and adequacy of the Group's risk management and internal control systems.

Based on the Group's internal controls and risk management framework, the internal control policies and procedures established and maintained by the Group, reviews performed by the management and the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective to address the financial, operational, compliance and information technology risks for FY2023.

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Audit and Risk Management Committee

Principle 10: The Board has an Audit Committee which discharge its duties objectively.

Provisions 10.1, 10.2 and 10.3 – Composition of the Audit Committee

The Board has established the ARMC which consists 3 members, all of whom are Independent Directors. The members of the ARMC are as follows:

Mr. Ang Chun Giap (Chairman)
Mr. Chen Mingyu
Dr. Jiang Minghua

The Board is of the opinion that the ARMC Chairman and its members are appropriately qualified, with the necessary accounting, financial, business management and corporate experience to discharge their responsibilities. In compliance with the Code, none of the ARMC members are a former partner or director of the external auditors or hold any financial interest in the auditing firm.

The ARMC has met 3 times in FY2023 to carry out its functions. The ARMC works under clearly defined terms of reference adopted by the Board and it is responsible for:

(a) reviewing the external auditor's audit plan and audit report, the external auditor's evaluation of the system of internal accounting controls, the assistance given by the Company's officers to the auditors, the scope and results of the internal audit procedures and consolidated financial statements of the Group (including the PRC Affiliated Entities);

(b) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group (including the PRC Affiliated Entities), including the classification of film investments in the financial statements of the Group, and any announcements relating to the financial performance of the Group (including the PRC Affiliated Entities);

(c) reviewing at least annually the adequacy and effectiveness of the internal controls of the Group (including the PRC Affiliated Entities) (including financial, operational, compliance and information technology controls) and risk management systems and, where necessary and appropriate, providing a statement on the adequacy and effectiveness of the internal controls;

(d) reviewing and reporting to the Board at least annually the implementation of risk treatment plans in relation to the adequacy and effectiveness of the Group's risk management and internal controls systems (including financial, operational, compliance and information technology controls);

(e) reviewing audit plans and reports of the external auditors and internal auditors in relation to the Group (including the PRC Affiliated Entities), and considering the results, significant findings and recommendations, together with the effectiveness of actions taken by management on the recommendations and observations;

(f) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;

(g) commissioning an independent audit on internal controls and risk management systems for the ARMC's assurance, where necessary or where the ARMC is not satisfied with the systems of internal controls and risk management of the Group (including the PRC Affiliated Entities);

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(h) ensuring that the scope of review by the internal auditors includes (i) the internal control policies and procedures with respect to any informal arrangements for the production of dramas and/or films entered into by the Group, as and when such informal arrangements occur in a particular financial year; and (ii) any partially implemented measures recommended by the internal auditors in relation to the internal control policies and procedures, in order to ensure the effectiveness of such internal controls;

(i) reviewing and approving the terms of any proposed informal arrangements with the distributor (with whom the Group has had informal arrangements in the past where the Group had commenced production of a drama or film and handed over the final product thereof, without a formal agreement in place) prior to commencement of production of any drama or film and monitoring ongoing negotiations for the finalisation of the formal agreement with such distributor;

(j) approving the handover of the final product for the drama or film to the customer in the event that the production of the drama or film has been completed but the terms of the formal agreement between the Group and such customer have yet to be finalised;

(k) monitoring and reviewing of the Group's implementation of any recommendations to satisfactorily address any internal control weaknesses highlighted by the Group's external auditor and internal auditor;

(l) reviewing the assurance from the Executive Chairman and Group CEO, an Executive Director and the CFO on the financial records and financial statements of the Group (including the PRC Affiliated Entities);

(m) assisting the Board in discharging its statutory responsibilities on financing and accounting matters;

(n) making recommendations to the Board on (i) the proposals to Shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(o) reviewing the adequacy and effectiveness, independence, scope and results of the external audit and the internal audit function;

(p) reviewing the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;

(q) reviewing the internal control policies and procedures in place to safeguard the Group's assets which are held through the Contractual Arrangements (including the management of funds and the unwinding of the Contractual Arrangements as soon as the applicable PRC laws and regulations allow the business of the PRC Affiliated Entities to be operated without them) on a regular basis;

(r) commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity, failure of internal controls or infringement of any law, rule or regulation which has, or is likely to have, a material impact on the Company's operating results and/or financial position and ensuring that appropriate follow-up actions are taken;

(s) reviewing the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(t) reviewing the adequacy of and approving procedures put in place related to any hedging policies to be adopted by the Group;

(u) ensuring that the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(v) assessing the performance of the CFO, financial director and/or the financial controller (as the case may be), for the relevant period, on an annual basis to determine his/her suitability for the position;

(w) being the primary reporting line of the internal audit function and ensuring that the internal audit function has direct and unrestricted access to the Chairman of the Board and the ARMC;

(x) ensuring that the internal audit function (if any) is independent, effective and adequately resourced. The internal audit function (if any) should be staffed with persons with the relevant qualifications and experience;

(y) deciding on the appointment, termination and remuneration of the head of the internal audit function (if any);

(z) approving the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit function is outsourced;

(aa) meeting with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually and reviewing the co-operation extended to the internal auditors and the external auditors;

(bb) reviewing the nature, extent and costs of non-audit services performed by the external auditors, to ensure their independence and objectivity;

(cc) reviewing interested person transactions (including the Contractual Arrangements and other transactions under any general mandate as may, from time to time, be approved by Shareholders pursuant to Chapter 9 of the SGX-ST Listing Manual) and monitoring the procedures established to regulate interested person transactions and conflicts of interest, including ensuring compliance with the internal control system and the relevant provisions of the SGX-ST Listing Manual and ensuring that proper measures to mitigate conflicts of interest have been put in place, in relation to interested person transactions;

(dd) reviewing and monitoring any potential conflict of interest that may arise in respect of any Director(s) of the Group, and resolving all conflicts of interest matters referred to it;

(ee) reviewing on an annual basis the terms and conditions of the Contractual Arrangements;

(ff) reviewing and approving any new or additional Contractual Arrangements or any material changes to the terms of the Contractual Arrangements;

(gg) reviewing and approving the terms of any loan agreements in respect of the transfer of the net proceeds due to the Company from the initial public offering of the Company and the issuance of the cornerstone shares by the Company and/or funds (if any) raised through secondary fundraising in the future by the Company to the PRC subsidiaries and/or PRC Affiliated Entities or for use to finance their operations;

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(hh) proper monitoring of the measures and procedures adopted by the Group in relation to the Contractual Arrangements to ensure the effective operations of the Group with the adoption of the Contractual Arrangements and the Group's compliance with applicable laws and regulations, including procedures to regulate interested person transactions to ensure that the Contractual Arrangements are not prejudicial to the interests of the Group or the minority Shareholders;

(ii) monitoring the undertakings and confirmations provided by the Company to the SGX-ST, in particular where the Company has undertaken that the written consent of the relevant GHY WFOE to be provided to the Individual Shareholders and/or Tianjin Changxin, to sell, lease, lend, transfer, assign, gift, re-mortgage, trust, make capital contribution with the pledged equity or otherwise dispose of all or part of the pledged equity, agree to make resolutions to increase or decrease the registered capital of the relevant PRC Affiliated Entity or agree to any form of initial public offering, backdoor listing and/or asset restructuring, must be unanimously approved by the ARMC;

(jj) monitoring (including making decisions on) the enforcement of the Equity Pledge Agreements and the Agreements on Exclusive Purchasing Power under the Contractual Arrangements;

(kk) reviewing the procedures and terms of any transfer or disposal of the equity interest of the PRC Affiliated Entities, including the appointment of a valuer if applicable and/or any valuation to be conducted on the PRC Affiliated Entities in connection with the sale of equity interests under the Equity Pledge Agreements, in order to ensure that the bases of valuation adopted by the proposed valuer to be appointed will appropriately reflect the value of the Group's business operations conducted through the PRC Affiliated Entities, and considering whether the eventual terms pertaining to the sale of pledged equity, as a whole, is in the interests of the Company;

(ll) reviewing on an annual basis the processes and procedures in relation to the appointment and removal of the legal representative of each of the PRC subsidiaries and PRC Affiliated Entities;

(mm) monitoring and reviewing the adequacy and implementation of measures to safeguard the corporate seal, finance seal, legal seal and cheque books of each of the PRC subsidiaries and PRC Affiliated Entities;

(nn) recommending the appointment of an independent financial adviser (where necessary under the SGX-ST Listing Manual) and its fees in respect of any transaction, matter or any other corporate action taken by the Company where such independent financial adviser is required;

(oo) reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems, with a view to achieving clear disclosure of the same and including any material issues arising from the internal auditors' review of the internal control policies and procedures (including those in relation to the informal arrangements for the production of dramas and/or films entered into by the Group, if any, in that particular financial year) and how these material issues have been addressed with the implementation of the mitigating measures;

(pp) reviewing the half-year and annual financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements;

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(qq) undertaking such other reviews and projects as may be requested by the Board, and report to the Board its findings, from time to time, on matters arising and requiring the attention of the ARMC;

(rr) taking into consideration all factors as may be specified in the Code of Corporate Governance and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented) in carrying out all its duties;

(ss) reviewing the ARMC's terms of reference annually and recommending any proposed changes to the Board for approval; and

(tt) assuming such other duties (if any) that may be required by law or the SGX-ST Listing Manual and/or the Code of Corporate Governance (as each may be, from time to time, amended, modified or supplemented).

The ARMC has explicit authority to investigate any matters within its terms of reference, with full access to and cooperation by management and full discretion to invite any Director or Executive Officer to attend its meetings and reasonable resources to enable it to discharge its functions properly. The ARMC also generally undertakes such other functions and duties as may be required by statute or the SGX-ST Listing Manual.

External Auditors

The external auditors of the Company and the Group for FY2023 was Deloitte & Touche LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority of Singapore. The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual. The ARMC is satisfied that the resources and experience of Deloitte & Touche LLP, the audit engagement partner and the team assigned to the audit of the Group were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

A breakdown of the fees paid to the external auditors for FY2023 is as follows:

	FY2023	
	$	**% of Total Fees**
Audit fees:		
– auditors of the company and Deloitte network firms	571,000	88.1%
– other auditors	1,000	0.2%
Total audit fees:	572,000	88.3%
Non-audit fees:		
– auditors of the company and Deloitte network firms	75,000	11.5%
– other auditors	1,000	0.2%
	76,000	11.7%
Aggregate amount of fees paid or payable to auditors	648,000	100.0%

The ARMC reviews all non-audit services provided by the external auditor to ensure that the provision of these services does not affect the independence of the external auditors. The ARMC has reviewed the non-audit services provided by Deloitte & Touche LLP for FY2023 and is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditor.

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At the forthcoming AGM on 26 April 2024, the Company is proposing to seek Shareholders' approval, by way of an ordinary resolution, to appoint Crowe Horwath First Trust LLP as the external auditors of the Company in place of the retiring external auditors, Deloitte & Touche LLP, to hold office until the conclusion of the next annual general meeting of the Company. The rationale for the proposed change of auditors from Deloitte & Touche LLP to Crowe Horwath First Trust LLP may be found under Section 4 of the Appendix to this Annual Report.

The Directors wish to express their appreciation for the past services rendered by Deloitte & Touche LLP. The resignation of Deloitte & Touche LLP and the appointment of Crowe Horwath First Trust LLP as the external auditors of the Company will be effective upon obtaining the approval of Shareholders at the forthcoming AGM for the proposed change of external auditors.

Key Audit Matters

The ARMC considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with the management team and the external auditors have been included as Key Audit Matters ("**KAM**") in the auditor's report for FY2023 under the Financial Statements section of this Annual Report. In assessing the KAM, the ARMC took into consideration the approach and methodology applied as well as the reasonableness of the estimates and key assumptions used. The ARMC concluded that management's accounting treatment and estimates in the KAM were appropriate.

The ARMC has full access to resources to enable it to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements and to discharge its functions fully. The external auditors have provided updates on accounting standards and issues at the meetings of the ARMC.

Provision 10.4 – Internal audit function

The Group has appointed PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PWC**" or "**Internal Auditors**") as its internal auditors who is independent of the Company's business activities. Accordingly, the Group has outsourced its internal audit function to PWC who reports directly to the ARMC and administratively to the CFO. The Internal Auditors, staffed with persons of relevant qualifications and experience, carry out the internal audit taking guidance from the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, and report directly to the ARMC on internal audit matters. The ARMC has reviewed and is satisfied with the independence, adequacy and effectiveness of the Company's outsourced internal audit function. The role of the Internal Auditors is to provide independent assurance to the ARMC that the Group maintains adequate and effective risk management and internal control systems. The Internal Auditors have unfettered access to all documents, records, properties and personnel, including access to the ARMC.

PWC is a professional service firm that specialises in the provision of, *inter alia*, internal audit and risk management services. The PWC internal audit team is led by a partner with significant experience performing internal audit services for companies listed on the SGX-ST. The team members supporting the partner are dedicated internal audit specialists with knowledge and experience. Pursuant to its review, the ARMC is satisfied that PWC has the relevant qualifications and experience and has met the standards established by the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

Provision 10.5 – Activities of the Audit and Risk Management Committee

The external auditors and internal auditors have unrestricted access to the ARMC and meet with the ARMC without the presence of management team at least once a year.

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On a semi-annual or more frequent basis if required, the ARMC will meet with the management team and the external and internal auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. It also reviews the outsourced internal audit function to ensure that an effective system of internal controls is maintained in the Group. The ARMC also reviews the interested person transactions and the financial result announcements before their submission to the Board for approval.

The ARMC is kept abreast by the management, the external auditors and the Company Secretaries of changes to accounting standards, SGX-ST Listing Manual and other regulations which could have an impact on the Group's business and financial statements. In addition, at least once a year, the ARMC, together with the Board, reviews the effectiveness and adequacy of the Group's system of internal controls put in place to address key financial, operational, compliance and information technology controls and risk management system affecting the operations.

The ARMC reviews the internal audit findings prepared by the Internal Auditors. Based on risk assessments performed by the Internal Auditors, greater emphasis and appropriate internal reviews are planned for high-risk areas and material internal controls, including compliance with the Group's policies, procedures and regulatory responsibilities. Any material non-compliance and weakness in the risk management and internal control policies and procedures, and recommendations for improvements are reported to the ARMC. The ARMC has also reviewed the effectiveness of actions taken by management on the recommendations made by the Internal Auditors.

The ARMC is satisfied that the Group's internal audit function is independent, effective and adequately resourced.

For each relevant financial year, the ARMC:

(i) holds at least 2 meetings to review the financial results;

(ii) reviews the annual internal and external audit plans, including the nature and scope of the audits before commencement of these audits;

(iii) reviews and approves the consolidated audited financial statements;

(iv) reviews the interested person transactions;

(v) reviews and discusses the reports of the internal auditors and external auditors and consider the effectiveness of responses/actions taken by management on the audit recommendations and observations;

(vi) reviews the adequacy and effectiveness of the Group's internal audit function;

(vii) meets with the internal and external auditors without the presence of management at least annually and shall establish that both the internal and external auditors have the full co-operation of management in carrying out the audit for the relevant financial year end. Both the internal and external auditors have also confirmed that no restrictions were placed on the scope of their audits; and

(viii) undertakes a review of all audit and non-audit services provided by the external auditors to ensure that the nature and provision of such services would not affect the independence and objectivity of the external auditors.

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(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11:** **The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2, 11.3 and 11.4 – Conduct of general meetings

Shareholders are encouraged to attend the Company's AGM to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The AGM is the principal forum for dialogue with Shareholders and is for Shareholders to voice their views, raise issues to and seek clarification from the Board or members of the senior management regarding the Group and its operations. All Shareholders of the Company will be able to access to an electronic copy of the Annual Report including the Notice of AGM on the SGXNet website within the mandatory period.

All the Directors, in particular the Chairman of the Board and the respective Chairmen of the ARMC, NC and RC, will attend general meetings to address questions raised by the Shareholders. The Company's external auditors will be invited to attend the AGM and are available to assist the Directors in addressing any relevant queries by the Shareholders relating to the conduct of the audit and the preparation and content of their auditors' report.

In accordance with the Company's Articles of Association, Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretaries, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists, as a result of the failure of the Board, shall be reimbursed to the requisitionists by the Company.

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the re-election of the retiring Directors. Where the resolutions are bundled, the Company explains the reasons and material implications in the notice of meeting.

At general meetings, all Shareholders are encouraged to attend, participate effectively and vote in person or by proxy. The Articles of Association of the Company provides for a Shareholder or a depositor to appoint not more than 2 proxies to attend and vote at the general meetings of the Company. Where a member is a relevant intermediary, it may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her. Proxies need not be a Shareholder of the Company. Shareholders are informed of such meetings through the annual report or circulars sent to all Shareholders, notices published in the newspapers and announcements released via SGXNet. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings prior to such meetings. Voting in absentia by email, mail or fax is not implemented due to authentication and other security-related concerns. The Company is of the view that this practice is consistent with the intent of Principle 11 of the Code as Shareholders have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings.

All votes of the Shareholders at general meetings will be taken by poll. Voting results of all votes cast for or against each resolution at the general meeting with respective percentages will be announced on SGXNet after the meetings.

Provision 11.5 – Minutes of general meetings

The Company Secretaries prepare the minutes of the Company's general meetings, which will incorporate comments or queries from Shareholders and the corresponding responses from the Board and the management team. The minutes will be made publicly available on SGXNet and/or the Company's corporate website after the general meetings.

Provision 11.6 – Dividend policy

The Group does not have a fixed dividend policy. In considering any declaration of dividends, the Company takes into consideration the Group's profit forecast, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

As disclosed in the full year results announcement on 29 February 2024, the Directors have proposed the payment of a tax-exempt final dividend of 0.10 Singapore cents per share in respect of FY2023 amounting approximately $1.07 million, subject to the approval of Shareholders at the forthcoming AGM and determined based on the share premium of the Company as at 31 December 2023.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.

Provision 12.1 – Communication with Shareholders

The Group recognises the importance of maintaining a constructive and effective communication channel with all Shareholders, Stakeholders, investors and the public in general.

The Group does not practice selective disclosure. In line with continuous disclosure obligations of the SGX-ST Listing Manual and the Cayman Islands Companies Law, the Board's policy is that all Shareholders should be informed of all major developments that impact the Group in a timely manner. The Board embraces openness and transparency in the conduct of the Group's affairs. Information is communicated to Shareholders on a timely basis through:

➢ annual reports that are prepared and issued to all Shareholders. The Board makes every effort to ensure that the annual report contains all relevant information about the Group, including future developments and other disclosures required by the Cayman Islands Companies Law and Singapore Financial Reporting Standards (International);

➢ half-year and full-year results announcements containing a summary of the financial information and affairs of the Group for the period and year respectively are disseminated through SGXNet and news releases;

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- notices of and explanatory notes for resolutions to be tabled at AGMs and extraordinary general meetings;

- minutes of AGMs and extraordinary general meetings; and

- Shareholders can access information on the Group's website https://www.ghyculturemedia.com which provides, *inter alia*, corporate announcements, press releases, annual reports, and the profile of the Group.

Provisions 12.2 and 12.3 – Investor relations policy

The Company has an outsourced investor relations function which focuses on facilitating communications with Shareholders and analysts on a regular basis, attending to their queries or concerns and keeping them apprised of the Group's corporate developments and financial performance. During such interactions, the Company will solicit and understand the views of Shareholders, the investment community and other Stakeholders.

The Company will review the need for analyst briefings, investor roadshows or investor briefings from time to time, depending on the financial performance of the Group. The Company conducts briefings to present its financial results to the media and analysts. After the financial announcement periods, when necessary and appropriate, the investor relations team will meet investors and analysts who wish to seek a better understanding of the Group's businesses and operations. This effort enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company from investors' views. Shareholders may raise questions to the Company through the Group's website https://www.ghyculturemedia.com, and through which the Company may respond to such questions.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material Stakeholders, as part of its overall responsibility to ensure that the best interest of the Company are served.

Provisions 13.1, 13.2 and 13.3 – Stakeholder engagement

The Company recognises the importance of maintaining positive stakeholder relationships. It maintains a corporate website at https://www.ghyculturemedia.com to constantly communicate with stakeholders and welcomes any comment, feedback and query from the Stakeholders through the corporate website and strives to engage and manage relationships with the Stakeholders. The Group's Stakeholders may find such information on the Investors Relations section of the Group's corporate website. The Company's communication framework and practices provide open and fair, as well as meaningful and timely, shareholder communication and interaction on a non-selective basis.

Rule 711A the SGX-ST Listing Manual provides that an issuer must issue a sustainability report for its financial year, no later than 4 months after the end of the financial year, or where the issuer has conducted external assurance on the sustainability report, no later than 5 months after the end of the financial year. The sustainability report has been prepared in accordance with the requirements set out in Practice Note 7.6 of the SGX-ST Listing Manual, setting out its Sustainability Reporting Framework focusing on Economic, Social and Governance impacts and strategy in relation to the management of Stakeholder relationships. The Company's sustainability report is included in the Annual Report.

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(F) INTERESTED PERSON TRANSACTIONS

The Group has established controls and reporting procedures for handling Interested Person Transactions ("**IPTs**"). These ensure that such transactions are conducted on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Group and its minority Shareholders.

The Group has obtained a general mandate from the Shareholders as at listing date (the "**IPT General Mandate**") and renewed the IPT General Mandate from the Shareholders at the Annual General Meeting held on 27 April 2023. IPTs are executed on fair terms and at arm's length regardless of their nature and size. When a potential conflict of interest arises, the Director concerned neither takes part in the discussions nor exercises any influence over other members of the Board. The Group maintains a register to record the list of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a quarterly basis by the CFO and subject to such verifications or declarations as required by the ARMC for such period as determined by them. This list of interested persons is disseminated to any staff of the Group that the Group's finance team considers relevant for the purposes of entering into transactions that fall under the IPT General Mandate.

A review committee has been tasked by the Board to assist the ARMC in reviewing and approving IPTs exceeding $100,000 but below 3% of the Group's latest audited net tangible assets. A separate register of IPTs carried out pursuant to the IPT General Mandate (including the bases on which the IPTs are entered into, amount and nature) is maintained for such purpose, which is reviewed by the CFO on a monthly basis and circulated to the ARMC and Board on a quarterly basis for their information.

For IPTs outside the ambit of the IPT General Mandate, a list of IPTs including those less than $100,000 and their aggregate is submitted quarterly to the ARMC for its review. Any IPT exceeding $100,000 must receive the ARMC's recommendation and the Board's approval before it is entered into. Where an IPT or its aggregate exceeds 3% of the Group's latest audited net tangible assets, an immediate announcement is made after the Board's approval. Where an IPT or its aggregate exceeds 5% of the Group's latest audited net tangible assets, Shareholders' approval will be sought through a general meeting, while the interested Shareholder will abstain from voting.

The ARMC shall review all Mandated Transactions (except where Mandated Transactions are required under the review procedures to be approved by the ARMC prior to the entry thereof) at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the ARMC. The ARMC shall, when it deems fit, request for sources, advisers or valuers, or require the appointment of internal auditors to provide additional review of the internal control procedures and review procedures and their implementation pertaining to IPTs (including the Mandated Transactions) under review.

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The ARMC will also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Group and its interested persons are conducted at arm's length and on normal commercial terms. If during any of the reviews by the ARMC, the ARMC is of the view that the internal control procedures and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, it will in consultation with the Board, take such actions as it deems proper in respect of such procedures and guidelines and/or modify or implement such procedures and guidelines as may be necessary to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Group and its minority Shareholders, and the Group will revert to Shareholders for a fresh general mandate based on new internal control procedures and review procedures so that the Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Group and its minority Shareholders. In the interim, the ARMC will review every Mandated Transaction pending the grant of the fresh mandate, which will be in accordance with the requirements of the relevant provisions of Chapter 9 and/or other applicable provisions of the SGX-ST Listing Manual (as from time to time amended).

Contractual Arrangements

The ARMC will carry out periodic review of the terms of the Contractual Arrangements on an annual basis and will monitor the procedures established to regulate such interested person transactions in order to ensure that the Contractual Arrangements are not prejudicial to the interest of the Group and its minority Shareholders, and to ensure that proper measures to mitigate conflicts of interest have been put in place. In particular, where the prior written consent of the GHY WFOEs is required under the Contractual Arrangements for any transactions, the ARMC will first review such transactions and the terms of the Contractual Arrangements and any consent to be provided by the GHY WFOEs under the Contractual Arrangements will be subject to the prior unanimous consent of the ARMC having first been obtained. In the event that the ARMC is of the view that the Contractual Arrangements are prejudicial to the interests of the Group and its minority Shareholders and/or if there are any material changes to the terms of the Contractual Arrangements (even where such changes would not be considered as interested person transactions under Chapter 9 of the SGX-ST Listing Manual), an independent financial adviser will be appointed to review the terms of the Contractual Arrangements and to provide an opinion on whether the Contractual Arrangements are carried out on normal commercial terms and will not be prejudicial to the interests of the Group and its minority Shareholders.

Any material changes to the terms of the Contractual Arrangements will also be subject to review and approval by the ARMC and the requirements under Chapter 9 of the SGX-ST Listing Manual. Any amendments to the Contractual Arrangements which do not constitute material changes to the terms of the Contractual Arrangements, and will thus not be subject to the approval by Shareholders, will nonetheless be subject to review and approval by the ARMC and will be subject to the prior unanimous consent of the ARMC having first been obtained. In addition, where the Group intends to enter into new contractual arrangements with terms similar to the Contractual Arrangements and/or acquire the equity interest of the PRC Affiliated Entities to the extent permissible under the applicable PRC laws and regulations, such transactions will be subject to review and approval by the ARMC and the requirements under Chapter 9 of the SGX-ST Listing Manual. This is to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Group and its minority Shareholders.

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The Board also ensures that all disclosures, approvals and other requirements on IPTs, including those required by prevailing legislation, the SGX-ST Listing Manual (in particular, Chapter 9 thereof), recommendations set out in the Code and relevant accounting standards, are complied with.

All other existing and future IPTs not subject to the IPT General Mandate will be reviewed and approved in accordance with the threshold limits as set out under Chapter 9 of the SGX-ST Listing Manual, to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Group and its minority Shareholders. In the event that such IPTs require the approval of the ARMC, the relevant information will be submitted to the ARMC for review. In the event that such IPTs require the approval of Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

The ARMC will also review all IPTs to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the SGX-ST Listing Manual) are complied with.

Details of IPTs for FY2023 are presented below:

Name of Interested Person	**Aggregate value of all interested person transactions (excluding transactions less than $100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920) ($'000)**	**Aggregate value of all interested person transactions conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than $100,000) ($'000)**
Sure Legend International Limited(1)	–	7,536
JVR Music International Ltd(2)	704	–
Taiho Holding Limited(3)	76	–
Kang Ru Investments Limited(4)	640	–
Mr. Guo Jingyu(5)(6)	5	–
Ms. Yue Lina(7)	–	224
Mr. Yang Zhigang(8)	–	1,557

Notes:

(1) Related to grant of the rights to undertake the production of concerts by Sure Legend International Limited, which is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director and non-controlling shareholder.

(2) Related to artiste service fees and concert production sundry expenses paid to JVR Music International Ltd. JVR Music International Ltd is 45.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.

(3) Related to the final dividends in respect of FY2022 paid to Taiho Holding Ltd, which is 50.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.

(4) Related to the final dividends in respect of FY2022 paid to Kang Ru Investments Limited, which is 100.0% owned by Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.

(5) Related to the final dividends in respect of FY2022 paid to Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.

(6) As at date of this report, credit line facilities of up to approximately RMB65 million and $0.3 million are singly or jointly secured by personal guarantees provided by Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder, third parties as well as restricted bank deposits of not less than RMB20 million and assignment of sales contract and sales proceeds as well as the Group's motor vehicle.

(7) Related to (a) amounts received by the Group for provision of talent management services to Ms. Yue Lina, an Executive Director and (b) fees for acting services paid by the Group to Ms. Yue Lina.

(8) Related to (a) amounts received by the Group for provision of talent management services to Mr. Yang Zhigang and (b) fees for acting services paid by the Group to Mr. Yang Zhigang. Mr. Yang Zhigang is the brother of Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.

CORPORATE GOVERNANCE REPORT

(G) MATERIAL CONTRACTS

Other than those disclosed under IPTs for FY2023, there are no material contracts of the Company or its subsidiaries and its PRC Affiliated Entities involving the interest of the CEO, Directors or Controlling Shareholders either still subsisting as at 31 December 2023 or if not then subsisting, entered into since the end of the previous financial year.

(H) DEALINGS IN SECURITIES

The Group has adopted an internal compliance code of conduct to provide guidance to the Group, its officers regarding dealings in the securities of the Company and the implications of insider trading, in compliance with the principles of Rule 1207(19) of the SGX-ST Listing Manual. The implications of insider trading are set out in the internal compliance code of conduct, which prohibits the Company, its Directors and officers from dealing in the Company's securities (i) during the periods commencing 1 month before the announcement of the Company's financial results for its half-year and full year financial statements, ending on the date of the announcement of the relevant results; and (ii) if they are in possession of unpublished price-sensitive information of the Group.

(I) RISK MANAGEMENT POLICIES AND PROCESSES

The Board regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks as follows:

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and effectiveness of those systems on an annual basis.

The Board, with assistance from PWC and the ARMC, is responsible for the governance of risk by ensuring the management maintains a sound system of risk management and internal controls to safeguard Shareholders' interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives. The Board acknowledges that no cost-effective internal control system will preclude all errors and irregularities. The system is designed to manage rather to eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The external auditors, during the conduct of their annual audit procedures on the statutory financial statements, considered the system of internal financial control as required by Singapore Standards on Auditing and may also report on matters relating to internal financial controls that are relevant to the audit of the Group's financial statements as specified by their scope of work as stated in their audit plan. Any material non-compliance and internal control weaknesses noted by the external auditors and recommendation for improvement will be reported to the ARMC. The management will then take corrective measures to strengthen the internal financial controls.

Based on the Group's framework of internal controls and risk management, the internal control policies and procedures established and maintained by the Group, reviews performed by management and the regular audits, monitoring and reviews performed by internal and external auditors, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective to address the financial, operational, compliance and information technology risks for FY2023.

CORPORATE GOVERNANCE REPORT

For FY2023, the Board has received assurances from the CEO, an Executive Director and the CFO of the Company that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Group's risk management and internal control systems are operating effectively.

The Group's financial risk and capital management is discussed under Note 5 to Financial Statements of the Annual Report.

(J) USE OF IPO PROCEEDS

As at the date of this Annual Report, the net proceeds from the initial public offering of the Company ("**IPO**") have been utilised and described in the table below:

	Amount utilised $'million	**Amount allocated $'million**	**Balance as 9 April 2024**
Expansion of the TV Program and Film Production business via investment in production[(1)], acquisitions, joint ventures and/or strategic alliances[(2)]	64.5	(64.5)	–
Expansion of the Concert Production business via investment in production[(3)], acquisitions, joint ventures and/or strategic alliances	21.5	(3.0)	18.5
General working capital purposes	15.0	(8.2)[(4)]	6.8
Total	101.0	(75.7)	25.3

Notes:

(1) Such investments have included and may include, but are not limited to, the production of dramas, films, online short film series, musicals and stage plays.

(2) It is intended that out of the gross proceeds to be used for expansion of the TV program and film production business via investment in production, acquisitions, joint ventures and/or strategic alliances, 70.0% and 30.0% will be used for the expansion of the TV program and film production business in the PRC and other countries respectively.

(3) Such investments may include, but are not limited to, undertaking the production of concerts for a larger number of artistes in Singapore and in the region.

(4) Approximately $8.2 million was used for general working capital purposes from listing to date of this report mainly: (a) payment for professional fees of approximately $0.9 million, payment for employees' salaries of approximately $5.0 million and payment for office rental expenses of approximately $0.6 million; and (b) payment for income tax of approximately $1.7 million.

The above utilisations of the net IPO proceeds are in accordance with the intended use of proceeds from the IPO as stated in the Prospectus dated 11 December 2020. The Company will continue to make periodic announcements on the utilisation of the balance of net IPO proceeds as and when such proceeds are materially disbursed.

SUSTAINABILITY REPORT

MESSAGE FROM THE EXECUTIVE CHAIRMAN AND GROUP CEO

Dear Stakeholders,

It is our pleasure to present to you the Sustainability Report (the "**Report**") for G.H.Y Culture and Media Co. Holdings Limited ("**GHY**" or the "**Company**" and together with its subsidiaries and its PRC Affiliated Entities[1], the "**Group**") for the financial year ("**FY**") ended 31 December 2023. This Report provides information on the sustainability performance of our business and practices.

As a leading player in the media and entertainment industry in the Asia Pacific region, we remain committed to produce high-quality content and aim to create long-term value for its Stakeholders. GHY focuses on having good corporate governance, underpinned by high business ethics and complying with all local laws and regulations in countries which we operate in.

We are committed to building a strong, diverse and sustainable organisation. We recognise that our employees are core to the Group's business operations and we seek to nurture talents and develop their capabilities. This has been achieved through training for all employees and development programmes for staff to upskill and upgrade, in turn capturing value for the Group.

The Group remains vigilant to ensure that we uphold the safety of our employees, concert attendees and drama and film production crew. Aside from navigating carefully through the volatile market, the Group continues to evaluate the impact of climate change on our business. Within this Report, we have presented our inaugural climate risks and opportunities identified based on the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations. This has helped us to consider climate-related risks and opportunities when formulating our overall business strategy, objectives and performance measurements.

On behalf of the Board of Directors (the "**Board**"), I would like to take this opportunity to thank all our Stakeholders for their unwavering support as we continue to strive towards sustainable growth and innovation in the years ahead.

Mr. Guo Jingyu
Executive Chairman and Group CEO

[1] Entities which the Group is conferred operational control and economic rights over, and the Group is able to exercise control over the business operations of such entities and enjoy substantially all the economic rights arising from the business of such entities. The Group regards each PRC Affiliated Entity as a controlled structured entity and consolidates the financial positions and results of operations of the PRC Affiliated Entities in the financial statements of the Group.

SUSTAINABILITY REPORT

REPORTING PRACTICE

Reporting Principles and Statement of Use

This report is produced with reference to the Global Reporting Initiative ("**GRI**") 2021 Standards covering our Group's performance from 1 January 2023 to 31 December 2023. The GRI standards were selected as it represents the global best practices for reporting on economic, environmental and social impacts.

The following GRI reporting principles were applied to guide the Group in ensuring the quality and proper presentation of the information in this report: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. For more information on GRI disclosures, please refer to the GRI Content Index.

To provide transparency on our climate-related risk exposures, this report presents the Group's climate-related financial information in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") framework. The United Nations Sustainable Development Goals ("**UN SDGs**") have also been incorporated into the Report to highlight the Group's contributions to sustainable development. This report is compliant with Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B.

The Board has reviewed and approved the reported information, including the material topics.

Reporting Scope

The scope of this report covers all of the Group's business segments including our TV Programme and Film Production, as well as Concert Production, and all of our geographic locations including but not limited to Singapore, People's Republic of China ("**PRC**")[1], Malaysia, Indonesia and Australia.

Restatements

There are no restatements of information made from previous reporting periods.

Assurance

The Group has established internal controls and verification mechanisms to ensure the accuracy and reliability of the narratives and data disclosed within this report. We have also considered the recommendations of an external Environmental, Social and Governance ("**ESG**") consultant for the selection of material topics as well as compliance with GRI Standards, SGX-ST Listing Rules and alignment to TCFD recommendations.

To further enhance the credibility of the Group's sustainability reporting, the Group has subjected our sustainability reporting process to internal review by our internal auditors, as required by SGX-ST Listing Rules 711B (3).

The Board has therefore assessed that independent external assurance is not required at this juncture.

Availability and Feedback

This report is available online at SGXnet and https://ghyculturemedia.com/investor-relations. For any queries or feedback on this report, please contact us at enquiries@ghyculturemedia.com.

[1] The scope of this report for GHY's operations in PRC covers Tianjin Changxin Film & Media Co., Ltd. and Beijing Changxin Film & Media Co., Ltd. Xiamen Jinzhao Film Culture & Media Co. Ltd. is not covered in the reporting scope.

SUSTAINABILITY REPORT

OUR VALUE CHAIN

Currently headquartered in Singapore and the PRC with over 150 employees, the Group engages in TV programme and film production, concert production, talent management services, and costumes, props and make-up services. The Group possesses expertise and capabilities across the business value chain ranging from film and production equipment and event management vendors to post-production and costume suppliers.

TV Programme and Film Production	The Group 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 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. We continuously engage the third-party suppliers and subcontractors for the provision of their services to the Group, which supports its TV program and film production business, alongside our costumes, props and make-up services business.
Concert Production	The concert production business involves the organisation and management of concerts in various jurisdictions, depending on the scope and extent of the rights for the concert production. This is typically granted to the Group by the management agency of the respective artistes. The Group has undertaken the production of concerts for well-known international artistes in Singapore, Malaysia, Australia and Thailand. The Group has concert production teams based in both Singapore and the PRC, which will oversee the overall production and promotion of each concert and carry out the Concert Organisation and/or Concert Management, as the case may be. The concert production teams will also liaise with the artiste and/or such artiste's management team throughout the preparation, marketing and performance itself, ensuring the successful execution of each concert.
Costumes, Props, and Make-up Services	The Group provides costumes, props and make-up services for artistes and third-party production companies for their drama and film production activities. These services are delivered by engaging subcontractors for the provision of such costumes, props and make-up services.
Talent Management Services	The Group identifies and recruit artistes who are based mostly in the PRC and have established a strong portfolio of well-known artistes. The current pool of artistes the Group manages are actors and actresses who are primarily based, or whose projects and engagements are primarily based, in the PRC and/or Singapore.

For more details on the Group's business activities and corporate structure, please refer to Corporate Profile and Corporate Structure sections of this Annual Report.

SUSTAINABILITY REPORT

SUSTAINABILITY AT GHY

Our ESG Focus and Strategy

The Group contributes to the development of arts and culture across the countries in which we operate, particularly in the PRC, Singapore, and Malaysia. We have organised and produced a diverse range of dramas, films and concerts, which continue to enjoy notable successes with our audiences in the Asia-Pacific region.

As part of our sustainability strategy, we have placed a strong emphasis on the social impacts of our operations. The Group strives to adhere to the local government regulations of each country we operate in, prioritizing the safety of employees and customers, and ensuring full compliance with all pertinent laws and regulations regarding safety checks.

We remain committed to delivering high quality dramas and films to audiences on major streaming platforms and leading TV networks. We prioritise the safety and well-being of our employees and provide comprehensive staff training programmes and upskilling opportunities to ensure that staff are empowered and equipped to deliver quality service and content.

The Group's sustainability strategy considers climate-related risks and opportunities and the TCFD Recommendations are adopted within this report. The following five focus areas guide our sustainability strategy:

Focus 1: Governance and Ethics

With ever-evolving laws and compliance requirements, the Group's strong corporate governance practices have enabled us to navigate complex film and media industry regulations in the multiple geographic locations we operate in.

Focus 2: Climate Resilience

The Group has embarked on our climate reporting journey by implementing the TCFD recommendations within this Report, and embedded climate-related risks and opportunities into our business and strategy. We also aim to reduce our consumption of energy and paper resources where applicable.

SUSTAINABILITY REPORT

Focus 3: Human Capital
The Group practices non-discriminatory hiring and conscious effort is made to hire locally where possible. Employees undergo on-the-job training and available training and development programmes are provided.

Focus 4: Health and Safety
The Group prioritises the health and safety of its employees and customers and is committed to providing a safe and rewarding work environment for its employees and customers. We conduct regular inspections of the filming and concert sites and equipment during our drama, film and concert productions to ensure that there are minimal incidental risks during production.

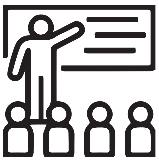
Focus 5: Contribution to the Community
The Group strives to generate positive impacts for the local communities in the countries which the Group operates. We partner with local communities to uplift society and empower individuals.

Contribution to the Sustainable Development Goals
The Group's business focus is aligned with the UN SDGs. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The Group's contributions to the attainment of the relevant UN SDGs are highlighted below:

UN SDG	The Group's Contribution	Read more in the following sections
4 QUALITY EDUCATION	Collaborate with various learning institutions including but not limited to Curtin University to develop industry-integrated learning programme to develop talents in the areas of drama and film production and digital media	Focus 3: Human Capital
5 GENDER EQUALITY	Provide equal opportunities in employment, training and career development regardless of gender	
8 DECENT WORK AND ECONOMIC GROWTH	Provide work opportunities and a conducive working environment for the community	Focus 4: Health and Safety
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Contribute to the development of culture and media and develop new media and entertainment technologies	Focus 5: Contribution to the Community
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Reduce energy consumption and the usage of paper whenever possible	Focus 2: Climate Resilience
13 CLIMATE ACTION	Continuous monitoring of climate-related risks and opportunities and identify potential areas to enhance climate change resilience	Focus 2: Climate Resilience
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote good corporate governance and build strong working relationships with financial institutions and government bodies	Focus 1: Governance and Ethics

SUSTAINABILITY REPORT

ESG Performance Highlights



Sponsored and co-organised NUS-GHY Pitch it! 2023, a tertiary-wide short film competition for students from different Institute of Higher Learning.

Zero incidents of environmental non-compliance.

Zero significant incidents of health and safety non-compliance and regulatory breaches.

STAKEHOLDER ENGAGEMENT

The Group believes that Stakeholder engagement is key to building a sustainable business. We define our Stakeholders as groups that have a material impact on or are materially impacted by our operations. We prioritise open, transparent and responsive dialogue and communication with our Stakeholders through various platforms and channels throughout the year.

Beyond sharing key developments and updates about the Group, we value feedback from our Stakeholders which enhances our ability to identify opportunities, improve our services and advance our ESG goals.

The process for identifying our key Stakeholders are as follows:

1. Make a list of all the Stakeholders of the Group;

2. Determine the impact on the Group's operations by considering how each Stakeholder can affect the Group's business and how the Group's business can affect the Stakeholder's business; and

3. Determine which Stakeholders most affect the Group's business.

SUSTAINABILITY REPORT

The following table summarises our key Stakeholders, engagement platforms, their key concerns and how the Group has responded to those concerns.

Stakeholders	Key Concerns	Engagement Platforms	Our Response	Addressed in this Report
Customers	• Quality of dramas and films • Safety of concert venue	• Social media platforms including but not limited to Facebook, Instagram, Weibo, TikTok • Streaming platform and media's feedback channels	• Conduct market research and discussions with streaming platforms and TV networks to ensure that content produced is aligned to market trends and preferences • Conduct concert venue safety inspections. The concert organiser is required to obtain all relevant permits prior to actual concert date	Focus 4: Health and Safety
Employees	• Occupational Health and Safety • Training and education • Employee rights and benefits • Diversity and equal opportunity	• Regular briefings on safety measures • Continuous training and development	• Establish policies on diversity, anti-harassment and non-discrimination • Implement comprehensive occupational health and safety processes • Provide regular training and career development opportunities	Focus 3: Human Capital Focus 4: Health and Safety
Government and regulators	• Compliance with laws and regulations	• Sustainability Reports • Regulatory filings	• Comply strictly with socioeconomic and environmental regulations • Disclose climate-related risks and opportunities through implementation of TCFD recommendations	Focus 1: Governance and Ethics Focus 2: Climate Resilience
Suppliers and ticketing agencies	• Corporate governance and Ethics	• Community engagement • Annual Reports	• Fulfil all regulatory compliance requirements	Focus 1: Governance and Ethics

SUSTAINABILITY REPORT

Stakeholders	Key Concerns	Engagement Platforms	Our Response	Addressed in this Report
Shareholders and investors	• Climate change resiliency • Environmental impact • Corporate governance	• Annual Reports • Investor relations	• Provide informative and insightful Annual Reports, Sustainability Reports and regulatory filings	Focus 1: Governance and Ethics Focus 2: Climate Resilience

MATERIALITY ASSESSMENT

As part of our ongoing monitoring of material ESG issues, we have engaged an external consultant to conduct a materiality assessment workshop in FY2023. The aim of the workshop was to identify new material ESG issues that may have emerged as a result of recent global events, as well as to evaluate the relevance of the material ESG issues from the previous reporting period. The workshop involved our senior management where we ascertained our material ESG issues based on the significance of its impact in relation to the key concerns raised by our internal and external Stakeholders. We have also taken into consideration current sustainability themes and areas of concern to the media and entertainment industry when selecting the material ESG issues.

With an increasing spotlight on the environmental and social impact, new material ESG issues introduced in this report include energy, emissions, supplier environmental assessment and supplier social assessment. We have removed the material topic "Customer Privacy" as the Group does not maintain customer data, which is instead collected and managed by streaming platforms and ticketing offices.

The following steps were taken to present the relevant material topics in this report:

Step 1: Identify	Step 2: Prioritise	Step 3: Review	Step 4: Validate
Selection of potential material issues based on the risks and opportunities to the sector.	Prioritise material issues based on concerns of internal and external Stakeholders. Key considerations include alignment with organisational values, policies, management systems, goals and targets.	Review the relevance of previously identified material issues.	Validate selected material issues in the Report with the Board.

SUSTAINABILITY REPORT

Our materiality assessment guides our selection of material ESG issues disclosed in this report. Based on the results of our materiality assessment, we have prioritised and categorised the material issues into key themes which are crucial to the Group's business. The table below presents an overview of the Group's material ESG issues grouped according to key focus areas in this report:

GHY's Material ESG Issues	Applicable Segments	Addressed in this Report
GRI 205: Anti-corruption	Group-wide	Focus 1: Governance and Ethics
GRI 207: Tax		
GRI 417: Marketing and Labelling		
GRI 201: Economic Performance	Group-wide	Focus 2: Climate Resilience
GRI 302: Energy	Corporate Offices (Singapore, Indonesia and Beijing, PRC)	
GRI 305: Emissions	Corporate Offices (Singapore, Indonesia and Beijing, PRC)	
GRI 308: Supplier Environmental Assessment	Group-wide	
GRI 414: Supplier Social Assessment	Group-wide	
GRI 202: Market Presence	Group-wide	Focus 3: Human Capital
GRI 401: Employment		
GRI 404: Training and Education		
GRI 405: Diversity and Equal Opportunity		
GRI 406: Non-discrimination		
GRI 403: Occupational Health and Safety	Group-wide	Focus 4: Health and Safety
GRI 416: Customer Health and Safety		
GRI 203: Indirect Economic Impacts	Group-wide	Focus 5: Contribution to the Community
GRI 413: Local Communities	Group-wide	

FOCUS 1: GOVERNANCE AND ETHICS

The Group is committed to upholding professional standards, workplace standards and behaviours in the course of our business operations. Strong corporate governance practices are key to building a viable and resilient business that is able to adapt to the trends and uncertainties in the entertainment industry. Such practices help the Group to align its operations and business activities with the interests of all key Stakeholders.

The Group has implemented policies and processes to ensure that all employees and business partners uphold strong ethics and integrity to prevent any incidents of corruption. We have implemented escalation mechanisms through our Whistleblowing Policy to allow employees and our Stakeholders to report any incidents of breaches in business integrity. GHY has zero tolerance on any incidents of non-compliance to our anti-corruption laws and regulations. We have put processes in place to ensure that our practices are consistent with the policies implemented.

SUSTAINABILITY REPORT

Corporate Compliance

The Group is subject to various laws and regulations applicable to our businesses in different geographic locations. This includes, but not limited to, the Films and Public Entertainments Act by Infocomm Media Development Authority ("**IMDA**"), the Copyright Law of the PRC, the Perbadanan Kemajuan Filem Nasional Malaysia Act 1981, regulations by the Monetary Authority of Singapore, Listing Rules of the SGX-ST, the Code of Corporate Governance 2018 and the Securities and Futures Act, amongst others.

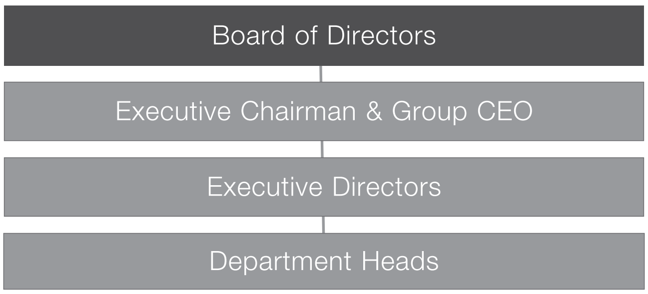
The Group receives updates on new regulations and updates to existing regulations from professional parties including but not limited to secretarial firm, auditors and counsels. Updates are disseminated to relevant staff and processes have been put in place to monitor the activities and its performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are regularly provided to the Board. The company secretary circulates articles, reports and press releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Board. There were no incidents of non-compliance with material laws and regulations applicable to the Group in FY2023.

Sustainability Governance and Statement of the Board

The Board considers sustainability matters when curating the Group's strategic direction and oversees the management and monitoring of the Group's impact on the economy, environment and people. The Board is also responsible for reviewing and approving the reported information in this report, including the material ESG issues. Recognising the evolving needs of our Stakeholders and changing business landscape, the Board regularly re-assesses the relevant material topics, ensuring their continued importance.

The Board remains committed to ensuring the proper management of the Group's sustainability performance and has considered and identified relevant climate-related risks and opportunities. As this is the Group's first year measuring and quantifying our energy consumption and emissions performance, we will monitor our performance before setting any reduction targets.



The Board has delegated the responsibility of managing the Group's impacts on the economy, environment and people to the senior management, which includes the Group Chief Executive Officer ("**CEO**"), Executive Directors and Chief Financial Officer ("**CFO**"). Board meetings to discuss the ESG agenda are convened at least once annually and management will provide quarterly updates to the Board on the business operations. While relevant employees bear responsibility for overseeing our sustainability strategy and ensuring its effective implementation, sustainability performance is not tied to any remuneration. The Group will continue to monitor the effectiveness of our governance structure for managing ESG-related risks and opportunities and update the Board on the risk mitigation progress at least annually or whenever necessary.

To allow all members of the Board to better understand sustainability, SGX has mandated sustainability training for all board directors of equity issuers listed on SGX. As at 31 December 2023, all of the Group's Directors have attended the mandatory sustainability training in year 2022, conducted by approved service providers.

SUSTAINABILITY REPORT

Risk Management

The Group implements a comprehensive risk management framework and takes a precautionary approach towards strategic decision making and our daily operations.

For more details on corporate governance practices and risk management framework, please refer to the Corporate Governance Report section in the Annual Report.

Anti-Corruption

The Group adopts a strict zero-tolerance stance against corruption and is guided by our fundamental principles of integrity, responsibility and accountability. Our controls, processes and procedures provide a framework for all employees and board members to adhere to in their dealings with customers, business partners and colleagues. Beyond our internal operations, we also expect all our business partners and suppliers to comply with applicable anti-corruption laws and regulations. In FY2023, all board members and employees have received training on anti-corruption.

All of our operations have been assessed for risks related to corruption covering money laundering and terrorism financing, theft, fraud, conflicts of interest including insider trading and bribery. In FY2023, there were no reported incidents of corruption.

Whistleblowing Policy

The Group is committed to a high standard of compliance with corporate governance. In line with this commitment, we have developed a Whistleblowing Policy which serves as a secure channel for both internal and external Stakeholders to raise concerns while offering reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith. More details on our Whistleblowing Policy, which covers fraud, corruption and bribery, among others, is available on the Group's website at *https://ghyculturemedia.com/investor-relations/ir-whistle-blowing-policy/*. There were zero reported incidents of whistleblowing in FY2023.

Marketing and Labelling

The Group aims to comply with all marketing and labelling regulations for our concerts, dramas and films in the countries where we distribute and promote our products. This includes classifying all drama and film productions films produced by the Group and third parties in alignment with relevant film and concert classification guidelines mandated by local authorities. To illustrate, all dramas and films distributed and publicly exhibited in Singapore must be submitted for classification and certification under the Films Act which is administered by the IMDA. The Board of Film Censors is then responsible for classifying TV programs and films in Singapore into age-appropriate ratings. In addition, concerts organised by the Group are assigned classification ratings in accordance with the Arts Entertainment Classification Code, which constitutes part of the licensing conditions issued by licensing officers under the Public Entertainments Act.

Production details including but not limited to, the genre classification, and names of producers, directors, artistes and cast members of the Group's dramas and films and concert productions are disclosed on our website, advertisements and marketing materials to provide clear and accurate information to the public.

There have been zero incidences of non-compliance relating to product and service information and labelling and marketing communications in FY2023.

Tax Compliance

The payment of taxes forms a fundamental part of GHY's societal contributions, serving as a crucial bridge between GHY and the countries and communities where we operate. The Group aims to fully comply with relevant tax laws and regulations in all jurisdictions we operate in. We maintain a zero tolerance against any deliberate violations of tax laws and regulations.

SUSTAINABILITY REPORT

Tax-related risks are identified as part of the Group's enterprise risk management framework. Overview of tax matters falls under the purview of the Group's Executive Director and the CFO who further provides assurance based on our tax control framework. Respective business units are delegated the responsibility of implementing tax compliance related policies and procedures, which are monitored by the Group's Executive Director and the CFO.

The Board is responsible for approving our tax strategy and consistently evaluating its effectiveness, while also upholding a robust risk management and internal control system. The Audit and Risk Management Committee ("**ARMC**") assists the Board in maintaining a sound system of risk management and internal control and oversight over GHY's financial reporting. The Board conducts an annual review, to its satisfaction, of the effectiveness of GHY's system of risk management and internal controls which includes financial, operational and compliance controls, including tax controls.

All relevant staff attend tax-related trainings to keep abreast of key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transaction level as well as to fulfil required tax filings. Any instances of non-compliance are immediately reported to the ARMC and resolved promptly.

Governance and Ethics Targets

Segment	FY2023 Targets	Status	FY2023 Performance Update
Group-wide	Zero incidents of non-compliance with SGX-ST listing rules or Code of Corporate Governance	Met	No incidents of non-compliance with SGX-ST listing rules or Code of Corporate Governance
	Zero reported corruption/significant whistle blowing report	Met	No reported corruption/significant whistle blowing report
	Zero reported human right, child and forced labour breach	Met	No reported human right, child and forced labour breach
	Zero data privacy and cyber security breach	Met	No data privacy and cyber security breach
	No non-compliance incidents with local regulations or voluntary codes regarding marketing and labelling	Met	Zero non-compliance incidents with local regulations or voluntary codes regarding marketing and labelling
	No significant tax-related non-compliance	Met	Zero significant tax-related non-compliance

Segment	Targets	Short-term (FY2024)	Mid-term (FY2025-FY2029)	Long-term/perpetual (From FY2030)
Group-wide	• Zero incidents of non-compliance with SGX-ST listing rules or Corporate Governance Code	●	●	●
	• Zero report of corruption/significant whistle blowing report	●	●	●
	• Zero data privacy and cyber security breach	●	●	●
	• Zero report of non-compliance incident with local regulations or voluntary codes regarding marketing and labelling	●	●	●
	• Zero report of significant tax-related non-compliance	●	●	●

SUSTAINABILITY REPORT

FOCUS 2: CLIMATE RESILIENCE

The Group acknowledges the potential outward and inward impacts of climate change on our operations. We continue to identify and monitor potential climate-related risks and opportunities that could potentially impact the Group's assets, revenue, operations, supply chain, Stakeholder engagement, and investor communication.

The Group also understands that aside from climate-related physical risks, regulatory transition risks can result in stricter emission standards and increased carbon tax, amongst others. The Group is committed to managing its environmental footprint and has begun monitoring certain aspects of its energy and emissions output.

Task Force on Climate-related Financial Disclosures Recommendations

As the scale and significance of climate change continues to grow, the Group is acutely aware of its potential effects on its operations and its Stakeholders. We strive to identify and monitor all pertinent climate-related risks and opportunities which may impact our business decisions. This commitment to promote accountability and transparency in our sustainability reporting is demonstrated through the TCFD report, highlighting the Group's climate-related risks and opportunities presented by rising temperatures, climate-related policy and emerging technologies in our dynamic world.

Climate risks can materialise into tangible financial impact on our business operations. Beyond the impact of the Group's operations on the environment and society, we need to consider the impact of climate change on our business operations, assets and Stakeholders such as our employees, audiences and Shareholders.

The Group will progressively enhance our climate-related disclosures and begin implementing the TCFD recommendations using a phased approach. In accordance with the recommendations of TCFD, we have assessed the impact of climate-related risks and opportunities and proposed mitigating responses to cushion against the impact of climate change on our operations.

The four core pillars of the TCFD Recommendations provide an appropriate structure to identify, disclose and manage climate-related risks and opportunities. The following table summarises our considerations of each element in our disclosures.

TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Governance		
Describe the Board's oversight of climate-related risks and opportunities	Met	The Board is responsible for the governance of risk across the Group, while ensuring that the management maintains a sound system of risk management and internal controls. Climate-related risks and opportunities were discussed and identified by management based on the TCFD framework. Management also presented their strategies and mitigation for these risks and opportunities to the Board for review and approval. Board meetings to discuss the ESG agenda are convened at least once annually. Management will continue to monitor the effectiveness of our governance structure for managing climate-related risks and opportunities and update the Board on the risk mitigation progress at least annually or whenever necessary.

TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Describe management's role in assessing and managing climate-related risks and opportunities	Met	Management identifies the climate-related risks and opportunities and supports the Board on the implementation of the respective climate-related strategies. The management also surfaces significant risk issues, if any, for discussion with the Board to keep them fully informed in a timely manner. Any critical decisions pertaining to climate-related risks and opportunities, if any, will be escalated to the Board immediately for review and approval.
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Met	Please refer to the "*Climate-related risks and opportunities*" section below for more information.
Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Met	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2ºC or lower scenario	Not commenced	In line with SGX's phased implementation approach for TCFD adoption, the Group will incorporate scenario analysis in our subsequent sustainability reports.
Risk management		
Describe the organisation's processes for identifying and assessing climate-related risks	Met	The Group conducts annual discussions on climate-related risks and opportunities involving senior management across business units. This is facilitated by an ESG consultant to determine the key sustainability issues that are crucial to our Stakeholders. The Group has identified the relevant climate-related risks and opportunities as outlined in the Climate Risks and Opportunities section below. Each identified risk is assessed based on: 1) the likelihood of occurrence; 2) time period of occurrence; 3) the severity of potential impacts arising from the risk; and 4) impact on the Group's business operations.
Describe the organisation's processes for managing climate-related risks	Met	The climate risk assessment process detailed above provides input for the Group to determine our risk management strategy. In addition to the likelihood and impact of the risk, we have also taken into consideration other relevant factors such as cost and time period involved.

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TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Not commenced	The management team will undertake a periodic review of the identified climate-related risks and the risk management approach and report to the Board.
Metrics and Targets		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	In-progress	The Group monitors its energy consumption and Scope 1 and Scope 2 GHG emissions performance in the section *Focus 2: Climate Resilience*. To manage climate-related risks, the Group is evaluating other metrics that may potentially warrant inclusion as targets.
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	In-progress	The Group has measured its Scope 1 and Scope 2 GHG emissions performance. Scope 1 GHG emissions: 26,392.6 $kgCO_2e$ Scope 2 GHG emissions: 401,529.9 $kgCO_2e$ In line with SGX's phased implementation approach for the adoption of the TCFD recommendations, the Group shall evaluate the need to monitor and quantify Scope 3 GHG emissions in the subsequent sustainability reports.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Not commenced	As this is the Group's first year measuring our energy consumption and GHG emissions performance, we will continue to track our performance before setting any quantitative emissions reduction targets.

Climate-related Risks and Opportunities

In line with our commitment to align with the TCFD recommendations, our identification and assessment of climate-related risks considers:

- **Transition risks:** include changes to policy and legal obligations, technological innovation, changing market demand for products, and changing Stakeholder expectations.

- **Physical risks:** risks relating to the physical impacts of climate change (both acute and chronic). Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods, while chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

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The table below presents our analysis of our most significant and relevant climate-related risks. The Group recognises that the list is not exhaustive, and we will continue to enhance our understanding and responses to these risks.

Type of Risk	Description	Risk Mitigation
Transition Risk		
Policy and Legal	**Introduction and/or increase of carbon tax in countries where GHY operates in will indirectly increase the cost of media production** • In Singapore, the existing carbon tax rate of S$5/t$CO_2$e is expected to increase from 2024 onwards. By 2030, the rate of carbon tax is expected to reach $50-$80/tCO_2e. • In China, carbon emissions are subject to carbon tax and the carbon pricing of the Emissions Trading System (ETS).	Due to the Group's operational model, energy cost is not deemed as a material cost in the Group's operations. Notwithstanding the above, the Group shall continue to monitor its energy usage and explore implementing energy efficiency measures.
	Time Period[2]: Medium, Long	
	Likelihood[3]: Likely	
	Financial Impact: Increased operational costs	
	Impact Area(s): Drama and film production, and corporate offices	

[2] Definition of time period used in this report:
- **Short:** 1-3 years
- **Medium:** 3-5 years
- **Long:** More than 5 years

[3] Three categories of likelihood have been used in this report (in decreasing order of likelihood):
(a) Certain
(b) Likely
(c) Possible

SUSTAINABILITY REPORT

<table>
<tr><th>Type of Risk</th><th>Description</th><th>Risk Mitigation</th></tr>
<tr><td rowspan="5">Reputation</td><td>Clients and industry players prefer to work with companies that commit to environmental standards (including but not limited to environmentally responsible and resource-efficient or utilizes technology throughout its production processes to reduce its carbon footprint and drive a green transition) during drama and film and concert productions

• The effects of climate change could pose greater physical risk for outdoor drama and concert productions. This could result in clients’ preference to engage in media companies which commit to environmental standards and adopt more environmentally friendly features at concert sites.</td><td rowspan="5">The Group will actively consider its environmental impact during dramas and films productions.

For concert productions, the Group has provided e-ticketing services to conserve resources for concert-goers and implemented segregated bins for waste disposal to encourage waste segregation.</td></tr>
<tr><td>Time Period: Short, Medium, Long</td></tr>
<tr><td>Likelihood: Possible</td></tr>
<tr><td>Financial Impact: Loss in revenue</td></tr>
<tr><td>Impact Area(s): Drama and film and concert productions</td></tr>
<tr><td colspan="3">Physical Risk</td></tr>
<tr><td rowspan="5">Acute</td><td>Increased frequency of extreme weather events such as typhoons, floods, droughts, extreme heat or cold snaps lead to delay in production time and inflated project costs

• The increase in unpredictable weather events affect the production planning and pose as a safety hazard for production crews and staff.</td><td rowspan="5">The Group has planned and will continue to plan the filming schedule based on the latest available weather forecast to minimise disruption or delays in filming on rainy days.

Going forward, the Group intends to increase the usage of virtual production including but not limited to green screen in filming. A green screen allows drama and film production to remain within a sound stage but depict disparate locations and sequence hence minimizing disruption in filming due to extreme weather conditions.

For the Group’s concert productions, we avoid holding concerts during winter seasons for the safety and comfort of our staff and audience.</td></tr>
<tr><td>Time Period: Short, Medium, Long</td></tr>
<tr><td>Likelihood: Certain</td></tr>
<tr><td>Financial Impact: Increase in drama and film production cost</td></tr>
<tr><td>Impact Area(s): Drama and film productions</td></tr>
</table>

<table>
<tr><th>Type of Risk</th><th>Description</th><th>Risk Mitigation</th></tr>
<tr><td rowspan="5">Chronic</td><td>Increased frequency of heat waves and higher average temperatures, resulting in reduced comfort for staff

• Rising daily temperatures reduces comfort for our staff and increases the risk of heat-related illness.</td><td rowspan="5">We closely monitor daily temperatures and take periodic breaks when temperatures are too high.</td></tr>
<tr><td>Time Period: Short, Medium, Long</td></tr>
<tr><td>Likelihood: Certain</td></tr>
<tr><td>Financial Impact: Increase in drama and film and concert production cost</td></tr>
<tr><td>Impact Area(s): Drama and film and concert productions</td></tr>
</table>

While climate change presents certain risks to the Group, there are also opportunities that could arise. The Group is well-positioned to capture such opportunities and create long-term value for our Stakeholders.

<table>
<tr><th>Opportunities</th><th>Description</th><th>Management's Response</th></tr>
<tr><td rowspan="5">Product/Services</td><td>Creating content for corporates to communicate their sustainability strategies and values

• With the increasing emphasis and awareness on climate change and its impacts, there could be an increase in demand for content creation projects on climate change.

Creating content that promote sustainability

• With the increasing emphasis and awareness on climate change and its impact, there could be an increase in viewer preference towards content on climate change.</td><td rowspan="5">The Group will actively consider films promoting sustainability. For instance, if the client is a strong advocate for sustainability, we may suggest an ESG-related script or idea for the client's consideration.

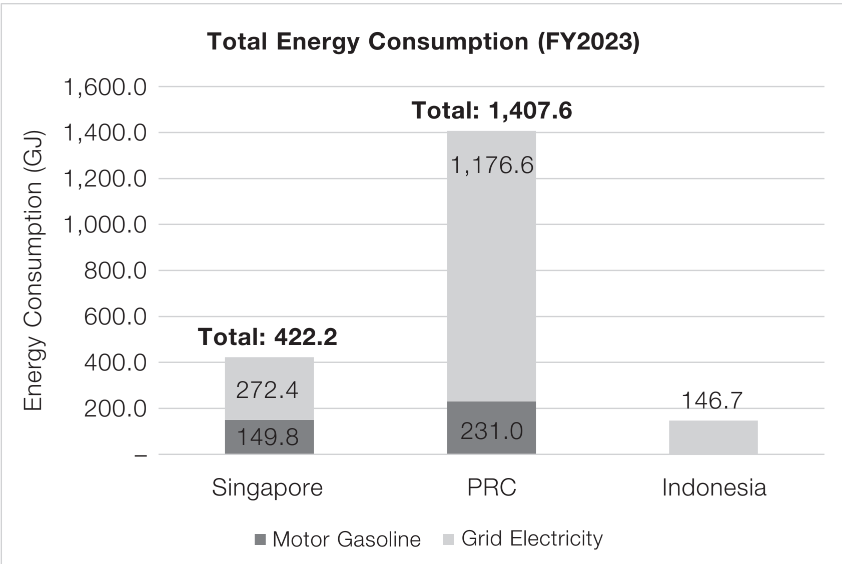
The Group will actively consider creating various content (i.e. TikTok short films) that carry messages on climate change.</td></tr>
<tr><td>Time Period: Short, Medium, Long</td></tr>
<tr><td>Likelihood: Possible</td></tr>
<tr><td>Financial Impact: Increase in revenue</td></tr>
<tr><td>Impact Area(s): Drama and film productions</td></tr>
</table>

SUSTAINABILITY REPORT

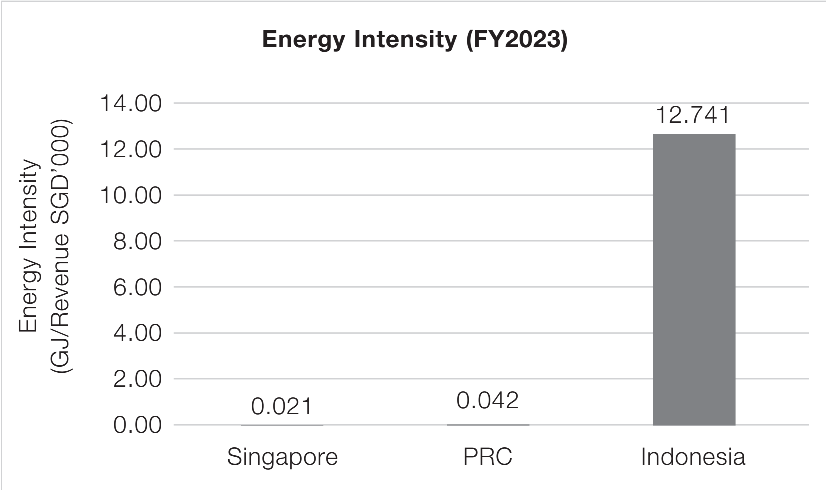
Opportunities	Description	Management's Response
Markets	**Access to capital from sustainability linked funds and grants to produce 'green' films/events** • In producing "green" films/events, there could be government grants available to defray the operating costs of producing such content.	The Group will explore the suitability of producing 'green' content to gain new sources of funding for content production.
	Time Period: Short, Medium, Long	
	Likelihood: Possible	
	Financial Impact: Reduction in the cost of content production	
	Impact Area(s): Drama and film productions	

Energy and Emissions

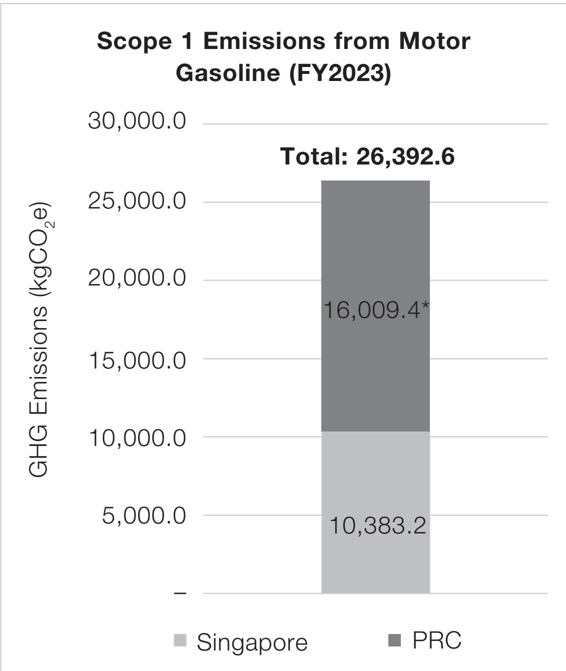
In line with the Group's commitment to better measure and monitor its climate-related risks, we have begun tracking our energy consumption in our corporate offices. The energy and emissions intensity have been calculated based on the revenue for each reporting country[3].

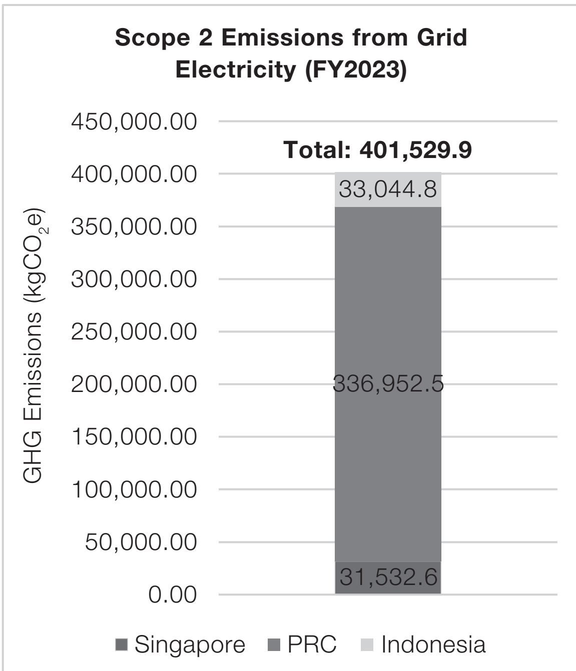


[3] The revenue used for GHY's operations in PRC are revenues before elimination. It covers Tianjin Changxin Film & Media Co., Ltd. and Beijing Changxin Film & Media Co., Ltd. Xiamen Jinzhao Film Culture & Media Co. Ltd. is not covered in the reporting scope.



Motor gasoline is utilised for our company cars to transport our crews and props between filming locations. Our electricity consumption stems from our office usage in each reporting entity. Additionally, we have calculated the Group's Scope 1[4] and 2 GHG emissions[5].





* Certain data is derived based on monthly fuel top up amount divided by the estimated unit fuel price.

4 Scope 1 carbon dioxide emissions factor for Motor Gasoline (69 300 $kgCO_2/TJ$) was sourced from WRI GHG Emission Factors Compilation (2017) https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fghgprotocol.org%2Fsites%2Fdefault%2Ffiles%2FEmission_Factors_from_Cross_Sector_Tools_March_2017.xlsx&wdOrigin=BROWSELINK.

5 Scope 2 Grid Emission Factors (GEF) for Singapore (0.4168 kg CO_2/kWh) was sourced from Singapore Energy Market 2022 https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2.GEF for PRC (1.031 kg CO_2/kWh) and Indonesia (0.811 kg CO_2/kWh) was sourced from Institute of Global Environmental Strategies List of Grid Emission Factors 2023.

SUSTAINABILITY REPORT

	Total Emissions Intensity (Scope 1 and Scope 2) (kg CO_2e/Revenue SGD'000)
Singapore	2.12
PRC	10.62
Indonesia	2,870.22

As this is GHY's first year tracking and reporting our energy and emissions performance, we are unable to compare our performance and evaluate the effectiveness of our energy saving measures. However, we remain committed to implementing and maintaining the following practices as part of our ongoing efforts to conserve. We also aim to reduce our consumption of paper and maximise usage of both sides whenever possible. These measures collectively help to reduce the environmental impact of our business operations.

We recognise that our extended value chain, including those associated with the production of our films and concerts generate substantial emissions (Scope 3). The Group is working to evaluate the need to quantify and monitor Scope 3 emissions in subsequent sustainability reports.

Supply Chain Management

The Group recognises that our sustainability efforts and social responsibilities extend beyond the boundaries of our own operations. We conduct background checks on our key suppliers for reports of violations of environmental or social regulations. During the year, the Group implemented and performed supplier assessments on 100% of new suppliers including but not limited to environmental and social criteria, should the amount involved exceeds a threshold set based on the Group's policies and procedures. In 2023, there are no new suppliers which met the threshold set. Additionally, all foreign employees and workers have valid work permits before starting work for the Group and the Group ensures that they do not overstay their employment in violation of labour laws.

Climate Resilience Targets

<table>
<tr><th>Segment</th><th>FY2023 Targets</th><th>Status</th><th>FY2023 Performance Update</th></tr>
<tr><td rowspan="2">Group-wide</td><td>Zero incidents of environmental non-compliance</td><td>Met</td><td>Achieved zero incidents of environmental non-compliance.</td></tr>
<tr><td>Perform supplier assessment for 100% of our new key suppliers including but not limited to environmental and social criteria.</td><td>Not applicable</td><td>The Group did not engage any new suppliers which met the minimum threshold set.</td></tr>
</table>

<table>
<tr><th>Segment</th><th>Targets</th><th>Short-term (FY2024)</th><th>Mid-term (FY2025 – FY2029)</th><th>Long-term/ perpetual (From FY2030)</th></tr>
<tr><td rowspan="3">Group-wide</td><td>• Zero incidents of environmental and social non-compliance
• Perform environmental and social assessment for 100% of our new key suppliers</td><td>●</td><td>●</td><td>●</td></tr>
<tr><td>• Measure and quantify Scope 3 GHG emissions</td><td rowspan="2"></td><td rowspan="2">●</td><td rowspan="2">●</td></tr>
<tr><td>• Develop long-term energy and emissions targets</td></tr>
</table>

SUSTAINABILITY REPORT

FOCUS 3: HUMAN CAPITAL

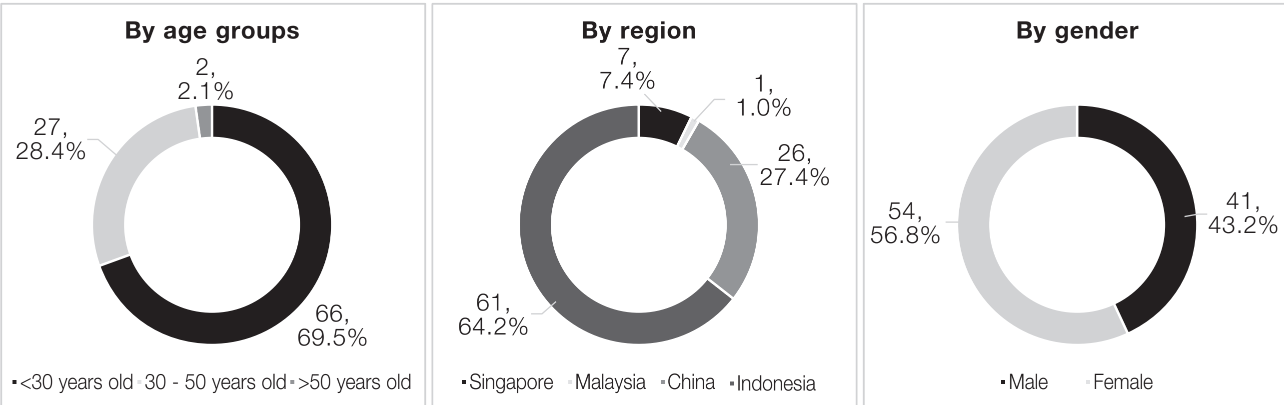
GHY strives to foster a highly engaged and dedicated workforce, recognising that our people form the foundation of our long-term growth and success. We empower our people by investing in their professional and personal development and equipping them with future skills. We work towards an inclusive employment and a vibrant work environment allowing our people to grow and have a rewarding career with us.

Employment Practices

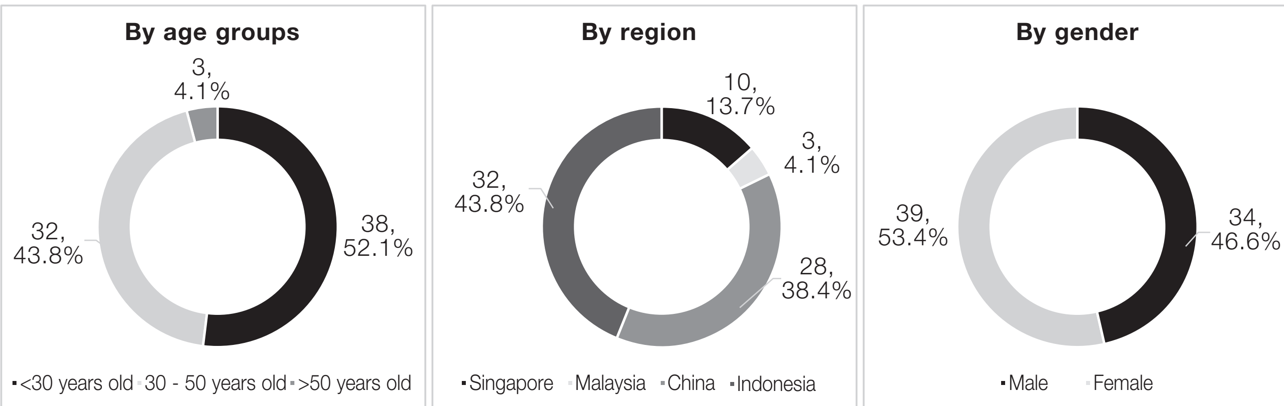
The Group is committed to fair and unprejudiced employment practices and does not discriminate on the basis of gender, race, religion, marital status, mental or physical disabilities and other criteria when employing new employees. As at 31 December 2023, the Group has a total strength of 158 employees which is a 16% increase from 136 employees in FY2022. This change is largely due to the commencement of our operations in Indonesia in FY2023. All employees hired are full-time and permanent staff[6]. Out of the total 158 employees, 95 employees were new hires while 73 employees left the organisation during FY2023. This translates to a new employee hire rate of 64% and a turnover rate of 50%[7].

Employment Metrics

New Employee Hire



Employee Turnover



6 GHY does not employ temporary employees, non-guaranteed hours employees and part-time employees.
7 The new hire rate and employee turnover have been computed based on the average employee headcount during the year.

SUSTAINABILITY REPORT

The Group believes that providing equal choices for maternity and paternity leave, along with other leave entitlements, can enhance our ability to attract and retain highly qualified employees. Moreover, such leave entitlements have the potential to elevate employee morale and productivity. To this end, we ensure that all full-time employees are entitled to competitive compensation packages and benefits in line with industrial standards, including paid annual leave of up to 21 days, 16 weeks of maternity leave, two weeks of paternity leave, parental leave, paid sick leave of up to 14 days and paid hospitalisation leave of up to 60 days. In accordance with the relevant jurisdiction guidelines, eligible employees are allowed to utilise parental leave, maternity leave and childcare leave.

Training and Development

The Group recognises the importance of providing our employees with the necessary skills and knowledge to navigate the regulations and guidelines of the industry. We place great value on fostering our employees growth and providing them with learning and development opportunities. For example, our employees attend the WSQ Advanced Certificate in Learning and Performance 2.0 (ACLP 2.0) to equip today's professionals with the ability to adopt an open-minded, innovative mindset, and the skills to adapt, adopt and facilitate effective learning beyond the classroom. For employees who have ended their job at GHY, the Group encourages its employees to leverage on Skillsfuture incentives and programmes, such as through Skillsfuture Credit and Career Transition Programme, to acquire new skills and improve employability.

We are confident that these trainings enable our employees to be equipped with the required skills and knowledge to stay relevant and adapt to the changing expectations of the media and entertainment industry. The Group believes that the personal growth of each and every employee is important to the organisation's overall performance, enabling us to achieve sustainable business growth. In support of our staff's development and growth progression, the Group provides regular on-job feedback for all employees. This is integral to our staff engagement efforts and serves as a platform for employees to reflect on past work and plan for the future assess their past performance and set future goals. We endeavour to create more opportunities to train and develop are committed to expanding the training and development opportunities for our employees based on their individual performance.

Diversity, Non-Discrimination and Equal Opportunity

The Group is dedicated to fostering diversity amongst our employees regardless of gender, age group, race or religion. We adopt a strong stance against discrimination and are committed to providing equal opportunities for all our employees. Our employment policies are based on meritocracy, regardless of age, gender, or nationality.

We strongly value inclusivity in the Group as such diversity broadens the viewpoints presented in meetings which helps the Group to better capture social trends, generate breakthrough content, as well as bring about greater growth opportunities.

Our emphasis on diversity is also demonstrated in the composition of our Board of Directors. The Board comprises of diverse and capable individuals who provide a range of perspectives at the higher level, enabling the Board to make finer strategic decisions.

Board Diversity Metrics (as at December 2023)

Age diversity	Percentage (%)
<30 years old	Nil
Board (30-50 years old)	27.3
Board (>50 years old)	72.7
Gender diversity	**Percentage (%)**
Female	27.3
Male	72.7

SUSTAINABILITY REPORT

The Group believes that hiring local employees can bring about intangible benefits to our business operations as we contribute to the economy in each respective jurisdictions. We seek to hire senior management locally, wherever possible, for our significant locations of operation in Singapore, Malaysia and the PRC[8]. This includes individuals either born or who have the legal right to reside indefinitely (i.e. naturalized citizens or permanent visa holders) in the same geographic market as the operation. The Group has identified individuals who are responsible for the Group's core management function to be assigned as part of the senior management, which includes the CEO, EDs and CFO. As of FY2023, all senior management staff were based in the country they were born in except for the CEO and the Executive Director who spends their time equally between Singapore and the PRC.

Workplace Diversity Metrics

Total employees[9]	Total number (head count)	Percentage (%)
Male	65	41.1
Female	93	58.9
Employees by country, by location of office	**Total number (head count)**	**Percentage (%)**
PRC	93	58.9
Singapore	35	22.1
Malaysia	1	0.6
Indonesia	29	18.4
Employee age diversity	**Total number (head count)**	**Percentage (%)**
Senior Management		
Senior Management (<30 years old)	0	0.0
Senior Management (30-50 years old)	5	55.6
Senior Management (>50 years old)	4	44.4
Other employees		
Other employees (<30 years old)	54	36.2
Other employees (30-50 years old)	85	57.1
Other employees (>50 years old)	10	6.7
Employee gender diversity – Females	**Total number (head count)**	**Percentage (%)**
Senior Management	3	33.3
Other employees	90	60.4

GHY is committed to cultivating a workplace that is void from discrimination, bullying or any forms of harassment. The Group adopts a strict zero tolerance stance towards discriminatory behaviour and we will take immediate action against any such incidents, if any through our Whistleblowing Policy. In the event of any cases of harassment or discrimination, our follow-up actions will entail investigation, dismissal and reporting to the relevant authorities. There were no incidents of harassment or discrimination reported in FY2023.

[8] Australia has not been identified as a significant location of operation as there is no permanent head-count.
[9] All employees are full-time and permanent.

SUSTAINABILITY REPORT

Human Capital Targets

Segment	FY2023 Targets	Status	FY2023 Performance Update
Group-wide	Continue providing regular training for each employee	Met	Provided regular on-job training for each employee.
	Maintain providing regular performance reviews to all eligible employees	Met	Provided regular on-job feedback to all eligible employees.
	No material breach of employment laws	Met	Achieved no material breach of employment laws.

Segment	Targets	Short-term (FY2024)	Mid-term (FY2025 – FY2029)	Long-term/ perpetual (From FY2030)
Group-wide	• Continue providing regular training for each employee, if required • Maintain providing regular on-job feedback to all eligible employees • No material breach of employment laws by the Group and non-employees	●	●	●
	• Measure and track the percentage of employees receiving regular performance reviews		●	●

FOCUS 4: HEALTH AND SAFETY

The Group prioritises the physical and mental well-being of its employees as part of our commitment to fostering employee well-being. We adopt a proactive approach to mitigating health and safety incidents in the workplace. This includes conducting consultations with employees and on-site crew on safety risks and hazards, as well as active monitoring and inspections of all drama and concert production sites.

Occupational Health and Safety

The Group prioritises the safety of its employees, crew and event attendees. The Group adheres to all safety-related protocols during concert, film and drama productions and will apply and obtain all necessary licenses required in the country or city where we film or stage our concerts, including but not limited to work health safety, vehicle safety, emergency evacuation plan, and traffic control plan. Safety inspections are conducted at our concert venues to identify and eliminate any potential safety hazards on a timely basis, ensuring the safety of employees, crew and event attendees.

GHY disseminates relevant information to its employees and crew, keeping them informed of related procedural and process arrangements through briefings, on-the-job supervision and training. Before the commencement of any filming, all employees and crew members on-site are briefed on the safety requirements and incident reporting processes. All production crew and talents are covered under production-specific insurance policies that cover accidents and hospitalisation, which provides coverage throughout the entire project lifecycle, from the period of pre-production until the end of production. Our Whistleblowing Policy also provides a transparent and confidential process for workers to report any work situations that they believe may pose risks to the health and safety of an individual, as well as to raise any concerns regarding our occupational health and safety ("OHS") processes.

Worker's personal health information is maintained in strict confidentiality and is exclusively accessible to our Human Resources ("HR") department. This information remains undisclosed by HR to any other individuals, including but not limited to the individual's direct reporting supervisor, ensuring utmost privacy and compliance.

In FY2023, we are proud to have achieved good workplace health and safety performance and will strive to maintain this achievement as a commitment to our employees.

Health and Safety Metrics[10]

Metric	Number in FY2023
Number of fatalities as a result of work-related injury	Nil
Number of high-consequence work-related injuries (excluding fatalities)	Nil
Number of recordable work-related injuries	Nil
Number of fatalities as a result of work-related ill health	Nil
Number of work-related ill health	Nil

Customer Health and Safety

In line with the local regulatory standards, the Group obtains all relevant safety permits for our event venues and conduct safety inspections for any safety risks. All events and concerts have to undergo safety checks such as routine equipment testing and premise inspections before the event takes place. These assessments are carried out by external qualified OHS personnel as a safety adherence to our performing artistes and attendees. As the organiser, GHY conducts safety briefing for all crew members and implements crowd management plans. In FY2023, there were zero instances of non-compliance with regulatory codes or voluntary codes regarding the health and safety impacts of products and services.

Health and Safety Targets

Segment	FY2023 Targets	Status	FY2023 Performance Update
Group-wide	Maintain zero workplace fatalities or permanent disabilities and zero significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act	Met	Achieved zero workplace fatalities or permanent disabilities and zero significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act.
	No non-compliance incident with local safe management measures for events organised by the Group	Met	There was no non-compliance with local safe management measures for events organised by the Group.

Segment	Targets	Short-term (FY2024)	Mid-term (FY2025 – FY2029)	Long-term/ perpetual (From FY2030)
Group-wide	• Maintain zero workplace fatalities or permanent disabilities and zero significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act • No non-compliance incident with local safe management measures for events organised by the Group, mitigating any potential loss of reputation and additional business cost to remediate any non-compliance incident	●	●	●

[10] Number includes GHY's permanent full-time employees.

SUSTAINABILITY REPORT

FOCUS 5: CONTRIBUTION TO THE COMMUNITY

Developing Talent. Empowering Youths. Championing Communities. Creating Impact.
GHY believes in developing budding talent for the media industry, energising our youths, and channeling their creative energies to catalyst the development of the media industry. Emerging young talent must be given opportunities to pursue a fulfilling education, be inspired to exercise their creativity, and be empowered with platforms that allow them to actualise their dreams.

At the same time, differently enabled and less-privileged members of our society must lead a dignified life and be given the same level of respect as every other member of our society. We recognise that media is a powerful platform for social change and can be used as a force for good to raise public awareness and attention on pressing issues that are relevant to the community. To these ends, the Group proactively supports educational institutions, non-profit organisations, and government agencies with community projects that further these causes.

The Group strives to create a positive impact to our society by:

- accelerating the development of talent to enrich the local media and entertainment industry,
- providing equitable education and industry opportunities to youths,
- supporting less-privileged communities with social reliefs that enable them to live with dignity, and
- raising awareness on social issues through visual storytelling and digital content.

Corporate Responsibility
Talent Acceleration
The media industry has seen major waves of disruptions and is expected to become even more uncertain in the years to come. The next generation of media companies need to be staffed by talent who not only possess technical knowledge of productions, but also future-oriented skills.

To support the development of media talent in Singapore, the Group has collaborated with various IHLs to provide educational related opportunities to youths.

MOE Bicultural Studies Programme Sharing with tertiary students at the Bicultural Studies Camp 2023	**NUS-FASS** Giving lesson to international students in the Master of Sciences in Communications Programme	**NUS-GHY PITCH IT! 2023** Providing youths with platforms to showcase their creative talents.
• GHY is a partner of the Singapore Ministry of Education (MOE) Bicultural Studies Programme. • The Programme is a four-year programme curated by the MOE for tertiary students with strong passion in biculturalism and a keen interest in understanding contemporary China and the West. • GHY has also provided internship opportunities to outstanding students from the Bicultural Studies Programme who have expressed strong interest and passion in the Chinese media industry.	• The fragmentation of leisure and the rise of creator economy have threatened the traditional business models of media companies. The National University of Singapore ("NUS") Faculty of Arts and Social Sciences ("FASS") has invited GHY to conduct a guest lecture to more than 40 international students at the Global Media Audience Module in the Master of Social Sciences in Communications Programme. • The guest lecture touched on emerging topics such as creating engaging media content for a diverse global audience on content creation strategies such as IP extensions and content adjacency.	• Together with NUS Communications and New Media Society, GHY sponsored and co-organised Pitch It! 2023, a tertiary-wide short film competition that drew close to 100 participants from eight different IHLs. • The semi-finalists and finalists were mentored by the GHY to produce social impact advocacy videos that are in line with United Nations Sustainable Development Goals. • Winners of NUS-GHY Pitch It! 2023 were given opportunities to work with GHY on video production projects, with one team having worked with GHY on a TikTok video for a community partner.

SUSTAINABILITY REPORT

Moving on, the Group will offer industry attachment opportunities for academics and co-develop industry relevant programmes for tertiary education institutions in Singapore.

Social Responsibility

Endowment Fund on Global Chinese Media	Grassroots Sports Development Programme	Production with a Purpose
• The Group has donated S$75,000 to NUS FASS to establish the GHY Prize. • The GHY Prize is the first-of-its-kind academic award in a Singapore tertiary institution for the study of Global Chinese Media. • The GHY Prize recognises exceptional students from the Communications and New Media major who have achieved outstanding performance in their Final Year Project(s) on Global Chinese Media.	• The Group has donated RM 200,000 to support grassroots sports development programme in Malaysia by the Ministry of Youth and Sports through the Malaysian Sports Council to elevate the skills and capabilities of young and aspiring sportsmen in Malaysia.	• The Group is committed to supporting social causes with community partners through media production which includes partnering Northeast Community Development Council to produce eight videos that showcased different community projects that supported less-privileged Singaporeans living in the Northeast District among others.

Philanthropic Responsibility
Funding and Donations
The Group believes that a greater level of awareness on social issues must be raised so that everyone, regardless of the circumstances they are in, can lead a meaningful, dignified, and enriched life.

As part of the Group's contributions to social causes, the Group had pledged a cash donation of S$200,000 to the charity drive. The donation will help to support Community Chest's causes to empower the lives of children with special needs and youths at risk, adults with disabilities, persons with mental health conditions, and seniors and families in need of assistance so that these vulnerable members of our community can live with dignity in a caring and inclusive Singapore.

Management of Noise-related impacts
GHY adheres to all pertinent local rules and regulations to minimise the impact of noise from our concerts on communities near our concert venues. We ensure that all our concerts end by the required time on a best effort basis, reducing potential disturbance to residents.

Contribution to the Community Targets

Segment	FY2023 Target	Status	FY2023 Performance Update
Group-wide	Continue supporting local communities through partnerships and educational programmes	Met	Supported local communities through partnerships and educational programmes

SUSTAINABILITY REPORT

Segment	Target	Short-term (FY2024)	Mid-term (FY2025 – FY2029)	Long-term/ perpetual (From FY2030)
Group-wide	Continue supporting local communities through partnerships and educational programmes, to enhance our corporate philosophy of giving back to the society and grooming of new talents for industry.	●	●	●

SGX Six Primary Components Index

S/N	Primary Component	Addressed in this Report
1	Material ESG Factors	Materiality Assessment
2	Climate-related disclosures consistent with the TCFD recommendations	Focus 2: Climate Resilience
3	Policies, Practices and Performance	• Message from the Executive Chairman and Group CEO • Sustainability at GHY • Focus 1 to 5
4	Board Statement	Sustainability Governance and Statement of the Board
5	Targets	• Governance and Ethics Targets • Climate Resilience Targets • Human Capital Targets • Health and Safety Targets • Contribution to the Community Targets
6	Framework	Reporting Practice

GRI Content Index

Statement of use	G.H.Y Culture and Media Holding Co., Limited has reported with reference to the GRI Standards for FY2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Location	DISCLOSURE REQUIREMENTS OMITTED	REASON FOR OMISSION
GRI 2: General Disclosures 2021	2-1 Organizational details	Our Value Chain		
	2-2 Entities included in the organization's sustainability reporting	Reporting Practice		
	2-3 Reporting period, frequency and contact point	Reporting Practice		
	2-4 Restatements of information	Reporting Practice		
	2-5 External assurance	Reporting Practice		

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location	DISCLOSURE REQUIREMENTS OMITTED	REASON FOR OMISSION
	2-6 Activities, value chain and other business relationships	Our Value Chain		
	2-7 Employees	Focus 3: Human Capital		
	2-8 Workers who are not employees	–		Not applicable – This is not currently tracked
	2-9 Governance structure and composition	Focus 1: Governance and Ethics Refer to Corporate Governance section of this Annual Report		
	2-10 Nomination and selection of the highest governance body	Refer to Corporate Governance section of this Annual Report		
	2-11 Chair of the highest governance body	Refer to Corporate Governance section of this Annual Report		
	2-12 Role of the highest governance body in overseeing the management of impacts	Focus 1: Governance and Ethics, Focus 2: Climate Resilience		
	2-13 Delegation of responsibility for managing impacts	Focus 1: Governance and Ethics, Focus 2: Climate Resilience		
	2-14 Role of the highest governance body in sustainability reporting	Focus 1: Governance and Ethics		
	2-15 Conflicts of interest	Refer to Corporate Governance section of this Annual Report		
	2-16 Communication of critical concerns	Focus 1: Governance and Ethics		
	2-17 Collective knowledge of the highest governance body	Focus 1: Governance and Ethics		

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location	DISCLOSURE REQUIREMENTS OMITTED	REASON FOR OMISSION
	2-18 Evaluation of the performance of the highest governance body	Refer to Corporate Governance section of this Annual Report		
	2-19 Remuneration policies	Refer to Corporate Governance section of this Annual Report		
	2-20 Process to determine remuneration	Refer to Corporate Governance section of this Annual Report		
	2-21 Annual total compensation ratio	–		Confidentiality Constraints – In view of the competitive nature of the media and entertainment industry and to support our efforts in attracting and retaining talents, we believe that we should maintain confidentiality on annual total compensation ratio.
	2-22 Statement on sustainable development strategy	Message from the Executive Chairman and Group CEO		
	2-23 Policy commitments	Focus 1 to 5		
	2-24 Embedding policy commitments	Focus 1 to 5		
	2-25 Processes to remediate negative impacts	Focus 1 to 5		
	2-26 Mechanisms for seeking advice and raising concerns	Focus 1: Governance and Ethics		
	2-27 Compliance with laws and regulations	Focus 1: Governance and Ethics		

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location	DISCLOSURE REQUIREMENTS OMITTED	REASON FOR OMISSION
	2-28 Membership associations	–		Not applicable – We do not participate in a significant role in association or advocacy organization
	2-29 Approach to Stakeholder engagement	Stakeholder Engagement		
	2-30 Collective bargaining agreements	–		Not applicable – our employees are not covered under collective bargaining agreement.
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment		
	3-2 List of material topics	Materiality Assessment		
Economic Performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 2: Climate Resilience		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Refer to Financial Statements section of this Annual Report		
	201-2 Financial implications and other risks and opportunities due to climate change	Focus 2: Climate Resilience		
	201-4 Financial assistance received from government	Refer to Financial Statements section of this Annual Report		
Market Presence				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 3: Human Capital		
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Focus 3: Human Capital		
Indirect Economic Impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 5: Contribution to the Community		

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location	DISCLOSURE REQUIREMENTS OMITTED	REASON FOR OMISSION
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Focus 5: Contribution to the Community		
	203-2 Significant indirect economic impacts	Focus 5: Contribution to the Community		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 1: Governance and Ethics		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Focus 1: Governance and Ethics		
	205-2 Communication and training about anti-corruption policies and procedures	Focus 1: Governance and Ethics		
	205-3 Confirmed incidents of corruption and actions taken	Focus 1: Governance and Ethics		
Tax				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 1: Governance and Ethics		
GRI 207: Tax 2019	207-1 Approach to tax	Focus 1: Governance and Ethics		
	207-2 Tax governance, control, and risk management	Focus 1: Governance and Ethics		
	207-3 Stakeholder engagement and management of concerns related to tax	Focus 1: Governance and Ethics		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 2: Climate Resilience		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Focus 2: Climate Resilience	d	Not applicable – GHY does not sell electricity, heating, cooling or steam energy.
	302-3 Energy intensity	Focus 2: Climate Resilience		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 2: Climate Resilience		

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location	DISCLOSURE REQUIREMENTS OMITTED	REASON FOR OMISSION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Focus 2: Climate Resilience		
	305-2 Energy indirect (Scope 2) GHG emissions	Focus 2: Climate Resilience		
	305-4 GHG emissions intensity	Focus 2: Climate Resilience		
Supplier Environmental Assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 2: Climate Resilience		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Focus 2: Climate Resilience		
	308-2 Negative environmental impacts in the supply chain and actions taken	Focus 2: Climate Resilience		
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 3: Human Capital		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Focus 3: Human Capital		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Focus 3: Human Capital		
	401-3 Parental leave	Focus 3: Human Capital	b, c, d, e	GHY has not tracked the number of employees who took and returned from parental leave.
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 4: Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Focus 4: Health and Safety		
	403-2 Hazard identification, risk assessment, and incident investigation	Focus 4: Health and Safety		
	403-3 Occupational health services	Focus 4: Health and Safety		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Focus 4: Health and Safety		
	403-5 Worker training on occupational health and safety	Focus 4: Health and Safety		

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location	DISCLOSURE REQUIREMENTS OMITTED	REASON FOR OMISSION
	403-6 Promotion of worker health	Focus 4: Health and Safety	b	Not applicable. GHY does not provide any voluntary health promotion services and programs to workers.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Focus 4: Health and Safety		
	403-8 Workers covered by an occupational health and safety management system	Focus 4: Health and Safety		
	403-9 Work-related injuries	Focus 4: Health and Safety Note: GHY does not track total number of hours worked	b	GHY does not track this metric.
	403-10 Work-related ill health	Focus 4: Health and Safety	b	GHY does not track this metric
Training and Education				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 3: Human Capital		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Focus 3: Human Capital		
Diversity and Equal Opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 3: Human Capital		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Focus 3: Human Capital		
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 3: Human Capital		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Focus 3: Human Capital		

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location	DISCLOSURE REQUIREMENTS OMITTED	REASON FOR OMISSION
Local Communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 5: Contribution to the Community		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Focus 5: Contribution to the Community		
	413-2 Operations with significant actual and potential negative impacts on local communities	Focus 5: Contribution to the Community		
Supplier Social Assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 2: Climate Resilience		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Focus 2: Climate Resilience		
	414-2 Negative social impacts in the supply chain and actions taken	Focus 2: Climate Resilience		
Customer Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 4: Health and Safety		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Focus 4: Health and Safety		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Focus 4: Health and Safety		
Marketing and Labelling				
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 1: Governance and Ethics		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Focus 1: Governance and Ethics		
	417-2 Incidents of non-compliance concerning product and service information and labeling	Focus 1: Governance and Ethics		
	417-3 Incidents of non-compliance concerning marketing communications	Focus 1: Governance and Ethics		

TCFD Index

Please refer to Focus 2: Climate Resilience for our climate-related disclosures in line with TCFD recommendations.

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2024

SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 11 March 2024, approximately 16.9% of the issued ordinary shares of the Company ("Shares") (excluding Treasury Shares) was held by the public (which also excluded Shares under moratorium) and therefore, Rule 723 of the SGX-ST Listing Manual is compiled with.

Substantial Shareholders
(As recorded in the Company's Register of Substantial Shareholders)

Name of Substantial Shareholders (including Directors that are also Substantial Shareholders)	Direct Interest		Deemed Interest(2)		Total Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Mr. Guo Jingyu(3)	4,626,400	0.4%	666,182,000	62.4%	670,808,400	62.8%
Ms. Yue Lina(3)	–	–	666,182,000	62.4%	666,182,000	62.4%
Mr. Yang Jun Rong(4)	–	–	76,230,000	7.1%	76,230,000	7.1%
Mr. John Ho(5)	110,602,000	10.4%	–	–	110,602,000	10.4%
Kang Ru Investments Limited(3)	666,182,000	62.4%	–	–	666,182,000	62.4%
Da Yuan Developments Limited(3)	–	–	666,182,000	62.4%	666,182,000	62.4%
G.Y Media & Entertainment Limited(3)	–	–	666,182,000	62.4%	666,182,000	62.4%
Guo Yue Family Trust(3)	–	–	666,182,000	62.4%	666,182,000	62.4%
Taiho Holding Ltd(4)	76,230,000	7.1%	–	–	76,230,000	7.1%
Mdm. Yeh Hui Mei(6)	–	–	76,230,000	7.1%	76,230,000	7.1%
Vistra Trust (Singapore) Pte. Limited(3)(7)	–	–	666,182,000	62.4%	666,182,000	62.4%

Notes:

(1) Based on the total number of issued Shares (excluding Treasury Shares) as at 11 March 2024.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) Kang Ru Investments Limited ("Kang Ru") holds 666,182,000 Shares. Da Yuan Developments Limited ("Da Yuan") is the sole shareholder of Kang Ru. Vistra Trust (Singapore) Pte. Limited is the sole shareholder of Da Yuan and is the trustee of the Guo Yue Family Trust which is a discretionary trust. The Shares held by Kang Ru are assets of the Guo Yue Family Trust and the beneficiaries are G.Y Media & Entertainment Limited, Mr. Guo Jingyu and Ms. Yue Lina (including the minor child of Mr. Guo Jingyu and Ms. Yue Lina). Mr. Guo Jingyu is the sole shareholder and director of G.Y Media & Entertainment Limited, and is also the investment manager of the Guo Yue Family Trust. Accordingly, each of G.Y Media & Entertainment Limited, Mr. Guo Jingyu and Ms. Yue Lina is deemed to have an interest in all the Shares held by Kang Ru by virtue of Section 4 of the SFA.

(4) Mr. Yang Jun Rong holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mr. Yang Jun Rong is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.

(5) Mr. John Ho holds 110,602,000 Shares directly of which 50,000,000 Shares are held in his nominee account with DBS Nominees (Private) Limited.

(6) Mdm. Yeh Hui Mei holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mdm. Yeh Hui Mei is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.

(7) Vistra Trust (Singapore) Pte. Limited provides trustee services in Singapore, and is (i) wholly-owned by Vistra Group (Asia) Limited; (ii) which is in turn wholly-owned by Vistra Group Holdings (Cayman) Limited; (iii) which is in turn wholly-owned by Vistra Group Holdings (BVI) Limited; (iv) which is in turn wholly-owned by Vistra Group Holdings (BVI) I Limited; (v) which is in turn wholly-owned by Vistra Group Holdings (BVI) II Limited; and (vi) which is in turn wholly-owned by Vistra Group Holdings (BVI) III Limited. Vistra Group Holdings (BVI) III Limited is (A) wholly-owned by Thevelia Limited, (B) which is in turn wholly-owned by Thevelia Holdings Limited, (C) which is in turn wholly-owned by Thevelia Midco Limited, (D) which is in turn wholly-owned by Thevelia Parent Limited, (E) which is in turn majority-owned by Thevelia Aggregator, L.P. and (F) which is in turn controlled by its general partner Thevelia GP Limited. Thevelia GP Limited is wholly-owned by BPEA Private Equity GP VIII, L.P., which is in turn controlled by its general partner BPEA Private Equity GP VIII Limited, which is in turn wholly-owned by BPEA EQT Holdings AB, and which is in turn wholly-owned by EQT AB. Accordingly, each of the foregoing entities is deemed to be interested in the Shares that Vistra Trust (Singapore) Pte. Limited is interested in by virtue of Section 4 of the SFA.

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2024

ISSUED AND FULLY PAID CAPITAL

Number of issued shares	:	1,073,792,000
Number of treasury shares	:	5,842,400
Number of issued shares, excluding treasury shares	:	1,067,949,600
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Number of subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	148	17.68	133,700	0.01
1,001 – 10,000	439	52.45	2,187,900	0.21
10,001 – 1,000,000	239	28.56	13,820,300	1.29
1,000,001 AND ABOVE	11	1.31	1,051,807,700	98.49
TOTAL	837	100.00	1,067,949,600	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	465,881,500	43.62
2	UOB KAY HIAN PRIVATE LIMITED	305,317,000	28.59
3	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	76,230,000	7.14
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	64,178,000	6.01
5	HO AH HUAT	60,602,000	5.67
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	27,784,700	2.60
7	DB NOMINEES (SINGAPORE) PTE LTD	19,749,200	1.85
8	PHILLIP SECURITIES PTE LTD	16,199,000	1.52
9	RAFFLES NOMINEES (PTE.) LIMITED	10,691,400	1.00
10	MAYBANK SECURITIES PTE. LTD.	3,934,300	0.37
11	IFAST FINANCIAL PTE. LTD.	1,240,600	0.12
12	ONG HUNG HENG	710,300	0.07
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	518,500	0.05
14	SINMAH POULTRY PROCESSING (S) PTE LTD	500,000	0.05
15	SU GUANING	484,600	0.05
16	GOH GUAN SIONG (WU YUANXIANG)	396,900	0.04
17	LIM SEEH ENG	393,800	0.04
18	LIAN POH HENG	372,500	0.03
19	LEE PUAY CHIN	324,400	0.03
20	ICH CAPITAL PTE LTD	309,200	0.03
	TOTAL	1,055,817,900	98.88

APPENDIX TO ANNUAL REPORT

APPENDIX DATED 9 APRIL 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

If you have sold or transferred all your shares in the issued share capital of G.H.Y Culture & Media Holding Co., Limited, you should immediately forward this Appendix together with the Notice of Annual General Meeting ("**AGM**") and the accompanying Proxy Forms to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

长信传媒
G.H.Y Culture & Media

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

APPENDIX TO ANNUAL REPORT

IN RELATION TO

(1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;

(2) THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND

(3) THE PROPOSED CHANGE OF AUDITORS FROM DELOITTE & TOUCHE LLP TO CROWE HORWATH FIRST TRUST LLP

APPENDIX TO ANNUAL REPORT

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APPENDIX TO ANNUAL REPORT

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated.

"**2023 AGM**"	:	The annual general meeting of the Company held on 27 April 2023 to seek Shareholders' approval for, *inter alia*, the proposed renewal of the Share Purchase Mandate and the proposed renewal of the IPT General Mandate
"**ACRA**"	:	Accounting and Corporate Regulatory Authority of Singapore
"**AGM**"	:	The annual general meeting of the Company to be held on 26 April 2024 at 3.00 p.m., in a hybrid format, at One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 and using virtual meeting technology, notice of which is attached to the Annual Report
"**Annual Report**"	:	The annual report of the Company for FY2023 dated 9 April 2024
"**Appendix**"	:	This appendix to the Annual Report issued by the Company to the Shareholders
"**Articles of Association**"	:	The articles of association of the Company, as amended, varied or supplemented from time to time
"**Audit and Risk Management Committee**"	:	The audit and risk management committee of the Company, currently comprising of Mr. Ang Chun Giap (as Chairman of the committee), Mr. Chen Mingyu and Dr. Jiang Minghua
"**Auditors**"	:	The auditors of the Company
"**Cayman Islands Companies Act**"	:	Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	G.H.Y Culture & Media Holding Co., Limited
"**Concert Management**"	:	The business of managing the concert production by (a) appointing sub-agents and/or collaborating with third party concert hosting companies or organisers who will undertake the execution of the other aspects of the concert production; and (b) conducting ancillary services such as marketing, publicity and logistics services in connection with the concert
"**Concert Organisation**"	:	The business of managing and executing the concert production, including obtaining the relevant licences and/or permits for the holding of concerts, booking of concert venues, coordinating ticket sales, production and engineering of stage design, lighting, sound and technical effects, concert merchandise, logistics, security arrangements and music recording

APPENDIX TO ANNUAL REPORT

"**Directors**"	:	The directors of the Company for the time being (collectively, the "**Board of Directors**")
"**EAR Group**"	:	The Company, its subsidiaries and associated companies that are considered to be "**entities at risk**" within the meaning of Chapter 9 of the Listing Manual. For the avoidance of doubt, the PRC Affiliated Entities are considered as Entities at Risk and the EAR Group includes the PRC Affiliated Entities for the purposes of the IPT General Mandate
"**FY2022 Appendix**"	:	The appendix to the annual report of the Company for the financial year ended 31 December 2022 dated 12 April 2023 issued by the Company to the Shareholders in relation to the proposed renewal of the Share Purchase Mandate and the proposed renewal of the IPT General Mandate
"**FY2023**"	:	Financial year ended 31 December 2023
"**GHY Employee Share Option Scheme**"	:	The employee share option scheme of the Company approved by Shareholders on 25 November 2020
"**GHY Performance Share Plan**"	:	The performance share plan of the Company approved by Shareholders on 25 November 2020
"**Group**"	:	The Company, its subsidiaries and associated companies
"**Independent Director**s"	:	The Independent Directors of the Company as at the date of this Appendix, unless otherwise stated
"**IPT General Mandate**"	:	The general mandate from the Shareholders pursuant to Chapter 9 of the Listing Manual to enable any or all members of the Group, in the ordinary course of their business, to enter into Mandated Transactions with the Mandated Interested Persons which are necessary for the day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders
"**Latest Practicable Date**"	:	25 March 2024, being the latest practicable date prior to the printing of this Appendix
"**Listing Manual**"	:	Listing Manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date
"**Mandated Interested Persons**"	:	Ms. Yue Lina, Mr. Yang Zhigang and their associates (each a "**Mandated Interested Person**")
"**Mandated Transactions**"	:	Transactions proposed to be entered into by the EAR Group and Mandated Interested Persons
"**Market Day**"	:	A day on which the SGX-ST is open for securities trading
"**Memorandum**"	:	The memorandum of association of the Company, as amended, varied or supplemented from time to time

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"**NTA**"	:	Net tangible assets
"**PRC Affiliated Entities**"	:	Beijing Changxin Film & Media Co., Ltd. (北京长信影视传媒有限公司), Beijing Yizhongdao Film & Media Co., Ltd. (北京易中道影视传媒有限公司), Tianjin Changxin Film & Media Co., Ltd. (天津长信影视传媒有限公司), Tianjin Ruyang Film & Media Co., Ltd. (天津如阳影视传媒有限公司), Xiamen Jinzhao Film Culture & Media Co., Ltd. (厦门今朝映画文化传媒有限公司), Guangzhou Fengye Culture & Media Co., Ltd. (广州风也文化传媒有限公司), Beijing Haifan Interactive Entertainment Management Consulting Co., Ltd. (北京嗨泛互娱管理咨询有限公司), Beijing N'Cubic LIVE Management Consulting Co., Ltd. (北京立次方管理咨询有限公司), Shanghai Haifan Interactive Entertainment Culture & Media Co., Ltd. (上海嗨泛互娱文化传媒有限公司), Shijiazhuang Changxin Film & Media Co., Ltd. (石家庄长信影视传媒有限公司) and N'Cubic LIVE (Shanghai) Culture & Media Co., Ltd. (立次方(上海)文化传媒有限公司), each an indirect associated company of the Company
"**Register of Members**"	:	Register of Members of the Company
"**ROE**"	:	Return on equity
"**Securities Accounts**"	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
"**SFA**"	:	Securities and Futures Act 2001 of Singapore, as amended, supplemented or otherwise modified from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Purchase**"	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Purchase Mandate
"**Share Purchase Mandate**"	:	The general and unconditional mandate given by the Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, issued Shares in accordance with the terms set out in this Appendix as well as the Cayman Islands Companies Act and the Listing Manual
"**Shareholders**"	:	Registered holders of Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**SIC**"	:	Securities Industry Council of Singapore
"**Substantial Shareholder**"	:	A person (including a corporation) who has an interest, directly or indirectly, in 5.0% or more of the total number of voting Shares of the Company
"**Sure Legend**"	:	Sure Legend International Limited
"**Take-Over Code**"	:	Singapore Code on Take-overs and Mergers

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"**Treasury Shares**"	:	Issued Shares which were purchased by the Company and have been held by the Company continuously since purchase and have not been cancelled
"**S$**", "**$**" and "**cents**"	:	Singapore dollars and cents, respectively
"**%**" or "**per cent**"	:	Per centum or percentage

All references to "**Yang Jun Rong**" in this Appendix shall be a reference to "**Yang Chun-Jung**".

The terms "**subsidiary**" and "**associated company**" shall have the meaning ascribed to them in the Companies Act 1967 of Singapore and the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as the case may be.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Cayman Islands Companies Act, the SFA, the Listing Manual, the Take-Over Code or any relevant laws of Singapore or any modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Cayman Islands Companies Act, the SFA, the Listing Manual, the Take-Over Code or any relevant laws of Singapore or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference to a date and/or time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the proposed renewal of the Share Purchase Mandate, the proposed renewal of the IPT General Mandate and the proposed change of Auditors from Deloitte & Touche LLP to Crowe Horwath First Trust LLP.

Conyers Dill & Pearman Pte. Ltd. has been appointed as the legal adviser to the Company as to Cayman Islands law in relation to the proposed renewal of the Share Purchase Mandate, the proposed renewal of the IPT General Mandate and the proposed change of Auditors from Deloitte & Touche LLP to Crowe Horwath First Trust LLP.

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G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

(Company Registration No: 337751)
(Incorporated in the Cayman Islands)

Directors
Mr. Guo Jingyu (郭靖宇) (Executive Chairman and Group CEO)
Ms. Yue Lina (岳丽娜) (Executive Director)
Ms. Wang Qing (王清) (Executive Director)
Mr. Yang Jun Rong (楊峻榮) (Non-Independent and Non-Executive Director)
Mr. Yeo Guat Kwang (Lead Independent Director)
Mr. Ang Chun Giap (Independent and Non-Executive Director)
Mr. Chen Mingyu (陈明宇) (Independent and Non-Executive Director)
Dr. Jiang Minghua (江明华) (Independent and Non-Executive Director)
Mr. Shamsul Kamar Bin Mohamed Razali (Independent and Non-Executive Director)
Mr. Li Qi (李其) (Independent and Non-Executive Director)
Ms. Zeng Yingxue (曾映雪) (Non-Independent and Non-Executive Director)

Registered Office
The offices of Conyers Trust
Company (Cayman) Limited
Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman,
KY1-1111, Cayman Islands

9 April 2024

To: The Shareholders of G.H.Y Culture & Media Holding Co., Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 **AGM**. The Company has on 9 April 2024 issued the Notice of AGM convening the AGM which will be held in a hybrid format, at One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 and using virtual meeting technology on 26 April 2024 at 3.00 p.m. to seek Shareholders' approval for, *inter alia*:

(a) the proposed renewal of the Share Purchase Mandate;

(b) the proposed renewal of the IPT General Mandate; and

(c) the proposed change of Auditors from Deloitte & Touche LLP to Crowe Horwath First Trust LLP,

(together, the "**Proposed Resolutions**").

1.2 **Appendix**. The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Resolutions.

1.3 Under the Cayman Islands Companies Act, only a person who agrees to become a shareholder of a Cayman Islands company and whose name is entered in the register of members of the Cayman Islands company is considered a member with rights to attend and vote at general meetings of such company. Accordingly, under the laws of the Cayman Islands, a Depositor holding Shares through CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the AGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Articles of Association.

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Pursuant to Article 77 of the Company's Articles of Association, unless CDP specifies otherwise in a written notice to the Company, CDP shall be deemed to have appointed the Depositors who are individuals and whose names are shown in the records of CDP as at a time not earlier than 72 hours prior to the time of the relevant general meeting, supplied by CDP to the Company as CDP's proxies to vote on behalf of CDP at a general meeting of the Company.

Administrative arrangements have been made with CDP to allow Depositors to take part in the AGM. Depositors who wish to participate in the AGM and exercise their votes, and whose names are shown in the records of CDP as at a time not earlier than 72 hours prior to the time of the AGM, supplied by CDP to the Company, may participate in the AGM as CDP's proxies. Please refer to paragraph 8 of this Appendix in respect of the action to be taken if you wish to attend and/or vote at the AGM.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 **Introduction**. As a Cayman Islands-incorporated company listed on the Mainboard of the SGX-ST, any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Cayman Islands Companies Act, the Memorandum, the Articles of Association, the Listing Manual, the Take-Over Code and such other laws and regulations as may, for the time being, be applicable. Article 3(2) of the Articles of Association provides, *inter alia*, that subject to the Cayman Islands Companies Act, the Memorandum and Articles of Association and, where applicable, the rules or regulations of the SGX-ST, the Company shall have the power to purchase or otherwise acquire its issued Shares and such power shall be exercisable by the Board of Directors in such manner, upon such terms and subject to such conditions as it thinks fit. The Company is also required to obtain prior approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares. Accordingly, approval is being sought from Shareholders at the AGM for the renewal of the Share Purchase Mandate to enable the Company to purchase or acquire its issued Shares.

At the 2023 AGM, the Shareholders had approved, inter alia, the renewal of the Share Purchase Mandate. The authority and limitations of the Share Purchase Mandate were set out in the FY2022 Appendix and the ordinary resolution in the notice of the 2023 AGM dated 12 April 2023, respectively. The authority contained in the Share Purchase Mandate renewed at the 2023 AGM was expressed to be in force until the conclusion of the next annual general meeting of the Company and as such, would be expiring on 26 April 2024, being the date of the forthcoming AGM of the Company. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming AGM of the Company.

If approved by Shareholders at the AGM, the authority conferred by the Share Purchase Mandate will continue in force until the conclusion of the annual general meeting of the Company following the passing of the resolution granting the said authority, or the date by which such annual general meeting is required to be held or if it is revoked or varied by ordinary resolution of the Company in general meeting, or the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earliest, and may thereafter be renewed by Shareholders in a general meeting of the Company.

2.2 **Rationale**. The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

(a) the Share Purchase Mandate will provide the Company with the flexibility to undertake share purchases and acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force;

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(b) in managing the business of the Group, the management will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the ROE of the Company may be enhanced;

(c) the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and

(d) repurchased Shares which are held by the Company as treasury shares may, *inter alia*, to the extent permitted by applicable law, be transferred for the purposes of or pursuant to share schemes implemented by the Company, including the GHY Performance Share Plan and the GHY Employee Share Option Scheme. Where Treasury Shares are used for this purpose, such share schemes will not have any dilutive effect to the extent that no new Shares are issued. The use of Treasury Shares in lieu of issuing new shares would also mitigate the dilution impact on existing Shareholders.

The purchase or acquisition of Shares will only be undertaken if the Directors believe it can benefit the Company and its Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised.

2.3 **Authority and Limits of the Share Purchase Mandate**. The authority and limitations placed on Share Purchases pursuant to the Share Purchase Mandate, if approved at the AGM, are summarised below:

2.3.1 ***Maximum Number of Shares***

The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10.0% of the issued Shares at the date of the AGM at which the Share Purchase Mandate is approved, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Cayman Islands Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Any Shares which are held as Treasury Shares or subsidiary holdings will be disregarded for the purposes of calculating the 10.0% limit.

Purely for illustrative purposes, on the basis of 1,067,949,600 Shares in issue as at the Latest Practicable Date (excluding 5,842,400 Treasury Shares) and assuming that (a) no further Shares are issued on or prior to the AGM; and (b) no further Shares are purchased by the Company and held as Treasury Shares, the purchase or acquisition by the Company of 6.0% of its issued Shares (with a view to maintaining a buffer to its public float as at the Latest Practicable Date) will result in the purchase or acquisition of 64,076,976 Shares.

However, as stated in paragraph 2.2 above and paragraph 2.7 below, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would affect the listing status of the Company on the SGX-ST. The public float in the issued Shares as at the Latest Practicable Date is disclosed in paragraph 2.9 below.

2.3.2 ***Duration of Authority***

Purchases or acquisition of Shares may be made, at any time and from time to time, on and from the date of the AGM, at which the renewal of the Share Purchase Mandate is approved, until:

(a) the conclusion of the next annual general meeting of the Company following the passing of the resolution granting the said authority, or the date by which such annual general meeting is required to be held;

(b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by ordinary resolution of the Company in general meeting; or

(c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions, excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses.

2.3.3 ***Manner of Purchases or Acquisitions of Shares***

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose of the Share Purchase; and/or

(b) off-market purchases ("**Off-Market Purchases**"), otherwise than on a securities exchange, in accordance with an equal access scheme.

The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Cayman Islands Companies Act, the Memorandum, the Articles of Association and/or other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). An equal access scheme must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

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(ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers are the same, except that there shall be disregarded (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and (ii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company will issue a prospectus containing at least the following information:

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances; and

(3) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

2.3.4 ***Purchase Price***

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors pursuant to the Share Purchase Mandate must not exceed:

(a) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase, 110.0% of the Average Closing Price of the Shares,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

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2.4 **Status of Purchased Shares**. A Share purchased or acquired by the Company may either be held by the Company as a Treasury Share in accordance with the Cayman Islands Companies Act or treated as cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation). Accordingly, the Company's issued share capital (but not its authorised share capital) shall be diminished by the nominal value of the Shares purchased or otherwise acquired by the Company and which are not held as Treasury Shares.

2.5 **Treasury Shares**. Under the Cayman Islands Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares, provided that:

(a) the memorandum and articles of association of the company do not prohibit it from holding treasury shares;

(b) the relevant provisions of the memorandum and articles of association (if any) are complied with; and

(c) the company is authorised in accordance with the company's articles of association or by a resolution of the directors to hold such shares in the name of the company as treasury shares prior to the purchase, redemption or surrender of such shares.

Some of the provisions on treasury shares under the Cayman Islands Companies Act and the Listing Manual are summarised below:

2.5.1 ***Maximum Holdings***

Shares purchased by the Company will be treated as cancelled on purchase unless, subject to the Memorandum and the Articles of Association, the Directors resolve, prior to the purchase, to hold such Shares in the name of the Company as Treasury Shares.

Under laws of the Cayman Islands, where Shares are held as Treasury Shares, the Company shall be entered in the Register of Members as holding those Shares.

2.5.2 ***Voting and Other Rights***

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and any purported exercise of such a right shall be void. A Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company, and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of the Articles of Association of the Company or the Cayman Islands Companies Act.

In addition, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of Treasury Shares is allowed and shares allotted as fully paid bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.

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2.5.3 ***Disposal and Cancellation***

Where Shares are held as Treasury Shares, the Company may at any time (but subject always to the Take-Over Code):

(a) cancel the Treasury Shares in accordance with the Articles of Association of the Company and if so cancelled, the amount of the Company's issued share capital (but not the Company's authorised share capital) shall be diminished by the nominal or par value of those Treasury Shares accordingly;

(b) transfer the Treasury Shares for the purposes of or pursuant to share schemes implemented by the Company, including the GHY Performance Share Plan and the GHY Employee Share Option Scheme; or

(c) transfer the Treasury Shares to any person, whether or not for valuable consideration (including at a discount to the nominal or par value of such Treasury Shares).

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such usage, and the value of the treasury shares comprised in such usage.

2.6. **Source of Funds**. In purchasing or acquiring Shares, the Company shall only apply funds legally available in accordance with the Articles of Association, the Cayman Islands Companies Act and any other applicable laws in Singapore and the Cayman Islands. Furthermore, the Company may not purchase or acquire its Shares on the SGX-ST in accordance with the Articles of Association or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Cayman Islands Companies Act, such purchases may be effected out of profits of the Company or out of the share premium account or out of the proceeds of a fresh issue of Shares made for that purpose. In order to effect a purchase of Shares out of profits or the share premium account, the Company will have to ensure that it has sufficient profits and amounts in the share premium account. Further, subject to Section 37 of the Cayman Islands Companies Act and in the manner authorised by the Articles of Association, a purchase of Shares by the Company may also be effected by a payment out of capital. A payment out of capital by the Company for the purchase of Shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

The Company intends to use internal resources or external borrowings, or a combination of both, to finance its purchase or acquisition of Shares pursuant to the Share Purchase Mandate. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will, principally, consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. The purchase of its own Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

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2.7 **Financial Effects**. Under the Cayman Islands Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits or share premium account or the proceeds of a fresh issue of Shares made for that purpose or, subject to Section 37 of the Cayman Islands Companies Act and in the manner authorised by the Articles of Association, by a payment out of capital. Where the purchased or acquired Shares are cancelled, a reduction by the total amount of the purchase price paid by the Company for the Shares cancelled will be made to:

(a) the share capital of the Company where the Shares were purchased out of the capital of the Company;

(b) the profits of the Company where the Shares were purchased out of the profits of the Company;

(c) the share premium account where the Shares were purchased out of the share premium account of the Company; or

(d) the share capital, share premium and profits of the Company proportionately where the Shares were purchased out of the capital, share premium and profits of the Company.

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate would depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the amount (if any) borrowed by the Company to fund the purchases or acquisitions, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as Treasury Shares or cancelled.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2023 are based on the assumptions set out below.

2.7.1 ***Purchase or Acquisition out of Capital, Share Premium and/or Profits***

Under the Cayman Islands Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits or share premium account or the proceeds of a fresh issue of Shares made for that purpose or, subject to Section 37 of the Cayman Islands Companies Act and in the manner authorised by the Articles of Association, by a payment out of capital.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of share premium and/or profits, such consideration (including any expenses incurred directly in the purchase or acquisition of Shares) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

2.7.2 ***Number of Shares Acquired or Purchased***

As at the Latest Practicable Date, the Company has 1,067,949,600 Shares in issue (excluding 5,842,400 Treasury Shares), with approximately 16.9% of the issued Shares held by public Shareholders. The Company does not have any subsidiary holdings.

Purely for illustrative purposes, on the basis of 1,067,949,600 issued Shares as at the Latest Practicable Date (excluding 5,842,400 Treasury Shares) and assuming that (a) no further Shares are issued on or prior to the AGM; and (b) no further Shares are purchased by the Company and held as Treasury Shares, the purchase or acquisition by the Company of 6.0% of its issued Shares (with a view to maintaining a buffer to its public float as at the Latest Practicable Date) will result in the purchase or acquisition of 64,076,976 Shares.

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2.7.3 ***Maximum Price Paid for Shares Acquired or Purchased***

(a) In the case of Market Purchases by the Company, assuming that the Company purchases or acquires the 64,076,976 Shares at the Maximum Price of S$0.29 for one Share (being the price equivalent to 105.0% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 64,076,976 Shares is approximately $18,583,000.

(b) In the case of Off-Market Purchases by the Company, assuming that the Company purchases or acquires the 64,076,976 Shares at the Maximum Price of S$0.30 for one Share (being the price equivalent to 110.0% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 64,076,976 Shares is approximately $19,224,000.

2.7.4 ***Illustrative Financial Effects***

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7.1 to 2.7.3 above, as well as the following:

(a) such purchase or acquisition of Shares is financed by the internal resources of the Company available as at 31 December 2023;

(b) there were no issuances of Shares by the Company and no Shares were purchased by the Company after the Latest Practicable Date; and

(c) the transaction costs incurred for such purchase or acquisition of Shares pursuant to the Share Purchase Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of the purchase or acquisition of 64,076,976 Shares, representing 6.0% of the total Shares in issue, pursuant to the Share Purchase Mandate:

(a) by way of purchases made entirely out of capital and held as Treasury Shares;

(b) by way of purchases made partially out of profits, with the balance out of capital, and held as Treasury Shares;

(c) by way of purchases made entirely out of capital and cancelled; and

(d) by way of purchases made partially out of profits, with the balance out of capital, and cancelled,

on the audited financial statements of the Group and the Company for FY2023 are set out below:

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(a) *Purchases of 64,076,976 Shares representing 6.0% of such issued Shares made entirely out of capital and held as Treasury Shares*

	Group			Company		
		After Share Buyback			After Share Buyback	
	Before Share Buyback $'000	Market Purchase $'000	Off-Market Purchase $'000	Before Share Buyback $'000	Market Purchase $'000	Off-Market Purchase $'000
As at 31 December 2023						
Share capital	14	14	14	14	14	14
Share premium	111,979	111,979	111,979	111,979	111,979	111,979
Capital reserve	629	629	629	–	–	–
Statutory reserve	297	297	297	–	–	–
Retained earnings	15,867	15,867	15,867	(174)	(174)	(174)
Treasury shares	(2,687)	(21,270)	(21,911)	(2,687)	(21,270)	(21,911)
Translation reserves	(1,157)	(1,157)	(1,157)	–	–	–
Non-controlling interest	(1,239)	(1,239)	(1,239)	–	–	–
Total Shareholders' Equity	123,703	105,120	104,479	109,132	90,549	89,908
NTA[1]	108,146	89,563	88,922	100,614	82,031	81,390
Current Assets	153,702	135,119	134,478	104,655	104,439	104,439
Current Liabilities	47,248	47,248	47,248	4,041	22,408	23,049
Total Borrowings	12,484	12,484	12,484	–	–	–
Cash and Cash Equivalents	51,100	32,517	31,876	216	–	–
Loss attributable to Owners of the Group	(9,664)	(9,664)	(9,664)	(170)	(170)	(170)
Number of Shares ('000) (Excluding Treasury Shares) at LPD[6]	1,067,950	1,003,873	1,003,873	1,067,950	1,003,873	1,003,873
Weighted Average Number of Shares ('000) at LPD[6]	1,068,470	1,036,432	1,036,432	1,068,470	1,036,432	1,036,432
Financial Ratios						
NTA per Share[2][4] (cents)	10.13	8.92	8.86	9.42	8.17	8.11
Basic LPS[3][4] (cents)	(0.90)	(0.93)	(0.93)	(0.02)	(0.02)	(0.02)
Current Ratio (times)	3.25	2.86	2.85	25.90	4.66	4.53
Gearing Ratio[5] (times)	0.18	0.22	0.22	–	–	–

Notes:

(1) NTA refers to net assets less intangible assets which include right-of-use assets, goodwill, intangible assets, deferred tax assets, investments in subsidiaries, investment in joint venture and investment in associates.

(2) NTA per Share equals to NTA divided by the number of issued Shares (excluding Treasury Shares) outstanding as at the Latest Practicable Date ("**LPD**").

(3) Basic Loss Per Share ("**LPS**") equals to net loss attributable to owners of the Company divided by the weighted average number of Shares for the past 12 months ended 25 March 2024, the LPD.

(4) Based on the total number of 1,067,949,600 issued Shares (excluding Treasury Shares) before the Share Purchase as at the LPD and 1,003,872,624 issued Shares (excluding Treasury Shares) after the Share Purchase.

(5) Gearing ratio equals to total borrowings, lease liabilities and investment funds from investors divided by total shareholders' equity.

(6) Refers to the Latest Practicable Date.

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(b) *Purchases of 64,076,976 Shares representing 6.0% of such issued Shares made partially out of profits, with the balance out of capital, and held as Treasury Shares*

	Group			Company		
		After Share Buyback			After Share Buyback	
	Before Share Buyback $'000	Market Purchase $'000	Off-Market Purchase $'000	Before Share Buyback $'000	Market Purchase $'000	Off-Market Purchase $'000
As at 31 December 2023						
Share capital	14	14	14	14	14	14
Share premium	111,979	111,979	111,979	111,979	111,979	111,979
Capital reserve	629	629	629	–	–	–
Statutory reserve	297	297	297	–	–	–
Retained earnings	15,867	15,867	15,867	(174)	(174)	(174)
Treasury shares	(2,687)	(21,270)	(21,911)	(2,687)	(21,270)	(21,911)
Translation reserves	(1,157)	(1,157)	(1,157)	–	–	–
Non-controlling interest	(1,239)	(1,239)	(1,239)	–	–	–
Total Shareholders' Equity	123,703	105,120	104,479	109,132	90,549	89,908
NTA(1)	108,146	89,563	88,922	100,614	82,031	81,390
Current Assets	153,702	135,119	134,478	104,655	104,439	104,439
Current Liabilities	47,248	47,248	47,248	4,041	22,408	23,049
Total Borrowings	12,484	12,484	12,484	–	–	–
Cash and Cash Equivalents	51,100	32,517	31,876	216	–	–
Loss attributable to Owners of the Group	(9,664)	(9,664)	(9,664)	(170)	(170)	(170)
Number of Shares ('000) (Excluding Treasury Shares) at LPD(6)	1,067,950	1,003,873	1,003,873	1,067,950	1,003,873	1,003,873
Weighted Average Number of Shares ('000) at LPD(6)	1,068,470	1,036,432	1,036,432	1,068,470	1,036,432	1,036,432
Financial Ratios						
NTA per Share(2)(4) (cents)	10.13	8.92	8.86	9.42	8.17	8.11
Basic LPS(3)(4) (cents)	(0.90)	(0.93)	(0.93)	(0.02)	(0.02)	(0.02)
Current Ratio (times)	3.25	2.86	2.85	25.90	4.66	4.53
Gearing Ratio(5) (times)	0.18	0.22	0.22	–	–	–

Notes:

(1) NTA refers to net assets less intangible assets which include right-of-use assets, goodwill, intangible assets, deferred tax assets, investments in subsidiaries, investment in joint venture and investment in associates.

(2) NTA per Share equals to NTA divided by the number of issued Shares (excluding Treasury Shares) outstanding as at the LPD.

(3) LPS equals to net loss attributable to owners of the Company divided by the weighted average number of Shares for the past 12 months ended 25 March 2024, the LPD.

(4) Based on the total number of 1,067,949,600 issued Shares (excluding Treasury Shares) before the Share Purchase as at the LPD and 1,003,872,624 issued Shares (excluding Treasury Shares) after the Share Purchase.

(5) Gearing ratio equals to total borrowings, lease liabilities and investment funds from investors divided by total shareholders' equity.

(6) Refers to the Latest Practicable Date.

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(c) *Purchases of 64,076,976 Shares representing 6.0% of such issued Shares made entirely out of capital and cancelled*

	Group			Company		
		After Share Buyback			After Share Buyback	
	Before Share Buyback $'000	Market Purchase $'000	Off-Market Purchase $'000	Before Share Buyback $'000	Market Purchase $'000	Off-Market Purchase $'000
As at 31 December 2023						
Share capital	14	11	11	14	11	11
Share premium	111,979	93,399	92,758	111,979	93,399	92,758
Capital reserve	629	629	629	–	–	–
Statutory reserve	297	297	297	–	–	–
Retained earnings	15,867	15,867	15,867	(174)	(174)	(174)
Treasury shares	(2,687)	(2,687)	(2,687)	(2,687)	(2,687)	(2,687)
Translation reserves	(1,157)	(1,157)	(1,157)	–	–	–
Non-controlling interest	(1,239)	(1,239)	(1,239)	–	–	–
Total Shareholders' Equity	123,703	105,120	104,479	109,132	90,549	89,908
NTA(1)	108,146	89,563	88,922	100,614	82,031	81,390
Current Assets	153,702	135,119	134,478	104,655	104,439	104,439
Current Liabilities	47,248	47,248	47,248	4,041	22,408	23,049
Total Borrowings	12,484	12,484	12,484	–	–	–
Cash and Cash Equivalents	51,100	32,517	31,876	216	–	–
Loss attributable to Owners of the Group	(9,664)	(9,664)	(9,664)	(170)	(170)	(170)
Number of Shares ('000) (Excluding Treasury Shares) at LPD(6)	1,067,950	1,003,873	1,003,873	1,067,950	1,003,873	1,003,873
Weighted Average Number of Shares ('000) at LPD(6)	1,068,470	1,036,432	1,036,432	1,068,470	1,036,432	1,036,432
Financial Ratios						
NTA per Share(2)(4) (cents)	10.13	8.92	8.86	9.42	8.17	8.11
Basic LPS(3)(4) (cents)	(0.90)	(0.93)	(0.93)	(0.02)	(0.02)	(0.02)
Current Ratio (times)	3.25	2.86	2.85	25.90	4.66	4.53
Gearing Ratio(5) (times)	0.18	0.22	0.22	–	–	–

Notes:

(1) NTA refers to net assets less intangible assets which include right-of-use assets, goodwill, intangible assets, deferred tax assets, investments in subsidiaries, investment in joint venture and investment in associates.

(2) NTA per Share equals to NTA divided by the number of issued Shares (excluding Treasury Shares) outstanding as at the LPD.

(3) LPS equals to net loss attributable to owners of the Company divided by the weighted average number of Shares for the past 12 months ended 25 March 2024, the LPD.

(4) Based on the total number of 1,067,949,600 issued Shares (excluding Treasury Shares) before the Share Purchase as at the LPD and 1,003,872,624 issued Shares (excluding Treasury Shares) after the Share Purchase.

(5) Gearing ratio equals to total borrowings, lease liabilities and investment funds from investors divided by total shareholders' equity.

(6) Refers to the Latest Practicable Date.

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(d) *Purchases of 64,076,976 Shares representing 6.0% of such issued Shares made partially out of profits, with the balance out of capital, and cancelled*

	Group			Company		
		After Share Buyback			After Share Buyback	
	Before Share Buyback $'000	Market Purchase $'000	Off-Market Purchase $'000	Before Share Buyback $'000	Market Purchase $'000	Off-Market Purchase $'000
As at 31 December 2023						
Share capital	14	11	11	14	11	11
Share premium	111,979	93,399	92,758	111,979	93,399	92,758
Capital reserve	629	629	629	–	–	–
Statutory reserve	297	297	297	–	–	–
Retained earnings	15,867	15,867	15,867	(174)	(174)	(174)
Treasury shares	(2,687)	(2,687)	(2,687)	(2,687)	(2,687)	(2,687)
Translation reserves	(1,157)	(1,157)	(1,157)	–	–	–
Non-controlling interest	(1,239)	(1,239)	(1,239)	–	–	–
Total Shareholders' Equity	123,703	105,120	104,479	109,132	90,549	89,908
NTA[1]	108,146	89,563	88,922	100,614	82,031	81,390
Current Assets	153,702	135,119	134,478	104,655	104,439	104,439
Current Liabilities	47,248	47,248	47,248	4,041	22,408	23,049
Total Borrowings	12,484	12,484	12,484	–	–	–
Cash and Cash Equivalents	51,100	32,517	31,876	216	–	–
Loss attributable to Owners of the Group	(9,664)	(9,664)	(9,664)	(170)	(170)	(170)
Number of Shares ('000) (Excluding Treasury Shares) at LPD[6]	1,067,950	1,003,873	1,003,873	1,067,950	1,003,873	1,003,873
Weighted Average Number of Shares ('000) at LPD[6]	1,068,470	1,036,432	1,036,432	1,068,470	1,036,432	1,036,432
Financial Ratios						
NTA per Share[2][4] (cents)	10.13	8.92	8.86	9.42	8.17	8.11
Basic LPS[3][4] (cents)	(0.90)	(0.93)	(0.93)	(0.02)	(0.02)	(0.02)
Current Ratio (times)	3.25	2.86	2.85	25.90	4.66	4.53
Gearing Ratio[5] (times)	0.18	0.22	0.22	–	–	–

Notes:

(1) NTA refers to net assets less intangible assets which include right-of-use assets, goodwill, intangible assets, deferred tax assets, investments in subsidiaries, investment in joint venture and investment in associates.

(2) NTA per Share equals to NTA divided by the number of issued Shares (excluding Treasury Shares) outstanding as at the LPD.

(3) LPS equals to net loss attributable to owners of the Company divided by the weighted average number of Shares for the past 12 months ended 25 March 2024, the LPD.

(4) Based on the total number of 1,067,949,600 issued Shares (excluding Treasury Shares) before the Share Purchase as at the LPD and 1,003,872,624 issued Shares (excluding Treasury Shares) after the Share Purchase.

(5) Gearing ratio equals to total borrowings, lease liabilities and investment funds from investors divided by total shareholders' equity.

(6) Refers to the Latest Practicable Date.

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The actual financial effects of the Share Purchase Mandate will depend on the number and purchase price of the Shares purchased or acquired by the Company. As stated, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements, financial position and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical numbers for FY2023, and is not necessarily representative of future financial performance.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10.0% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10.0% of the issued Shares as mandated. In addition, the Company may cancel or hold as treasury shares all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, the public float of the Company, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

2.8 **Tax Implications**. Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 **Listing Status of the Shares**. The Listing Manual requires a listed company to ensure that at least 10.0% of the total number of issued Shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is held by public shareholders at all times. As at the Latest Practicable Date, on the basis of 1,067,949,600 issued Shares (excluding preference shares, convertible equity securities and treasury shares), approximately 16.9% of the issued Shares are held by public Shareholders. Accordingly, the Company notes that there is an insufficient number of the Shares in issue held by public Shareholders which would permit the Company to potentially undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10.0% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST.

The Company, when purchasing its Shares, will ensure (a) that there is a sufficient float for an orderly market in its securities; and (b) that the listing status of the Shares on the SGX-ST is not affected by such purchase.

The Board of Directors, when purchasing Shares, will ensure that there is a sufficient float for an orderly market in the Company's securities and that the listing status of the Shares on the SGX-ST is not affected by such purchase.

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2.10 **Share Purchases in the Previous 12 Months**. The following are details of purchases of acquisitions of Shares made by the Company from 26 March 2023, being the date falling 12 months prior to the Latest Practicable Date.

Date of Purchase	Number of Shares Purchased	Average Price paid per Share S$	Total Consideration Paid[1] S$
30 March 2023	5,000	0.40000	2,000
4 April 2023	11,800	0.40291	4,754
12 April 2023	9,300	0.40554	3,772
14 April 2023	5,000	0.41000	2,050
20 April 2023	9,500	0.41530	3,945
21 April 2023	6,200	0.41403	2,567
27 April 2023	7,900	0.40943	3,234
2 May 2023	9,000	0.41056	3,695
4 May 2023	17,000	0.40441	6,875
9 May 2023	5,900	0.41339	2,439
10 May 2023	9,000	0.41833	3,765
15 May 2023	12,200	0.41061	5,009
17 May 2023	14,000	0.40464	5,665
18 May 2023	4,600	0.40674	1,871
19 May 2023	13,700	0.40427	5,538
22 May 2023	24,400	0.40338	9,842
26 May 2023	4,400	0.41091	1,808
29 May 2023	33,700	0.40359	13,601
31 May 2023	2,500	0.40500	1,013
1 June 2023	9,500	0.40132	3,813
5 June 2023	5,000	0.40500	2,025
6 June 2023	2,200	0.40227	885
7 June 2023	37,800	0.39050	14,761
8 June 2023	6,000	0.40042	2,403
12 June 2023	3,500	0.40214	1,407
13 June 2023	1,100	0.40000	440
14 June 2023	36,500	0.38577	14,081
15 June 2023	3,100	0.39661	1,229
16 June 2023	3,200	0.39469	1,263
19 June 2023	5,300	0.39255	2,081
20 June 2023	1,400	0.39357	551
21 June 2023	40,800	0.37888	15,458
22 June 2023	36,100	0.38033	13,730
23 June 2023	8,600	0.38302	3,294
26 June 2023	1,000	0.38000	380
27 June 2023	5,000	0.38400	1,920
30 June 2023	6,000	0.38917	2,335
3 July 2023	25,000	0.39000	9,750
8 August 2023	53,000	0.36416	19,300
10 August 2023	13,300	0.36556	4,862
11 August 2023	6,900	0.37043	2,556
14 August 2023	6,800	0.36412	2,476
15 August 2023	1,800	0.36139	651
16 August 2023	3,500	0.35643	1,248
17 August 2023	3,800	0.36605	1,391

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Date of Purchase	Number of Shares Purchased	Average Price paid per Share S$	Total Consideration Paid[1] S$
18 August 2023	16,400	0.36616	6,005
21 August 2023	10,400	0.35913	3,735
22 August 2023	3,700	0.36595	1,354
23 August 2023	3,000	0.36633	1,099
24 August 2023	3,300	0.36697	1,211
25 August 2023	38,300	0.36512	13,984
28 August 2023	42,300	0.36508	15,443
29 August 2023	2,300	0.36500	840
30 August 2023	2,200	0.36386	800
31 August 2023	9,900	0.36944	3,657
4 September 2023	2,300	0.36217	833
5 September 2023	13,900	0.36687	5,099
6 September 2023	28,800	0.36649	10,555
7 September 2023	6,200	0.37105	2,301
8 September 2023	6,900	0.37261	2,571
12 September 2023	4,300	0.37965	1,632
13 September 2023	7,200	0.37917	2,730
14 September 2023	2,900	0.38069	1,104
15 September 2023	5,600	0.38527	2,158
18 September 2023	10,800	0.38097	4,114
20 September 2023	10,000	0.38010	3,801
22 September 2023	9,900	0.38167	3,779
25 September 2023	6,400	0.38102	2,439
26 September 2023	4,700	0.38138	1,792
27 September 2023	6,300	0.38103	2,400
28 September 2023	6,400	0.38016	2,433
29 September 2023	800	0.38062	304
2 October 2023	5,000	0.37860	1,893
3 October 2023	12,100	0.37930	4,590
4 October 2023	2,300	0.38065	875
5 October 2023	1,000	0.38500	385
6 October 2023	1,000	0.38000	380
9 October 2023	1,000	0.38500	385
10 October 2023	5,000	0.37290	1,865
16 October 2023	1,000	0.38500	385
19 October 2023	3,800	0.38237	1,453
20 October 2023	13,500	0.37596	5,075
23 October 2023	9,500	0.37763	3,587
24 October 2023	1,500	0.37667	565
27 October 2023	15,000	0.37433	5,615
30 October 2023	19,100	0.36914	7,051
31 October 2023	5,300	0.37076	1,965
1 November 2023	13,000	0.37292	4,848
2 November 2023	4,600	0.37391	1,720
3 November 2023	8,000	0.37625	3,010
6 November 2023	13,900	0.35536	4,940
7 November 2023	800	0.37188	298
8 November 2023	9,100	0.37588	3,421
9 November 2023	13,300	0.36271	4,824

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Date of Purchase	Number of Shares Purchased	Average Price paid per Share S$	Total Consideration Paid[1] S$
10 November 2023	3,800	0.37763	1,435
14 November 2023	7,000	0.37571	2,630
15 November 2023	1,000	0.37500	375
16 November 2023	4,300	0.37616	1,617
17 November 2023	3,000	0.38000	1,140
20 November 2023	3,500	0.37643	1,318
21 November 2023	8,800	0.36682	3,228
22 November 2023	9,800	0.38204	3,744
23 November 2023	8,600	0.38116	3,278
24 November 2023	4,100	0.38244	1,568
27 November 2023	33,900	0.37336	12,657
28 November 2023	25,600	0.36498	9,343
29 November 2023	3,000	0.37667	1,130
30 November 2023	1,500	0.38000	570
1 December 2023	1,000	0.38000	380
4 December 2023	1,700	0.37941	645
5 December 2023	1,700	0.38294	651
6 December 2023	2,300	0.38000	874
7 December 2023	1,300	0.38385	499
8 December 2023	2,000	0.38000	760
15 December 2023	2,300	0.37935	873
19 December 2023	100	0.37500	38
20 December 2023	12,300	0.37081	4,561
21 December 2023	1,500	0.37667	565
26 December 2023	3,500	0.36929	1,293
28 December 2023	9,400	0.37729	3,547
29 December 2023	1,500	0.38333	575
3 January 2024	1,100	0.37955	418
4 January 2024	1,000	0.38000	380
5 January 2024	1,000	0.38000	380
8 January 2024	2,500	0.37800	945
9 January 2024	2,500	0.38100	953
11 January 2024	1,000	0.38000	380
12 January 2024	2,000	0.38000	760
15 January 2024	13,800	0.36294	5,009
16 January 2024	2,000	0.38250	765
18 January 2024	17,000	0.38000	6,460
19 January 2024	8,000	0.38500	3,080
24 January 2024	1,000	0.38000	380
26 January 2024	1,800	0.37778	680
1 March 2024	16,700	0.31575	5,273
4 March 2024	30,200	0.29189	8,815
Total	1,215,400	0.37766	459,008

1 Excluded related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses.

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2.11 **Listing Rules**. The Listing Manual restricts a listed company from purchasing its shares by way of market purchases at a price per share which is more than 5.0% above the "average closing price", being the average of the closing market prices of the shares over the last five Market Days on which transactions in the shares were recorded, before the day on which the purchases were made, as deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made. The Maximum Price for the Shares in relation to Market Purchases referred to in paragraph 2.3.4 above complies with this requirement. Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of 10.0% above the average closing price of the Shares as the Maximum Price for the Shares to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time when there are material developments or any unannounced material information which may have an impact on the Company's share price or trading volume, until such insider information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST and as the Company is not required to announce quarterly financial statements under Rule 705(2) of the Listing Manual, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate during the period of one month immediately preceding the announcement of the Company's half-year and full-year financial statements.

2.12 **Reporting Requirements**. The Listing Manual specifies that a listed company shall report all purchase or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares after the purchase.

2.13 **Take-over Implications**. Appendix 2 of the Take-Over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.13.1 ***Obligation to make a Take-over Offer***

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-Over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code.

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Rule 14.1 of the Take-Over Code requires, *inter alia*, that, except with the consent of the SIC, where:

(a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or

(b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1.0% of the voting rights, such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

The offer required to be made under the provisions of Rule 14.1 of the Take-Over Code shall, in respect of each class of shares in the capital involved, be in cash or be accompanied by a cash alternative at the Required Price.

For the above purposes, "**Required Price**" means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-Over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 of the Take-Over Code which is the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Shares (i) during the offer period and within the preceding six months; (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six months of the offer and during the offer period; or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six months of the offer or during the offer period; or at such price as determined by the SIC under Rule 14.3 of the Take-Over Code.

2.13.2 ***Persons Acting in Concert***

Under the Take-Over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-Over Code presumes, inter alia, the following individuals and companies to be persons acting in concert:

(a) the following companies:

(i) a company;

(ii) the parent company of (i);

(iii) the subsidiaries of (i);

(iv) the fellow subsidiaries of (i);

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(v) the associated companies of any of (i), (ii), (iii) or (iv);

(vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

(vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;

(f) directors of a company (together with their close relative, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) the following persons and entities:

(i) an individual;

(ii) the close relatives of (i);

(iii) the related trusts of (i);

(iv) any person who is accustomed to act in accordance with the instructions of (i);

(v) companies controlled by any of (i), (ii), (iii) or (iv); and

(vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-Over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2.

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2.13.3 ***Effect of Rule 14 and Appendix 2 of the Take-Over Code***

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring Shares, (a) the voting rights of such Directors and their concert parties would increase to 30.0% or more; or (b) if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code as a result of the acquisition or purchase by the Company of 10.0% of its issued Shares as at the Latest Practicable Date. Further details of the Directors and substantial Shareholders in the Shares as at the Latest Practicable Date are set out in paragraph 4 of this Appendix.

The Directors are not aware of any other Shareholder who may become obligated to make a mandatory take-over offer in the event that the Company purchases or acquires its Shares up to the full 10.0% limit pursuant to the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authority at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchase by the Company.

2.14 **Interested Persons**. The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is a Director, the chief executive officer or controlling shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

3. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 **Background**. At the 2023 AGM, Shareholders had approved the renewal of the IPT General Mandate. The terms of the IPT General Mandate were set out in the FY2022 Appendix and the ordinary resolution in the notice of the 2023 AGM dated 12 April 2023, respectively. The authority contained in the IPT General Mandate was expressed to take effect until the conclusion of the next annual general meeting of the Company and, as such, would be expiring on 26 April 2024, being the date of the forthcoming AGM of the Company. Accordingly, the Directors propose that the IPT General Mandate be renewed at the forthcoming AGM of the Company.

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The IPT General Mandate enables the EAR Group, in the ordinary course of business, to enter into the Mandated Transactions with the Mandated Interested Persons which are necessary for the day-to-day operations, provided that all such transactions are carried out at arm's length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

3.2 **Particulars of the IPT General Mandate to be Renewed**. The nature of the Mandated Transactions and the classes of Mandated Interested Persons in respect of which the IPT General Mandate is sought to be renewed remain unchanged, save as set out in paragraph 3.5.1 of this Appendix. Particulars of the IPT General Mandate, including the rationale for the IPT General Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the Mandated Interested Persons, are set out in paragraph 3.5 of this Appendix.

3.3 **Audit and Risk Management Committee's Confirmation**. Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit and Risk Management Committee confirms that:

(a) the methods or procedures for determining the transaction prices under the IPT General Mandate have not changed since the IPT General Mandate was last approved by Shareholders; and

(b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Transactions carried out thereunder will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

3.4 **Chapter 9 of the Listing Manual**. Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, an immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the group's latest audited NTA are reached or exceeded). In particular:

(a) where the value of such transaction is equal to or exceeds 3.0% of the group's latest audited NTA, an immediate announcement is required;

(b) where the value of such transaction is equal to or exceeds 5.0% of the group's latest audited NTA, an immediate announcement and shareholders' approval is required;

(c) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited NTA, an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year is required; and

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(d) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 5.0% or more of the group's latest audited NTA, an immediate announcement and shareholders' approval is required in respect of the latest and all future transactions entered into with that interested person during that financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Based on the latest audited consolidated financial statements of the Group for FY2023, the latest audited NTA of the Group is approximately $123,703,000. Accordingly, in relation to the Group, and for the purposes of complying with Chapter 9 of the Listing Manual, in the current financial year and until such time as the consolidated audited financial statements of the Group for the financial year ending 31 December 2024 are published, 5.0% of the Group's latest audited NTA would be approximately $6,185,150.

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

Under the Listing Manual:

(a) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Listing Manual;

(b) (in the case of a company) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30.0% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30.0% or more;

(c) an "**associated company**" means a company in which at least 20.0% but not more than 50.0% of its shares are held by the listed company or group;

(d) an "**entity at risk**" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

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(e) (in the case of a company) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

(f) the SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk; and (ii) an agreement or arrangement with an interested person in connection with that transaction;

(g) (in the case of a company) a "**primary interested person**" means a director, chief executive officer or controlling shareholder of the listed company;

(h) an "**interested person transaction**" means a transaction between an entity at risk and an interested person;

(i) a "**transaction**" includes (i) the provision or receipt of financial assistance; (ii) the acquisition, disposal or leasing of assets; (iii) the provision or receipt of goods or services; (iv) the issuance or subscription of securities; (v) the granting of or being granted options; and (vi) the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly (for example, through one or more interposed entities);

(j) in interpreting the term "**same interested person**" for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905, 906 and 907 of Chapter 9 of the Listing Manual, the following applies:

   (i) transactions between (A) an entity at risk and a primary interested person; and (B) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

   Transactions between (1) an entity at risk and a primary interested person; and (2) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person.

   (ii) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

   If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and have audit committees whose members are completely different; and

(k) while transactions below S$100,000 are not normally aggregated under Rules 905(2) and 906(2) of Chapter 9 of the Listing Manual, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.

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3.5 **Renewal of the IPT General Mandate**

3.5.1 ***Introduction***

The Company anticipates that the EAR Group would, in the ordinary course of business, continue to enter into certain transactions with its interested persons (as such term is defined in the Listing Manual), including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of commercial transactions, it would be advantageous for the Company to obtain a renewal of the IPT General Mandate from its Shareholders to enter into the Mandated Transactions with the Mandated Interested Persons in the EAR Group's ordinary course of business, which are necessary for the day-to-day operations of the EAR Group, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

As Mr. Yang Jun Rong has decided not to seek re-election as a Non-Independent and Non-Executive Director of the Company and will retire from the Board at the conclusion of the AGM and Mr. Yang Jun Rong indirectly holds 7.14% of the total issued and paid-up share capital of the Company, he will cease to be an interested person (as such term is defined in the Listing Manual) at the conclusion of the AGM. Accordingly, Sure Legend, which is 45.0% owned by Mr. Yang Jun Rong, will cease to be an interested person (as such term is defined in the Listing Manual) at the conclusion of the AGM and the grant of rights by Sure Legend to EAR Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management) will no longer constitute an interested person transaction (as such term is defined in the Listing Manual). In this connection, the Company will not be obtaining a renewal of the IPT General Mandate from its Shareholders for the transactions that are carried out between the EAR Group and Sure Legend.

The IPT General Mandate will take effect from the passing of the ordinary resolution relating thereto, and will continue in force until the conclusion of the next annual general meeting of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next annual general meeting (or extraordinary general meeting following such annual general meeting) and each subsequent annual general meeting (or extraordinary general meeting following such annual general meeting) of the Company, subject to satisfactory review by the Audit and Risk Management Committee of the Company of its continued application to the Mandated Transactions.

3.5.2 ***Names of the Mandated Interested Persons***

The IPT General Mandate will apply to the transactions that are carried out between any Entity at Risk and the following persons:

(a) each of Ms. Yue Lina and Mr. Yang Zhigang, in respect of the provision of talent management services by the EAR Group to each of Ms. Yue Lina and Mr. Yang Zhigang; and

(b) each of Ms. Yue Lina and Mr. Yang Zhigang, in respect of the provision of acting services by each of Ms. Yue Lina and Mr. Yang Zhigang to the EAR Group,

(the "**Mandated Interested Persons**", and each a "**Mandated Interested Person**", all being "interested persons" as defined in the Listing Manual).

Transactions between the Mandated Interested Persons and the Group which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual. In particular, if such transactions are of an aggregate value equal to or more than 5.0% of the Group's latest audited NTA, these transactions of such a nature will be subject to Shareholders' approval before they can be entered into.

3.5.3 ***Categories of Mandated Interested Person Transactions***

The Company envisages that in the ordinary course of its business, the following transactions between the Group and the relevant Mandated Interested Persons are likely to occur from time to time:

(a) provision of talent management services by the EAR Group to Ms. Yue Lina and Mr. Yang Zhigang; and

(b) provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to the EAR Group,

(collectively, the "**Mandated Transactions**").

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT General Mandate.

Transactions with other interested persons will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or applicable provisions of the Listing Manual and/or any applicable law. Transactions conducted under the IPT General Mandate are not subject to Rules 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

3.5.4 ***Rationale for and Benefits of the IPT General Mandate***

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' prior approval as and when potential Mandated Transactions with Mandated Interested Persons arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives of the EAR Group and adversely affecting the business opportunities available to the EAR Group.

The IPT General Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the Mandated Interested Persons, provided that they are carried out at arm's length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

The EAR Group will benefit from having long-term relationships with artistes whose drama and film projects and concerts are likely to be commercially successful. In respect of (i) the provision of talent management services by the EAR Group to each of Ms. Yue Lina and Mr. Yang Zhigang; and (ii) the provision of acting services by each of Ms. Yue Lina and Mr. Yang Zhigang to our Group, the EAR Group will benefit from long-term working relationships with Ms. Yue Lina and Mr. Yang Zhigang, who are both established artistes with years of experience in the drama and film industry in the PRC, having won awards and acted in several dramas and films.

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will (a) disclose in its annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate during the financial year, including the name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods that the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report.

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3.5.5 ***Guidelines and Review Procedures for Mandated Transactions with Mandated Interested Persons***

To ensure that Mandated Transactions with Mandated Interested Persons are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Group and its minority Shareholders, the Group will adopt the following procedures for the review and approval of Mandated Transactions under the IPT General Mandate:

(a) The following review procedures will be adopted in relation to:

(i) Provision of talent management services by the EAR Group to Ms. Yue Lina and Mr. Yang Zhigang

(A) before submitting to the Audit and Risk Management Committee for review and approval, the fee-sharing arrangement and commercial terms offered to the Mandated Interested Person will be determined by using at least two recent contracts entered into by the Group with other unrelated artistes as a basis of comparison. In general, the Group will only enter into a talent management services contract with the Mandated Interested Persons if the Group is satisfied that the fee-sharing arrangement is in line with prevailing market rates and the commercial terms are no more favourable to the Mandated Interested Persons as compared to terms extended to unrelated third parties after taking into account factors including but not limited to, the popularity and experience of the artiste, the projects and events subjected to the talent management services contract (such as films, dramas, variety shows, stage shows, music recordings and concerts, media advertisements and sponsorships), the terms of the fee-sharing arrangement under the talent management services contract, the costs and expenses to be borne by the Group as the talent management agency, the number of projects and engagements expected to be undertaken by the artiste on an annual basis, the geographical coverage of the services, as well as any termination or early exit clauses; and

(B) where it is impracticable or not possible for such contracts to be used as a basis of comparison (for instance, if there are no unrelated third parties of similar popularity and experience, amongst others), the price and commercial terms offered to the Mandated Interested Persons will be determined in accordance with the Group's usual business practices or industry norms and be consistent with the margins obtained by the Group in its talent management services business, and the Chief Financial Officer or a senior executive designated by the Audit and Risk Management Committee (who must have no interest, direct or indirect, in the transaction other than through the Group) will determine whether the terms of the contract for the provision of talent management services to the Mandated Interested Person are fair and reasonable, before submitting to the Audit and Risk Management Committee for review and approval;

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(ii) Provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to the EAR Group

(A) before submitting to (i) the Chief Financial Officer or an officer of equivalent rank; or (ii) the Audit and Risk Management Committee, depending on the approval thresholds (as disclosed below), for review and approval, the commercial terms offered to the Mandated Interested Persons will be determined by using at least two recent contracts entered into by the Group with other unrelated artistes or between other production studios with unrelated artistes managed by us as a basis of comparison. In general, we will only enter into an acting services contract with the Mandated Interested Persons if we are satisfied that the fees are in line with prevailing market rates and the commercial terms are no more favourable to the Mandated Interested Persons as compared to terms extended to unrelated third parties after taking into account factors including but not limited to, the popularity and experience of the artiste, the role in question for the artiste for the drama or film project (such as whether it is a leading or supporting role), the genre of the drama or film project and the expected production schedule, the production budget of the drama or film project and the costs and expenses to be borne by the Group during the production (such as expenses for travel, accommodation and meals); and

(B) where it is impracticable or not possible for such contracts to be used as a basis of comparison (for instance, if there are no unrelated third parties of similar popularity and experience, amongst others), the price and commercial terms offered to the Mandated Interested Persons will be determined in accordance with the Group's usual business practices or industry norms, and the Chief Financial Officer or a senior executive designated by the Audit and Risk Management Committee (who must have no interest, direct or indirect in the transaction other than through the Group) will take such necessary steps which includes but is not limited to (i) relying on corroborative inputs from the Group's production team and, if applicable, the Group's working partners for the drama or film project in order to determine that the terms provided to the Mandated Interested Persons are fair and reasonable; and (ii) evaluate and weigh benefits of and rationale for transacting with the Mandated Interested Persons to ensure that the terms of the transactions are in accordance with industry norms and/or are not prejudicial to the interests of the Group and its minority Shareholders, before submitting to (1) the Chief Financial Officer or an officer of equivalent rank; or (2) the Audit and Risk Management Committee, depending on the approval thresholds (as disclosed below), for review and approval.

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(b) The following approval thresholds shall apply to the Mandated Transactions:

Category of Mandated Transaction	Designated Approval Authority
(i) Provision of talent management services by the EAR Group to Ms. Yue Lina and Mr. Yang Zhigang	All transactions will be subject to the review and prior approval by the Audit and Risk Management Committee. The Audit and Risk Management Committee may at its discretion obtain independent advice. In the event that a member of the Audit and Risk Management Committee has an interest in a transaction, or is a nominee for the time being of the Mandated Interested Person, or if he also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of the Audit and Risk Management Committee in relation to a transaction with that Mandated Interested Person, or if any associate (as defined in the Listing Manual) of a member of the Audit and Risk Management Committee is involved in the decision-making process on the part of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit and Risk Management Committee in relation to that transaction.
(ii) Provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to the EAR Group	(A) Transactions below 3.0% of the value of the Group's latest audited NTA will be subject to the review and prior approval by the Chief Financial Officer or an officer of equivalent rank, who does not have an interest in the transaction, and tabled for review by the Audit and Risk Management Committee on a quarterly basis; and

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Category of Mandated Transaction	Designated Approval Authority
	(B) Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% of the value of the Group's latest audited NTA will be subject to the review and prior approval by the Audit and Risk Management Committee. The Audit and Risk Management Committee may at its discretion obtain independent advice. In the event that a member of the Audit and Risk Management Committee has an interest in a transaction, or is a nominee for the time being of the Mandated Interested Person, or if he also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of the Audit and Risk Management Committee in relation to a transaction with that Mandated Interested Person, or if any associate (as defined in the Listing Manual) of a member of the Audit and Risk Management Committee is involved in the decision making process on the part of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit and Risk Management Committee in relation to that transaction.

Any transaction to be entered into under the IPT General Mandate shall only be approved by the above approving authority if the transactions are carried out at arm's length and on normal commercial terms, in accordance with the guidelines and review procedures outlined in sub-paragraphs (a) and (b) of this paragraph 3.5.5, and the basis on which the transactions are entered into are properly documented in the IPT Register (as defined below), accompanied with supporting documents.

For the purposes of sub-paragraphs (b)(i), (b)(ii) and (b)(iii) above:

(a) in respect of the provision of talent management services by the EAR Group to Ms. Yue Lina and Mr. Yang Zhigang, as the fees payable to the Group will be calculated based on the fee-sharing arrangement under the talent management services contract on a project basis, for such Mandated Interested Person's participation and engagement in the projects and events procured by the Group as the talent management agency, the value of such transaction cannot be determined at the point of entering into the talent management services contract; and

(b) in respect of the provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to the EAR Group, the value of a transaction shall be the full contract value at the time of entry into the transaction, being the fees payable by the Group to the Mandated Interested Persons in respect of the acting services provided to the Group.

The review procedures for the Mandated Transactions with Mandated Interested Persons remain the same as those disclosed in the FY2022 Appendix.

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3.5.6 ***Additional Guidelines and Review Procedures***

In addition to the guidelines and review procedures set out above, the Group will implement the following additional guidelines and review procedures to ensure that the Mandated Transactions carried out under the IPT General Mandate are undertaken at arm's length basis and on normal commercial terms:

(a) a register will be maintained to record the list of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a quarterly basis by the Chief Financial Officer and subject to such verifications or declarations as required by the Audit and Risk Management Committee for such period as determined by them. This list of interested persons shall be disseminated to any staff of the Group that the Group's finance team considers relevant for the purposes of entering into transactions that fall under the IPT General Mandate;

(b) a register will be maintained to record all interested person transactions (including the Mandated Transactions) carried out with interested persons (including the Mandated Interested Persons) (including the bases on which the interested person transactions are entered into, amount and nature) (the "**IPT Register**") by the Group's finance team, which shall be reviewed by the Chief Financial Officer on a monthly basis;

(c) the Audit and Risk Management Committee shall review all Mandated Transactions (except where Mandated Transactions are required under the review procedures to be approved by the Audit and Risk Management Committee prior to the entry thereof) at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents, or such other data deemed necessary by the Audit and Risk Management Committee. The Audit and Risk Management Committee shall, when it deems fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require the appointment of internal auditors to provide additional review of the internal control procedures and review procedures and their implementation pertaining to interested person transactions (including the Mandated Transactions) under review;

(d) the internal auditors shall, on an annual basis, review the IPT Register to ascertain that the guidelines and procedures established for the Mandated Transactions have been adhered to. Any discrepancies or significant variances from the Group's usual business practices and pricing policies will be highlighted to the Audit and Risk Management Committee;

APPENDIX TO ANNUAL REPORT

(e) the Audit and Risk Management Committee will also review from time to time such guidelines and procedures for the Mandated Transactions to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Group and the interested persons are conducted at arm's length and on normal commercial terms. If during any of the reviews by the Audit and Risk Management Committee, the Audit and Risk Management Committee is of the view that the internal control procedures and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, it will, in consultation with the Board of Directors, take such actions as it deems proper in respect of such procedures and guidelines and/or modify or implement such procedures and guidelines as may be necessary to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to Shareholders for a fresh general mandate based on new internal control procedures and review procedures so that Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. In the interim, the Audit and Risk Management Committee will review every Mandated Transaction pending the grant of the fresh mandate, which will be in accordance with the requirements of the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual (as from time to time amended); and

(f) the Board of Directors will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. The Company will also endeavour to comply with the recommendations set out in the Singapore Code of Corporate Governance.

The additional guidelines and review procedures for the Mandated Transactions remain the same as those disclosed in the FY2022 Appendix.

4. THE PROPOSED CHANGE OF AUDITORS FROM DELOITTE & TOUCHE LLP TO CROWE HORWATH FIRST TRUST LLP

4.1 **Introduction**. The Company is proposing to seek Shareholders' approval, by way of an ordinary resolution, to appoint Crowe Horwath First Trust LLP as the Auditors in place of the retiring Auditors, Deloitte & Touche LLP, to hold office until the conclusion of the next annual general meeting of the Company, and to authorise the Directors to fix its remuneration.

In connection with the above, Crowe Horwath First Trust LLP has given its consent to act as the Auditors by way of a letter dated 8 April 2024, subject to its appointment being approved by the Shareholders at the AGM. Deloitte & Touche LLP will retire and will not seek re-appointment as Auditors at the AGM, being the end of their current term. The Company had, on 5 April 2024, received a letter from Deloitte & Touche LLP giving notice of the same.

The Directors wish to express their appreciation for the past services rendered by Deloitte & Touche LLP.

The resignation of Deloitte & Touche LLP and the appointment of Crowe Horwath First Trust LLP as the Auditors will be effective upon obtaining the approval of Shareholders at the forthcoming AGM for the proposed change of Auditors.

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4.2 **Rationale**. Deloitte & Touche LLP had audited the Company's combined financial statements for the financial period from 22 March 2018 to 31 December 2018, for the financial year ended 31 December 2019 and the six months ended 30 June 2020 in connection with the Company's initial public offering and listing on the Main Board of the SGX-ST (the "**Listing**") and have continued to be the Auditors following the Listing.

Deloitte & Touche LLP was last re-appointed as the Auditors at the 2023 AGM to hold office until the conclusion of the next annual general meeting of the Company and as such, its appointment would be expiring on 26 April 2024, being the date of the forthcoming AGM of the Company.

The Board is of the view that a change of auditors accords with good corporate governance practice and will enable the Company to benefit from fresh perspectives and have access to the views of a new professional audit firm. Given the above, as part of the Company's ongoing corporate governance initiatives as well as to manage its overall business costs and expenses amidst the current business climate, the Board is of the view that it would be appropriate and timely to effect a change of Auditors and to appoint Crowe Horwath First Trust LLP as the Auditors to hold office until the conclusion of the next annual general meeting of the Company.

The Audit and Risk Management Committee, in reviewing and deliberating on the suitability of other firms, had evaluated proposals from other audit firms and had taken into consideration various factors including the Audit Quality Indicators Disclosure Framework issued by ACRA, as well as the criteria for the evaluation and selection of external auditors contained in the Guidebook for Audit Committees in Singapore, including various factors such as the adequacy of resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm's other engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned. The quality and scope of audit services to be provided by Crowe Horwath First Trust LLP will be comparable to the services currently provided by the Company's existing Auditors, Deloitte & Touche LLP. Based on the foregoing, the Audit and Risk Management Committee had recommended to the Board that Crowe Horwath First Trust LLP be appointed as the Auditors.

The Board, having taken into account the Audit and Risk Management Committee's recommendation, accepts the Audit and Risk Management Committee's recommendation and is of the opinion that Crowe Horwath First Trust LLP is a suitable audit firm to be appointed as the Auditors to meet the audit obligations of the Company.

4.3 **Information on Crowe Horwath First Trust LLP and the Audit Engagement Partner**. Crowe Horwath First Trust LLP is a member of Crowe Global, a top-10 accounting network with over 200 independent accounting and advisory services firms in 150 countries around the world. As a network firm of Crowe Global, Crowe Horwath First Trust LLP is committed to providing impeccable quality and highly integrated service delivery with the full support of Crowe Global Methodology, technical resources and knowledge databases. More information about Crowe, its values and its services can be found on Crowe Horwath First Trust LLP's website at https://www.crowe.com/sg.

Crowe Horwath First Trust LLP is one of the leading mid-tier public accounting and consulting firms in Singapore that provides audit, advisory, tax, outsourcing and fund administration solutions to a diverse and international clientele including public-listed entities, multinational corporations and financial institutions. Crowe Horwath First Trust LLP was awarded the 2018 Growth Award (Open Category) and the 2016 Best Practice Award (Large Practice Category) by the Institute of Singapore Chartered Accountants. It provides external and internal audit, tax and accounting services to many public listed corporations in Singapore, and has acted as the reporting accountant in various initial public offerings in Singapore. Crowe Horwath First Trust LLP's clients in Singapore include publicly listed companies, private enterprises and statutory boards, which span across a broad range of industries such as manufacturing, trading and distribution, financial markets, telecommunication, entertainment, healthcare, shipping, waste management, leisure, education, information technology, agriculture, food and beverage and logistics amongst others.

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Ms. Lee Yan Huei ("**Ms. Lee**") will be the audit engagement partner who will be in charge of the Group's audit. Ms. Lee has more than 25 years of experience in professional services which includes audit and technical research. She is a practicing member of the Institute of Singapore Chartered Accountants and a fellow member of the Chartered Accountants Australia and New Zealand. Ms. Lee holds a diverse portfolio of public listed and private audit clientele, ranging from companies in manufacturing, property development, agricultural operations, loans and asset management, commodity trading and fund management.

Ms. Lee has not yet been subjected to the Practice Monitoring Programme review by ACRA.

4.4 **Requirements under Rule 712 of the Listing Manual**. The Board, having taken into account the Audit and Risk Management Committee's recommendation and various factors considered in their evaluation, including, inter alia, the following:

(a) the adequacy of Crowe Horwath First Trust LLP's resources and experience;

(b) the audit engagement partner assigned to the audit;

(c) Crowe Horwath First Trust LLP's other audit engagements;

(d) the size and complexity of the Group; and

(e) the number and experience of supervisory and professional staff assigned to the audit,

is of the opinion that Crowe Horwath First Trust LLP is a suitable audit firm which will be able to meet the audit requirements of the Company and that Rule 712 of the Listing Manual has been complied with.

4.5 **Requirements under Rule 715 of the Listing Manual**. In compliance with Rule 715(1) of the Listing Manual, the Board confirms that upon obtaining Shareholders' approval for the proposed change of Auditors, Crowe Horwath First Trust LLP will also be appointed as the statutory auditors of the Company's subsidiaries incorporated in Singapore. The Company does not have any significant Singapore-incorporated associated companies.

Further, in compliance with Rule 715(2) of the Listing Manual, the Board confirms that the Company will also engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies. In this regard, the relevant member firms within the Crowe Global network will serve as auditors of the Company's significant foreign-incorporated subsidiaries and associated companies.

4.6 **Requirements under Rule 1203(5) of the Listing Manual**. In accordance with the requirements of Rule 1203(5) of the Listing Manual:

(a) the outgoing Auditors, Deloitte & Touche LLP, has confirmed by way of a letter dated 5 April 2024 that they are not aware of any professional reasons why the incoming Auditors, Crowe Horwath First Trust LLP, should not accept appointment as the Auditors ("**Professional Clearance Letter**");

(b) the Company confirms that there were no disagreements with the outgoing Auditors, Deloitte & Touche LLP, on accounting treatments within the last 12 months;

(c) the Company confirms that, save as disclosed in this Appendix, it is not aware of any circumstances connected with the proposed change of Auditors that should be brought to the attention of Shareholders;

APPENDIX TO ANNUAL REPORT

(d) the specific reasons for the proposed change of Auditors are disclosed in Section 4.2 of this Appendix; and

(e) the Company confirms that it will be in compliance with Rules 712 and 715 of the Listing Manual.

4.7 **Consents**. Each of Deloitte & Touche LLP and Crowe Horwath First Trust LLP has given and has not withdrawn its written consent to the issue of this Appendix with the inclusion of its name and all references thereto, in the form and context in which they appear in this Appendix.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **Directors' Interests**. As at the Latest Practicable Date, the interests of the Directors in the Shares before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (a) the Company purchases 64,076,976 Shares; and (b) there is no change in the number of Shares (whether deemed or direct) held by the Directors, are set out below:

	Before the Share Purchase						After the Share Purchase
	Direct Interest		Deemed Interest(2)		Total Interest		Total Interest
Directors	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**	**%(5)**
Mr. Guo Jingyu(3)	4,626,400	0.43	666,182,000	62.38	670,808,400	62.81	66.82
Ms. Yue Lina(3)	–	–	666,182,000	62.38	666,182,000	62.38	66.36
Ms. Wang Qing	–	–	–	–	–	–	–
Mr. Yang Jun Rong(4)	–	–	76,230,000	7.14	76,230,000	7.14	7.59
Mr. Shamsul Kamar Bin Mohamed Razali	–	–	–	–	–	–	–
Mr. Li Qi	–	–	–	–	–	–	–
Ms. Zeng Yingxue	–	–	–	–	–	–	–
Mr. Yeo Guat Kwang	–	–	–	–	–	–	–
Mr. Ang Chun Giap	–	–	–	–	–	–	–
Mr. Chen Mingyu	–	–	–	–	–	–	–
Dr. Jiang Minghua	–	–	–	–	–	–	–

Notes:

(1) Based on the total number of issued Shares as at the Latest Practicable Date.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) Kang Ru Investments Limited ("**Kang Ru**") holds 666,182,000 Shares. Da Yuan Developments Limited ("**Da Yuan**") is the sole shareholder of Kang Ru. Vistra Trust (Singapore) Pte. Limited is the sole shareholder of Da Yuan and is the trustee of the Guo Yue Family Trust which is a discretionary trust. The Shares held by Kang Ru are assets of the Guo Yue Family Trust and the beneficiaries are G.Y Media & Entertainment Limited, Mr. Guo Jingyu and Ms. Yue Lina (including the minor child of Guo Jingyu and Yue Lina). Mr. Guo Jingyu is the sole shareholder and director of G.Y Media & Entertainment Limited, and is also the investment manager of the Guo Yue Family Trust. Accordingly, each of G.Y Media & Entertainment Limited, Mr. Guo Jingyu and Ms. Yue Lina is deemed to have an interest in all the Shares held by Kang Ru by virtue of Section 4 of the SFA.

(4) Mr. Yang Jun Rong holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mr. Yang Jun Rong is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.

(5) Assuming the Company purchases or acquires 64,076,976 Shares pursuant to the Share Purchase Mandate, the percentage after the Share Purchase is calculated based on 1,003,872,624 issued Shares (excluding Treasury Shares).

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5.2 **Substantial Shareholders' Interests**. As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (a) the Company purchases 64,076,976 Shares; and (b) there is no change in the number of Shares (whether deemed or direct) held by the Substantial Shareholders, are set out below:

	Before the Share Purchase						After the Share Purchase
Substantial Shareholders (other than Directors)	**Direct Interest No. of Shares**	**%[1]**	**Deemed Interest[2] No. of Shares**	**%[1]**	**Total Interest No. of Shares**	**%[1]**	**Total Interest %[7]**
Mr. John Ho	110,602,000	10.36	–	–	110,602,000	10.36	11.02
Kang Ru Investments Limited[3]	666,182,000	62.38	–	–	666,182,000	62.38	66.36
Da Yuan Developments Limited[3]	–	–	666,182,000	62.38	666,182,000	62.38	66.36
G.Y Media & Entertainment Limited[3]	–	–	666,182,000	62.38	666,182,000	62.38	66.36
Guo Yue Family Trust[3]	–	–	666,182,000	62.38	666,182,000	62.38	66.36
Taiho Holding Ltd[4]	76,230,000	7.14	–	–	76,230,000	7.14	7.59
Mdm. Yeh Hui Mei[5]	–	–	76,230,000	7.14	76,230,000	7.14	7.59
Vistra Trust (Singapore) Pte. Limited[3][6]	–	–	666,182,000	62.38	666,182,000	62.38	66.36

Notes:

(1) Based on the total number of issued Shares as at the Latest Practicable Date.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) Kang Ru Investments Limited ("**Kang Ru**") holds 666,182,000 Shares. Da Yuan Developments Limited ("**Da Yuan**") is the sole shareholder of Kang Ru. Vistra Trust (Singapore) Pte. Limited is the sole shareholder of Da Yuan and is the trustee of the Guo Yue Family Trust which is a discretionary trust. The Shares held by Kang Ru are assets of the Guo Yue Family Trust and the beneficiaries are G.Y Media & Entertainment Limited, Mr. Guo Jingyu and Ms. Yue Lina (including the minor child of Guo Jingyu and Yue Lina). Mr. Guo Jingyu is the sole shareholder and director of G.Y Media & Entertainment Limited, and is also the investment manager of the Guo Yue Family Trust. Accordingly, each of G.Y Media & Entertainment Limited, Mr. Guo Jingyu and Ms. Yue Lina is deemed to have an interest in all the Shares held by Kang Ru by virtue of Section 4 of the SFA.

(4) Mr. Yang Jun Rong holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mr. Yang Jun Rong is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.

(5) Mdm. Yeh Hui Mei holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mdm. Yeh Hui Mei is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.

(6) Vistra Trust (Singapore) Pte. Limited provides trustee services in Singapore, and is (i) wholly-owned by Vistra Group (Asia) Limited; (ii) which is in turn wholly-owned by Vistra Group Holdings (Cayman) Limited; (iii) which is in turn wholly-owned by Vistra Group Holdings (BVI) Limited; (iv) which is in turn wholly-owned by Vistra Group Holdings (BVI) I Limited; (v) which is in turn wholly-owned by Vistra Group Holdings (BVI) II Limited; and (vi) which is in turn wholly-owned by Vistra Group Holdings (BVI) III Limited. Vistra Group Holdings (BVI) III Limited is (A) wholly-owned by Thevelia Limited, (B) which is in turn wholly-owned by Thevelia Holdings Limited, (C) which is in turn wholly-owned by Thevelia Midco Limited, (D) which is in turn wholly-owned by Thevelia Parent Limited, (E) which is in turn majority-owned by Thevelia Aggregator, L.P. and (F) which is in turn controlled by its general partner Thevelia GP Limited. Thevelia GP Limited is wholly-owned by BPEA Private Equity GP VIII, L.P., which is in turn controlled by its general partner BPEA Private Equity GP VIII Limited, which is in turn wholly-owned by BPEA EQT Holdings AB, and which is in turn wholly-owned by EQT AB. Accordingly, each of the foregoing entities is deemed to be interested in the Shares that Vistra Trust (Singapore) Pte. Limited is interested in by virtue of Section 4 of the SFA.

(7) Assuming the Company purchases or acquires 64,076,976 Shares pursuant to the Share Purchase Mandate, the percentage after the Share Purchase is calculated based on 1,003,872,624 issued Shares (excluding Treasury Shares).

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6. DIRECTORS' RECOMMENDATIONS

6.1 **Proposed Renewal of the Share Purchase Mandate**. The Directors, having considered, *inter alia*, the rationale for the proposed renewal of the Share Purchase Mandate, are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company.

Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution 12 relating to the proposed renewal of the Share Purchase Mandate to be proposed at the AGM.

6.2 **Proposed Renewal of the IPT General Mandate**. Save for Ms. Yue Lina, the Directors who are considered independent for the purposes of the proposed renewal of the IPT General Mandate, having considered, *inter alia*, the scope, procedures, rationale and benefits of the IPT General Mandate, are of the opinion that the proposed renewal of the IPT General Mandate is in the best interests of the Company.

Accordingly, the Directors (save for Ms. Yue Lina) recommend that the Shareholders vote in favour of Ordinary Resolution 13 in relation to the proposed renewal of the IPT General Mandate to be proposed at the AGM.

6.3 **Proposed Change of Auditors from Deloitte & Touche LLP to Crowe Horwath First Trust LLP**. The Directors, having considered the rationale for the proposed change of Auditors and the recommendations of the Audit and Risk Management Committee, are of the view that the proposed change of Auditors is in the best interests of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution 14 relating to the proposed change of Auditors to be proposed at the AGM.

7. ABSTENTION FROM VOTING

7.1 **Proposed Renewal of the IPT General Mandate**. Ms. Yue Lina, who is a Mandated Interested Person, will abstain from, and has undertaken to ensure that her respective associates (if any) will abstain from voting on Ordinary Resolution 13 in relation to the proposed renewal of the IPT General Mandate.

7.2 **Appointment of Chairman of the AGM as Proxy**. The Chairman of the AGM will accept appointment as proxy for any Shareholder to vote in respect of any ordinary resolution relating to the proposed renewal of the Share Purchase Mandate, the proposed renewal of the IPT General Mandate and/or the proposed change of Auditors to be proposed at the AGM, where such Shareholder has given specific voting instructions in a validly completed and submitted Proxy Form as to voting, or abstention from voting, in respect of such ordinary resolution, failing which the appointment of a proxy for that resolution will be treated as invalid.

8. ANNUAL GENERAL MEETING

8.1 **Date and Time of AGM**. The AGM will be held in a hybrid format, at One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 and using virtual meeting technology on 26 April 2024 at 3.00 p.m., for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions set out in the Notice of AGM which is attached to the Annual Report.

8.2 Shareholders should refer to the Notice of AGM for further information, which has been uploaded on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements and is also available on the Company's website at the following URL: https://ghyculturemedia.com/investor-relations/sgx-announcements/.

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9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Resolutions, and the Company, its subsidiaries and associated companies which are relevant to the Proposed Resolutions, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

10. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at 988 Toa Payoh North #07-08, Singapore 319002 during normal business hours from the date of this Appendix up to and including the date of the AGM:

(a) the Annual Report;

(b) the Memorandum and Articles of Association of the Company;

(c) the Professional Clearance Letter issued by Deloitte & Touche LLP dated 5 April 2024;

(d) the notice of resignation from Deloitte & Touche LLP dated 5 April 2024; and

(e) the letter of consent to act as Auditors from Crowe Horwath First Trust LLP dated 8 April 2024.

The Annual Report may also be accessed on SGXNet at the URL: https://www.sgx.com/securities/company-announcements and is also available on the Company's website at the URL: https://ghyculturemedia.com/investor-relations/sgx-announcements/.

Yours faithfully

By Order of the Board of Directors of
G.H.Y Culture &Media Holding Co., Limited

Guo Jingyu
Executive Chairman and Group CEO
9 April 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of **G.H.Y Culture & Media Holding Co., Limited** (the "**Company**") will be held in a hybrid format, at One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 and using virtual meeting technology on 26 April 2024 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors' Report thereon.
(Resolution 1)

2. To declare a final tax exempt (one-tier) dividend of 0.10 Singapore cents per ordinary share for the financial year ended 31 December 2023.
(Resolution 2)

3. To approve the payment of Directors' fees of $300,000 for the financial year ending 31 December 2024, to be paid half-yearly in arrears.
(Resolution 3)

4. To re-elect the following Directors who are retiring pursuant to Article 86(1) of the Articles of Association of the Company and who, being eligible, offer themselves for re-election:

Mr. Guo Jingyu **[See explanatory note (i)]**	[Retiring under Article 86(1)]	**(Resolution 4)**
Ms. Yue Lina **[See explanatory note (ii)]**	[Retiring under Article 86(1)]	**(Resolution 5)**
Mr. Ang Chun Giap **[See explanatory note (iii)]**	[Retiring under Article 86(1)]	**(Resolution 6)**
Mr. Chen Mingyu **[See explanatory note (iv)]**	[Retiring under Article 86(1)]	**(Resolution 7)**
Dr. Jiang Minghua **[See explanatory note (v)]**	[Retiring under Article 86(1)]	**(Resolution 8)**

5. To note the retirement of the following Directors who are retiring pursuant to Article 86(1) of the Articles of Association of the Company and would not be seeking re-election:

(i)	Ms. Wang Qing	[Retiring under Article 86(1)]
(ii)	Mr. Yang Chun-Jung (Yang Jun Rong)	[Retiring under Article 86(1)]
(iii)	Mr. Yeo Guat Kwang	[Retiring under Article 86(1)]

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares in the capital of the Company**

That authority be and is hereby given to the Directors to allot and issue:

(a) (i) shares in the Company whether by way of rights, bonus or otherwise;

(ii) convertible securities;

(iii) additional convertible securities arising from adjustments made to the exercise price or conversion price and, where appropriate, the number of convertible securities previously issued in the event of a rights issue, bonus issue or subdivision or consolidation of shares pursuant to Rule 829 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(iv) shares arising from the conversion of convertible securities,

at any time and upon such terms and conditions for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any convertible securities made or granted by the Directors while this Ordinary Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Ordinary Resolution (including shares to be issued in pursuance of convertible securities, made or granted pursuant to this Ordinary Resolution) does not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Ordinary Resolution) does not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Ordinary Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities;

(b) new shares arising from exercising shares options or vesting of share awards; and

NOTICE OF ANNUAL GENERAL MEETING

(c) any subsequent bonus issue, consolidation or subdivision of shares,

provided that any adjustments made under sub-paragraphs (a) and (b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting as at the date this Ordinary Resolution is passed;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Memorandum and Articles of Association of the Company for the time being of the Company; and

(4) unless earlier revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required to be held, whichever is earlier.

[See Explanatory Note (vi)] **(Resolution 9)**

8. **Authority to grant awards and issue shares pursuant to the GHY Performance Share Plan**

That authority be and is hereby given to the Directors to:

(a) offer and grant awards ("**Awards**") from time to time in accordance with the rules of the GHY Performance Share Plan (the "**PSP**"); and

(b) allot and issue from time to time such number of new ordinary shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the vesting of Awards granted under the PSP,

provided always that the aggregate number of Shares issued and issuable pursuant to the Awards granted under the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed fifteen percent (15%) of the total issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required to be held, whichever is earlier.

[See Explanatory Note (vii)] **(Resolution 10)**

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to grant options and issue shares pursuant to the GHY Employee Share Option Scheme**

That authority be and is hereby given to the Directors to:

(a) offer and grant options ("**Options**") from time to time in accordance with the rules of the GHY Employee Share Option Scheme (the "**ESOS**"); and

(b) allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the exercise of Options granted under the ESOS,

provided always that the aggregate number of Shares to be issued pursuant to the ESOS, when aggregated to the aggregate number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards under any other share option schemes or share schemes, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), on the day immediately preceding the date on which an offer to grant an Option is made. The grant of Options can be made at any time from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required to be held, whichever is earlier.

[See Explanatory Note (vii)] **(Resolution 11)**

10. **Proposed Renewal of the Share Purchase Mandate**

That:

(a) for the purposes of the Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time (the "**Cayman Islands Companies Act**") and otherwise in accordance with the SGX-ST, the exercise by the Directors of the Company (the "**Directors**") of all the powers of the Company to purchase or otherwise acquire issued fully paid Shares not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to but not exceeding the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted (the "**Other Exchange**") through one or more duly licensed dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST or, as the case may be, the Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual of the SGX-ST,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Cayman Islands Companies Act, the Memorandum and Articles of Association of the Company and the listing rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the date by which the next annual general meeting of the Company is required to be held; and

(iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means:

(i) in the case of a Market Purchase, the average of the closing market prices of the Shares over the last five Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange, immediately preceding the date of the Market Purchase by the Company; or

(ii) in the case of an Off-Market Purchase, the average of the closing market prices of the Shares over the last five Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange, immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Percentage**" means that number of issued Shares representing 10.0% of the issued Shares as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110.0% of the Average Closing Price of the Shares;

NOTICE OF ANNUAL GENERAL MEETING

(d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held as a treasury share and dealt with in accordance with the Cayman Islands Companies Act; and

(e) the Directors of the Company and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including, without limitation, executing such documents as may be required and approving any amendments, alterations or modifications to any documents) as they and/or he or she may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution and/or the Share Purchase Mandate.

[See Explanatory Note (viii)] **(Resolution 12)**

11. **Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions**

That:

(a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of Mandated Transactions described in the appendix to the Company's annual report for the financial year ended 31 December 2023 (the "**Appendix**") with any Mandated Interested Persons described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in paragraph (a) above shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and

(c) the Directors of the Company and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including, without limitation, executing such documents as may be required and approving any amendments, alterations or modifications to any documents) as they and/or he or she may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (ix)] **(Resolution 13)**

NOTICE OF ANNUAL GENERAL MEETING

12. **Proposed change of auditors from Deloitte & Touche LLP to Crowe Horwath First Trust LLP**

That:

(a) the resignation of Deloitte & Touche LLP as auditors of the Company be and is hereby noted and Crowe Horwath First Trust LLP, having consented to act, be and is hereby appointed as auditors of the Company in place of Deloitte & Touche LLP, to hold office until the conclusion of the next annual general meeting of the Company at a remuneration and on such terms as may be agreed between the Directors and Crowe Horwath First Trust LLP; and

(b) the Directors of the Company and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including, without limitation, executing such documents as may be required and approving any amendments, alterations or modifications to any documents) as they and/or he or she may consider desirable, expedient or necessary to give effect to the change of auditors and the appointment of Crowe Horwath First Trust LLP as auditors of the Company contemplated and/or authorised by this Resolution.

[See Explanatory Note (x)] **(Resolution 14)**

By Order of the Board of Directors

Ong Beng Hong
Lee Yuan
Company Secretaries
9 April 2024

Explanatory Note to Resolutions to be passed:

(i) Pursuant to Article 86(1) of the Company's Articles of Association, each Director shall retire at least once every 3 years. Mr. Guo Jingyu was last re-elected on 29 April 2021. Mr. Guo Jingyu, if re-elected as a Director of the Company, will remain as Executive Chairman and Group Chief Executive Officer and a member of the Nominating Committee. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, further information on Mr. Guo Jingyu is set out on Page 4 of the Company's Annual Report.

(ii) Pursuant to Article 86(1) of the Company's Articles of Association, each Director shall retire at least once every 3 years. Ms. Yue Lina was last re-elected on 29 April 2021. Ms. Yue Lina, if re-elected as a Director of the Company, will remain as Executive Director. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, further information on Ms. Yue Lina is set out on Page 4 of the Company's Annual Report.

(iii) Pursuant to Article 86(1) of the Company's Articles of Association, each Director shall retire at least once every 3 years. Mr. Ang Chun Giap was last re-elected on 29 April 2021. Mr. Ang Chun Giap, if re-elected as a Director of the Company, will remain as Chairman of the Audit and Risk Management Committee. Mr. Ang Chun Giap will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Mr. Ang Chun Giap has no relationship with the Company, its related corporations, its substantial shareholders or its officers. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, further information on Mr. Ang Chun Giap is set out on Page 6 of the Company's Annual Report.

(iv) Pursuant to Article 86(1) of the Company's Articles of Association, each Director shall retire at least once every 3 years. Mr. Chen Mingyu was last re-elected on 29 April 2021. Mr. Chen Mingyu, if re-elected as a Director of the Company, will be re-designated as Lead Independent Director, will be appointed as Chairman of the Nominating Committee, will step down as Chairman of the Remuneration Committee but will remain as a member of the Remuneration Committee and will remain as a member of the Audit and Risk Management Committee. Mr. Chen Mingyu will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Mr. Chen Mingyu has no relationship with the Company, its related corporations, its substantial shareholders or its officers. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, further information on Mr. Chen Mingyu is set out on Page 6 of the Company's Annual Report.

(v) Pursuant to Article 86(1) of the Company's Articles of Association, each Director shall retire at least once every 3 years. Dr. Jiang Minghua was last re-elected on 29 April 2021. Dr. Jiang Minghua, if re-elected as a Director of the Company, will remain as a member of the Nominating Committee and Audit and Risk Management Committee. Dr. Jiang Minghua will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Dr. Jiang Minghua has no relationship with the Company, its related corporations, its substantial shareholders or its officers. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, further information on Dr. Jiang Minghua is set out on Page 6 of the Company's Annual Report.

(vi) The Ordinary Resolution 9 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue Shares and convertible securities in the Company up to an aggregate amount not exceeding fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, of which the total number of Shares issued other than on a pro rata basis to existing shareholders, shall not exceed twenty percent (20%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings).

NOTICE OF ANNUAL GENERAL MEETING

(vii) The Ordinary Resolutions 10 and 11 proposed in items 8 and 9 above, if passed, will empower the Directors of the Company to allot and issue Shares pursuant to the vesting of Awards and exercise of Options under the PSP and ESOS respectively, provided that the aggregate number of Shares to be issued pursuant to the PSP and ESOS, when aggregated to the number of Shares issued and issuable or transferred and to be transferred under any other share option schemes or share schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

(viii) The Ordinary Resolution 12 proposed in item 10 above, if passed, will empower the Directors of the Company, to continue to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition, including the amount of financing, and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Appendix.

(ix) The Ordinary Resolution 13 proposed in item 11 above, if passed, will empower the Directors of the Company to continue to enter into interested person transactions, on the Group's normal commercial terms and in accordance with the guidelines and procedures of the Company for interested person transactions as described in the Appendix. This authority will continue in force until the next AGM of the Company.

(x) The Ordinary Resolution 14 proposed in item 12 above is to approve the appointment of Crowe Horwath First Trust LLP as auditors of the Company in place of Deloitte & Touche LLP to hold office until the conclusion of the next AGM of the Company at a remuneration and on such terms as may be agreed between the Directors and Crowe Horwath First Trust LLP.

The Appendix is attached to this Notice of AGM to provide shareholders with information and the rationale relating to the proposed change of auditors to be tabled for approval at the AGM. In accordance with the requirements of Rule 1203(5) of the Listing Manual:

(a) the outgoing auditors of the Company, Deloitte & Touche LLP, has confirmed by way of a letter dated 5 April 2024 that they are not aware of any professional reasons why the incoming auditors of the Company, Crowe Horwath First Trust LLP, should not accept appointment as the auditors of the Company;

(b) the Company confirms that there were no disagreements with the outgoing auditors of the Company, Deloitte & Touche LLP, on accounting treatments within the last 12 months;

(c) the Company confirms that, save as disclosed in the Appendix, it is not aware of any circumstances connected with the proposed change of auditors that should be brought to the attention of the shareholders;

(d) the rationale for the proposed change of auditors is as disclosed in paragraph 4.2 of the Appendix. The Company had, on 5 April 2024, received a letter from Deloitte & Touche LLP giving notice that it will retire and will not seek re-appointment as auditors of the Company at the AGM; and

(e) the Company confirms that it will be in compliance with Rules 712 and 715 of the Listing Manual in relation to the appointment of Crowe Horwath First Trust LLP as the incoming auditors of the Company.

Notes

Hybrid AGM

1. The AGM will be convened and held in a hybrid format, at One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 and using virtual meeting technology on 26 April 2024 at 3.00 p.m..

2. Arrangements for participating in the AGM. Shareholders, including Supplementary Retirement Scheme ("**SRS**") investors, may participate in the AGM by:

   (a) (i) attending the physical meeting in person; or (ii) observing or listening to the AGM proceedings via a Live Webcast (as defined below);

   (b) submitting questions in advance of, or "live" at, the AGM; and/or

   (c) voting at the AGM (i) by the shareholders themselves or through duly appointed proxy(ies) (other than the Chairman of the AGM)[1] or representative(s); (ii) by the SRS investors themselves if they are appointed as proxies by their SRS operators[2]; or (iii) by the shareholders, or the SRS investors, appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM.

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[1] For the avoidance of doubt, SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to attend, speak and/or vote at the AGM on their behalf.

[2] Means any company approved by the Minister, or such person as he may appoint, for the purposes of the Supplementary Retirement Scheme. There are three SRS operators in Singapore:

- Development Bank of Singapore (DBS) Ltd;
- Overseas-Chinese Banking Corporation (OCBC) Ltd; and
- United Overseas Bank (UOB) Ltd

NOTICE OF ANNUAL GENERAL MEETING

Physical Meeting

Participation

3. Investors who hold shares through Relevant Intermediaries* and who wish to participate in the AGM should approach their respective agents by **16 April 2024, 5.00 p.m.**, in order to facilitate the necessary arrangements for them to participate in the AGM.

   Shareholders should bring their NRIC/passport and corporate shareholders should bring the Corporate Representative Certificate for verification at the AGM venue.

Voting

4. Live voting will be conducted during the AGM for members, proxies and (in the case of members which are corporations) authorised representative(s) attending the AGM. Upon verification of their NRIC/passport at the AGM venue, shareholders, including SRS investors, and (where applicable) their duly appointed proxy(ies) and authorised representative(s), will be provided with a handheld device for electronic voting at the physical meeting.

Virtual Meeting

Participation

5. Members will be able to observe and/or listen to the AGM proceedings through a "live" audio-and-video webcast or "live" audio feed via their mobile phones, tablets or computers (the "**Live Webcast**"). In order to do so, members must preregister at the Company's pre-registration website via https://go.lumiengage.com/GHYAGM2024 by the registration deadline of **23 April 2024, 3.00 p.m.** (the "**Registration Deadline**"), to enable the verification of members' status.

   Investors who hold shares through Relevant Intermediaries* (including SRS investors) and who wish to participate in the AGM should approach their respective agents by **16 April 2024, 5.00 p.m.**, in order to facilitate the necessary arrangements for them to participate in the AGM.

   After verification, authenticated members will receive an email, containing details as well as instructions on attending the AGM, by 25 April 2024, 3.00 p.m.. Members must not forward the abovementioned link to other persons who are not shareholders of the Company and who are not entitled to attend the AGM to avoid any technical disruptions or overload the live audio-and-video webcast.

   Members who do not receive an email by 25 April 2024, 3.00 p.m., but have registered by the Registration Deadline should contact the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. via email at ghy@boardroomlimited.com, or call the general telephone number at +65 6536 5355 during office hours for assistance, with the following details included: (a) the member's/ Depositor's full name, and (b) his/her/its identification/passport/registration number.

Voting

6. Shareholders who wish to exercise their voting rights at the AGM may:

   (a) (where such shareholders are individuals) vote "live" via electronic means at the AGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM) or (in the case of shareholders which are corporations) authorised representative(s) to vote "live" via electronic means at the AGM on their behalf; or

   (b) (where such shareholders are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.

   In appointing a proxy, a member or Depositor must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the form of proxy, failing which the appointment of a proxy for that resolution will be treated as invalid.

   Members (including SRS investors) and, where applicable, appointed proxy(ies), who wish to vote "live" at the AGM must first pre-register at the pre-registration website via https://go.lumiengage.com/GHYAGM2024 by the Registration Deadline.

   Shareholders who wish to appoint a proxy(ies) (other than the Chairman of the AGM) must, in addition to completing and submitting an instrument appointing a proxy(ies), pre-register their duly appointed proxy(ies) at the pre-registration website via https://go.lumiengage.com/GHYAGM2024 by the Registration Deadline and ensure that their proxy(ies) are authenticated to vote live at the AGM.

   Shareholders, including SRS investors or, (where applicable) their duly appointed proxy(ies) or authorised representative(s) attending the virtual meeting must access the AGM proceedings via the live audio-visual webcast in order to vote live at the AGM, and will not be able to do so via the live audio-only stream of the AGM proceedings.

NOTICE OF ANNUAL GENERAL MEETING

Submission of questions (for both physical meeting and virtual meeting)

7. Members may also submit questions related to the resolutions to be tabled for approval at the AGM either (i) "live" at the AGM during the live Q&A session; or (ii) in advance of the AGM. In order to submit questions in advance of the AGM, their questions must be submitted via the Company's pre-registration website via https://go.lumiengage.com/GHYAGM2024 or by depositing a physical copy of the questions at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 no later than **17 April 2024, 3.00 p.m.**.

   Members will need to identify themselves when posing questions by providing the following details:

   (a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;

   (b) the member's NRIC/Passport/UEN number;

   (c) the member's contact number and email address; and

   (d) the manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

   The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

8. The Company will endeavour to address all relevant and substantial questions submitted by shareholders by the cut-off date and time of **17 April 2024, 3.00 p.m.**. The Company will publish its responses to such queries on SGXNet by **19 April 2024, 3.00 p.m.**. The Company will address those substantial and relevant questions which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, during the AGM. The Company will publish the minutes of the AGM on SGXNet and the Company's website within one month after the date of the AGM.

Appointment of proxies (for both physical meeting and virtual meeting)

9. If sent personally or by post, the instrument appointing the proxy(ies) of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing the proxy(ies) of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

   Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument appointing the proxy(ies) under hand and submitting a scanned copy of the signed instrument by email.

   In appointing a proxy, a member or Depositor must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the form of proxy, failing which the appointment of a proxy for such resolution will be treated as invalid.

10. The Depositor Proxy Form must be submitted in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at ghy@boardroomlimited.com,

   in either case, by **23 April 2024, 3.00 p.m.**, being not less than 72 hours before the time fixed for holding the AGM.

   A Depositor who wishes to submit a Depositor Proxy Form must complete and sign the Depositor Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

   Depositors are encouraged to submit completed Depositor Proxy Forms electronically via email.

11. A proxy need not be a member of the Company.

12. A member/Depositor who is a Relevant Intermediary* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member/Depositor. Where such member's/Depositor's form of proxy appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. SRS investors who wish to appoint a proxy in respect of the Company's shares should approach their SRS operators to submit their votes at least seven working days before the AGM, by 5.00 p.m. on 16 April 2024.

13. In the case of Depositors whose shares are entered against their names in the Depository Register, the Company may reject any Depositor Proxy Form lodged if the Depositor is not shown to have Shares entered against their name in the Depository Register as at 72 hours before the time fixed for holding of the AGM as provided by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

Documents for AGM

14. The Notice of AGM, Depositor Proxy Form and request form for members to request for a physical copy of the Annual Report ("**Request Form**") are sent to members by mail. The Annual Report, Notice of AGM, Depositor Proxy Form, Appendix, the Request Form may be accessed at the Company's website at the URL www.ghyculturemedia.com and on SGXNet.

    * A Relevant Intermediary is:

    (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

    (b) a capital markets services license holder who provides custodial services under the Securities and Futures Act 2001 of Singapore and holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting a Depositor Proxy Form, a Depositor, (i) consents to the collection, use and disclosure of the Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxy appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where a Depositor discloses the personal data of the Depositor's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Depositor's breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a Depositor of the Company (such as his name) or a Depositor's proxy(ies) and/or representative(s) may be recorded by the Company for such purpose.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

(Incorporated in the Cayman Islands)
(Company No.: 337751)

ANNUAL GENERAL MEETING – DEPOSITOR PROXY FORM

We, The Central Depository (Pte) Limited ("**CDP**"), being a member of G.H.Y Culture & Media Holding Co., Limited (the "**Company**"), pursuant to a proxy form lodged or to be lodged by us with the Company (the "**CDP Proxy Form**"), have appointed, or will be appointing the person(s) whose name(s) and particulars are set out in Part I below ("**Depositor(s)**"), in respect of such number of shares ("**Depositor(s) Shares**") set out against his/her/its name in the Depository Register maintained by CDP as at **Tuesday, 23 April 2024** (the "**Cut Off Date**"), as our proxy(ies) to attend and to vote on our behalf at the Annual General Meeting (the "**AGM**") of the Company to be held in a hybrid format at One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 and using virtual meeting technology on **Friday, 26 April 2024 at 3.00 p.m. (Singapore time)**, and at any adjournment thereof:

I.

Name:
NRIC/Passport/Company Registration Number:
Address:
Number of Shares:

OR, **in the event the Company receives this Depositor Proxy Form which is:**

(i) duly completed and signed/executed by the said Depositor(s); and

(ii) submitted by the requisite time and date, and to the requisite office as indicated below,

we hereby appoint the person or persons (the "**Appointee(s)**") whose details are given in Part II below:

II.

Name:
NRIC/Passport Number:
Address:
Proportion of shareholdings (%):

and/or

Name:
NRIC/Passport Number:
Address:
Proportion of shareholdings (%):

or, failing whom, the Chairman of the AGM, as our proxy to vote for us on our behalf at the AGM, provided that such details have been verified in Part V by the affixing of the common seal or signature of or on behalf of the Depositor(s) named in Part I, and on the basis that such person or persons is/are authorised to vote in respect of the proportion of the shareholdings referred to in Part II or if no proportion is so reflected, in respect of all of the Depositor(s) Shares. The Appointee(s) is/are hereby directed to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. We further hereby authorise and direct the Company to accept this Depositor Proxy Form in respect of the Depositor(s) Shares.

In appointing a proxy, a Depositor (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the proxy for that resolution will be treated as invalid.

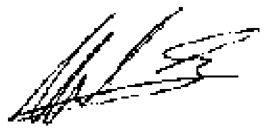
III.

No.	Ordinary Resolutions relating to:	For	Against	Abstain
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors' Report thereon			
2.	Declaration of proposed final tax exempt (one-tier) dividend of 0.10 Singapore cents per ordinary share for the financial year ended 31 December 2023			
3.	To approve the payment of Directors' fees of S$300,000 for the financial year ending 31 December 2024, to be paid half-yearly in arrears			
4.	To re-elect Mr. Guo Jingyu, a Director who is retiring pursuant to Article 86(1) of the Company's Articles of Association			
5.	To re-elect Ms. Yue Lina, a Director who is retiring pursuant to Article 86(1) of the Company's Articles of Association			
6.	To re-elect Mr. Ang Chun Giap, a Director who is retiring pursuant to Article 86(1) of the Company's Articles of Association			
7.	To re-elect Mr. Chen Mingyu, a Director who is retiring pursuant to Article 86(1) of the Company's Articles of Association			
8.	To re-elect Dr. Jiang Minghua, a Director who is retiring pursuant to Article 86(1) of the Company's Articles of Association			

9.	To approve the authority to allot and issue shares in the capital of the Company			
10.	To approve the authority to grant awards and issue shares pursuant to the GHY Performance Share Plan			
11.	To approve the authority to grant options and issue shares pursuant to the GHY Employee Share Option Scheme			
12.	To approve the proposed renewal of the Share Purchase Mandate			
13.	To approve the proposed renewal of the Shareholders' General Mandate for Interested Person Transactions			
14.	To approve the proposed change of auditors of the Company from Deloitte & Touche LLP to Crowe Horwath First Trust LLP and to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.			

Dated this ________ day of ____________________ 2024

IV. The Central Depository (Pte) Limited



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Signature of Director

V.

TO BE COMPLETED BY DEPOSITOR(S) IF HE/SHE/IT WISHES TO NOMINATE A PROXY			
For Individuals:	For Corporations:		
______________________ Signature of Direct Account Holder	______________ Signature of Director	______________ Signature of Director/ Secretary	______________ Common Seal

IMPORTANT: PLEASE READ THE NOTES CAREFULLY BEFORE COMPLETING THIS DEPOSITOR PROXY FORM

IMPORTANT: PLEASE READ NOTES BELOW

Notes:

Part I A Depositor will be able to vote at the AGM (i) by himself or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) or corporate representatives (where applicable); or (ii) by appointing the Chairman of the AGM as proxy to vote on his/her/its behalf at the AGM.

A proxy need not be a member of the Company.

Part II A Depositor/Depositors who is not a relevant intermediary may appoint not more than two Appointees, who shall be natural persons, to attend and vote in his/her/its/their place at the AGM in respect of the Depositor(s) Shares by completing Part ll.

Where a Depositor is a corporation and wishes to be represented at the AGM, it must nominate an Appointee/Appointees to attend and vote as proxy(ies) for CDP at the AGM in respect of the Depositor Shares.

A Depositor/Depositors who wish(es) to appoint more than one Appointee must specify the proportion of the number of the Depositor Shares (expressed as a percentage of the whole) to be represented by each Appointee. If no proportion of the number of the Depositor Shares is specified, the Appointee whose name appears first shall be deemed to carry 100% of the number of the Depositor Shares and the Appointee whose name appears second shall be deemed to be appointed in the alternative.

Part III Please indicate with an "X" in the appropriate box against each resolution how you wish the proxy to vote. Alternatively, if you wish to exercise some and not all of your votes "For" and "Against" the resolution and/or to abstain from voting in respect of the resolutions, please indicate the number of votes "For", the number of votes "Against" and/or the number of votes "Abstain" in the boxes provided for the resolutions. In appointing a proxy, a Depositor (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the proxy for that resolution will be treated as invalid.

Part IV The instrument appointing a proxy, duly executed, must be:

(a) deposited at the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) emailed to the Company's Singapore Share Transfer Agent at ghy@boardroomlimited.com,

in either case, not less than 72 hours before the time appointed for the holding of the AGM, i.e. by 3.00 p.m. on Tuesday, 23 April 2024.

A Depositor who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. In the case of joint Depositors, all joint Depositors must sign the Depositor Proxy Form.

Depositors are encouraged to submit completed proxy forms electronically via email.

The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where such instrument is executed by a corporation, it must be executed under its common seal or under the hand of an officer or attorney or other person duly authorised.

Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

GENERAL

The Company shall be entitled to reject any Depositor Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the Depositor(s) are not ascertainable from the instructions of the Depositor(s) specified on any Depositor Proxy Form. It is the Depositor's/ Depositors' responsibility to ensure that this Depositor Proxy Form is properly completed. Any decision to reject this Depositor Proxy Form on the grounds that it is incomplete, improperly completed or illegible will be final and binding and neither the Company, CDP nor Boardroom Corporate & Advisory Services Pte. Ltd. accepts any responsibility for the consequences of such a decision.

Terms not specifically defined herein shall have the same meanings ascribed to them in the Notice of AGM dated 9 April 2024.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy, the Depositor(s) accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.

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