



**G.H.Y Culture & Media Holding Co., Limited**  
(Company Number: 337751)  
Tel: +65 6352 6778

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**FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

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Singapore, 1 March 2022 – The directors ("Directors") of G.H.Y Culture & Media Holding Co., Limited (the "Company", and together with its subsidiaries and its PRC Affiliated Entities<sup>1</sup>, the "Group") announce the following unaudited results of the Group for the year ended 31 December 2021.

The announcement is also available at the Company's website: <https://ghyculturemedia.com>.

If you require any clarification on this announcement, please contact Ms Low Hui Min, Chief Financial Officer, at email address: [huimin.low@ghyculturemedia.com](mailto:huimin.low@ghyculturemedia.com).

**Important Notes on Forward-Looking Statements ("Statements"):**

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements involve numerous assumptions, risks or uncertainties regarding the Group's present and future business strategies and the environment in which the Group will operate in the future.

There may be additional risks not described or not presently known to the Group or that the Group currently believe to be immaterial that turn out to be material.

Actual future performance, outcomes and results may differ materially from these expressed in forward-looking statements should these assumptions, risks and uncertainties occur or turn out to be material. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Group concerning future events.

New assumptions, risks and uncertainties arise from time to time, and it is impossible for the Group to predict these events or how these events may affect the Group. Save as required by all applicable laws of applicable jurisdiction, the Company undertakes no obligation to update publicly or revise any forward-looking statements to reflect events or circumstances that occur, or that the Company becomes aware of, after the date of these Statements.

DBS Bank Ltd. and UOB Kay Hian Private Limited are the joint issue managers and global coordinators (the "Joint Issue Managers and Global Coordinators") for the initial public offering of shares in, and listing of, G.H.Y Culture & Media Holding Co., Limited on the Main Board of the Singapore Exchange Securities Trading Limited. The Joint Issue Managers and Global Coordinators assume no responsibility for the contents of this announcement.

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<sup>1</sup> 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.

**G.H.Y Culture & Media Holding Co., Limited**  
(Company Number: 337751)  
(Incorporated in Cayman Islands)

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## A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group together with a comparative statement for the corresponding year/period of the immediately preceding financial year/period.

	<b>Group</b>			
	<b>For the year ended</b>			
	31 December 2021 (Unaudited)	31 December 2020 (Audited)	Change Increase / (Decrease)	Change Increase / (Decrease)
	\$'000	\$'000	\$'000	%
<b>Revenue</b>	83,319	127,095	(43,776)	(34)
Cost of sales	(61,564)	(71,426)	(9,862)	(14)
<b>Gross profit</b>	21,755	55,669	(33,914)	(61)
Other income	5,961	9,668	(3,707)	(38)
Share of result from associate	(8)	(11)	(3)	(27)
Share of result from joint venture	(285)	-	285	100
Administrative expenses	(11,514)	(10,942)	572	5
Selling and distribution expenses	(5,957)	(6,701)	(744)	(11)
Other expenses	(2,263)	(623)	1,640	263
Finance costs	(1,048)	(985)	63	6
<b>Profit before income tax</b>	6,641	46,075	(39,434)	(86)
Income tax expense	(3,173)	(8,009)	(4,836)	(60)
<b>Profit for the year</b>	3,468	38,066	(34,598)	(91)
<b>Other comprehensive income, net of income tax:</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange gain difference arising on translation of foreign operations	1,873	964	909	94
<b>Total comprehensive income for the year</b>	5,341	39,030	(33,689)	(86)
<b>Profit (loss) for the year attributable to:</b>				
Owners of the Group	3,901	38,066	(34,165)	(90)
Non-controlling interests	(433)	-	433	100
	3,468	38,066	(34,598)	(91)
<b>Total comprehensive income (loss) for the year attributable to:</b>				
Owners of the Group	5,774	39,030	(33,256)	(85)
Non-controlling interests	(433)	-	433	100
	5,341	39,030	(33,689)	(86)
<b>Earnings per share</b>				
Basic and diluted (cents)	0.36	4.15	(3.79)	(91)

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group together with a comparative statement for the corresponding year/period of the immediately preceding financial year/period (cont'd).**

	<b>Group</b>			
	<b>For the six months ended</b>			
	31 December 2021 (Unaudited) \$'000	31 December 2020 (Unaudited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
<b>Revenue</b>	39,534	89,943	(50,409)	(56)
Cost of sales	(30,112)	(53,832)	(23,720)	(44)
<b>Gross profit</b>	9,422	36,111	(26,689)	(74)
Other income	3,564	5,490	(1,926)	(35)
Share of result from associate	(8)	-	8	100
Share of result from joint venture	(218)	-	218	100
Administrative expenses	(6,432)	(5,942)	490	8
Selling and distribution expenses	(3,618)	(3,842)	(224)	(6)
Other expenses	(1,960)	(105)	1,855	1,767
Finance costs	(573)	(379)	194	51
<b>Profit before income tax</b>	177	31,333	(31,156)	(99)
Income tax expense	(135)	(6,277)	(6,142)	(98)
<b>Profit for the period</b>	42	25,056	(25,014)	(100)
<b>Other comprehensive income, net of income tax:</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange gain difference arising on translation of foreign operations	1,292	825	467	57
<b>Total comprehensive income for the period</b>	1,334	25,881	(24,547)	(95)
<b>Profit (loss) for the period attributable to:</b>				
Owners of the Group	421	25,056	(24,635)	(98)
Non-controlling interests	(379)	-	379	100
	42	25,056	(25,014)	(100)
<b>Total comprehensive income (loss) for the period attributable to:</b>				
Owners of the Group	1,713	25,881	(24,168)	(93)
Non-controlling interests	(379)	-	379	100
	1,334	25,881	(24,547)	(95)
<b>Earnings per share</b>				
Basic and diluted (cents)	0.04	2.72	(2.68)	(99)

**1(a)(ii) Profit for the year/period has been arrived at after (crediting) / charging the following:**

	<b>Group</b>			
	<b>For the year ended</b>			
	31 December 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Fair value gain on financial assets at fair value through profit or loss	(95)	-	95	100
Fair value gain on previously held interest in associate	-	(61)	(61)	(100)
Gain from bargain purchase of investment in subsidiary	-	(154)	(154)	(100)
Gain on early termination of right-of-use assets	(20)	-	20	100
Gain on disposal of right-of-use assets	-	(34)	(34)	(100)
Gain on disposal of investment in associate	-	(3,153)	(3,153)	(100)
Gain on structured deposits	(20)	(27)	(7)	(26)
Government grants	(3,201)	(5,783)	(2,582)	(45)
Interest income	(307)	(83)	224	270
Net foreign currency exchange gain	(2,111)	(367)	1,744	475
Rent concession	-	(24)	(24)	(100)
Allowance for expected credit losses	1,741	82	1,659	2,023
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	6,892	9,439	(2,547)	(27)
Amortisation of intangible assets	373	62	311	502
Cost of concert organisation recognised as cost of sales	-	6,953	(6,953)	(100)
Cost of defined contribution plans included in employee benefits expense	869	277	592	214
Cost of television, drama and film production recognised as cost of sales	55,915	62,398	(6,483)	(10)
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	408	392	16	4
Depreciation of plant and equipment recognised in administrative expenses, selling and general expenses and other expenses	516	337	179	53
Depreciation of right-of-use assets	2,013	1,634	379	23
Employee benefits expense	9,977	6,802	3,175	47
Expenses relating to leases of low value assets	1	1	-	-
Expenses relating to short-term leases	154	392	(238)	(61)
Fair value gain in amount due to an external investor	-	299	(299)	(100)
Impairment loss of contract costs	219	728	(509)	(70)
Interest expense	1,048	985	63	6
(Over) under-provision for prior year tax expenses	(58)	55	(113)	(205)
Written-off of plant and equipment	18	8	10	125

**1(a)(ii) Profit for the year/period has been arrived at after (crediting) / charging the following (cont'd):**

	<b>Group</b>			
	<b>For the six months ended</b>			
	31 December 2021 (Unaudited) \$'000	31 December 2020 (Unaudited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Fair value gain on financial assets at fair value through profit or loss	(95)	-	95	100
Gain on early termination of right-of-use assets	(20)	-	20	100
Gain on structured deposits	(20)	(9)	11	122
Government grants	(981)	(5,397)	(4,416)	(82)
Interest income	(177)	(38)	139	366
Net foreign currency exchange gain	(2,090)	(43)	2,047	4,760
Allowance for expected credit losses	1,656	100	1,556	1,556
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	1,871	6,966	(5,095)	(73)
Amortisation of intangible assets	252	59	193	327
Cost of concert organisation recognised as cost of sales	-	198	(198)	(100)
Cost of defined contribution plans included in employee benefits expense	395	145	250	172
Cost of television, drama and film production recognised as cost of sales	27,908	51,728	(23,820)	(46)
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	206	197	9	5
Depreciation of plant and equipment recognised in administrative expenses, selling and general expenses and other expenses	338	172	166	97
Depreciation of right-of-use assets	1,049	809	240	30
Employee benefits expense	5,850	4,229	1,621	38
Expenses relating to leases of low value assets	1	-	1	100
Expenses relating to short-term leases	28	244	(216)	(89)
Fair value gain in amount due to an external investor	-	2	(2)	(100)
Impairment loss of contract costs	219	12	207	1,725
Interest expense	573	379	194	51
(Over) under-provision for prior year tax expenses	(58)	55	(113)	(205)
Written-off of inventories	-	(14)	(14)	(100)
Written-off of plant and equipment	18	-	18	100

## B. Condensed Interim Statements of Financial Position

1(b) A statement of financial position (for the Company and the Group), together with a comparative statement as at the end of the immediately preceding financial year.

	<b>Group</b>		<b>Company</b>	
	31 December 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000	31 December 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	38,738	111,931	11,148	101,648
Trade receivables	48,059	27,474	-	-
Other receivables	15,335	10,357	3,163	18,006
Advances to subsidiaries	-	-	97,091	7,450
Amount due from related parties	1,347	1,257	-	-
Amount due from joint venture	77	-	-	-
Contract assets	59,313	53,191	-	-
Contract costs	663	869	-	-
Financial assets at fair value through profit or loss	3,029	215	-	-
Inventories	191	179	-	-
Films and drama productions in progress	22,687	8,920	-	-
Films and drama products	507	5,296	-	-
	<u>189,946</u>	<u>219,689</u>	<u>111,402</u>	<u>127,104</u>
<b>Non-current assets</b>				
Plant and equipment	5,348	3,899	-	-
Right-of-use assets	5,175	4,845	-	-
Goodwill	1,111	1,111	-	-
Intangible assets	2,131	2,056	-	-
Other receivables	108	104	-	-
Deferred tax assets	3,789	1,042	-	-
Investment in subsidiaries	-	-	8,518	8,518
Investment in associate	1,063	-	-	-
Investment in joint venture	665	-	-	-
	<u>19,390</u>	<u>13,057</u>	<u>8,518</u>	<u>8,518</u>
<b>Total assets</b>	<u>209,336</u>	<u>232,746</u>	<u>119,920</u>	<u>135,622</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	22,980	37,628	6,134	4,989
Dividend payable	-	5,000	-	5,000
Film investment funds from investors	-	4,072	-	-
Contract liabilities	5,130	6,894	-	-
Amount due to related parties	1,202	1,058	130	11
Lease liabilities	2,013	1,469	-	-
Borrowings	14,352	7,125	-	-
Income tax payable	8,621	3,807	-	-
	<u>54,298</u>	<u>67,053</u>	<u>6,264</u>	<u>10,000</u>
<b>Non-current liabilities</b>				
Lease liabilities	2,911	3,221	-	-
Deferred tax liabilities	28	3,846	-	-
	<u>2,939</u>	<u>7,067</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>57,237</u>	<u>74,120</u>	<u>6,264</u>	<u>10,000</u>
<b>NET ASSETS</b>	<u>152,099</u>	<u>158,626</u>	<u>113,656</u>	<u>125,622</u>

**1(b) A statement of financial position (for the Company and the Group), together with a comparative statement as at the end of the immediately preceding financial year (cont'd).**

	<b>Group</b>		<b>Company</b>	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
<b>Capital and reserves</b>				
Share capital	14	14	14	14
Share premium	114,118	117,889	114,118	117,889
Treasury shares	(367)	-	(367)	-
Capital reserve	629	629	-	-
Statutory reserve	297	297	-	-
Retained earnings (accumulated losses)	34,913	38,731	(109)	7,719
Translation reserves	2,939	1,066	-	-
Equity attributable to owners of the Company	152,543	158,626	113,656	125,622
Non-controlling interest	(444)	-	-	-
<b>Total equity</b>	<b>152,099</b>	<b>158,626</b>	<b>113,656</b>	<b>125,622</b>

**1(c) Aggregate amounts of Group's borrowings and debt securities.**

	<b>Group</b>	
	As at 31 December 2021	As at 31 December 2020
	(Unaudited)	(Audited)
	\$'000	\$'000
<b>Total borrowings</b>		
- Amount repayable in one year or less or on demand (secured)	14,352	7,125
<b>Lease liabilities</b>		
- Amount repayable in one year or less or on demand (unsecured)	2,013	1,469
- Amount repayable after one year (unsecured)	2,911	3,221
	<b>4,924</b>	<b>4,690</b>

Apart from the above, the Group does not have any unsecured borrowings and debt securities as at 31 December 2021 and 31 December 2020.

**Details of any collaterals:**

As at 31 December 2021, short-term bank loans amounting to \$14,352,000 (31 December 2020: \$7,125,000) are jointly guaranteed by Mr. Guo Jingyu, the ultimate controlling shareholder and Executive Chairman and Group CEO, as well as fixed deposits of not less than RMB30 million and assignment of sales contract and sales proceeds.



### C. Condensed Interim Consolidated Statements of Cash Flows

1(d) A statement of cash flows (for the Group), together with a comparative statement for the corresponding year of the immediately preceding financial year.

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000
<b>Operating activities</b>		
Profit before income tax	6,641	46,075
Adjustments for:		
Amortisation of films and drama products	6,892	9,439
Amortisation of intangible assets	373	62
Depreciation of plant and equipment	924	729
Depreciation of right-of-use assets	2,013	1,634
Allowance for expected credit losses	1,741	82
Written-off of plant and equipment	18	8
Gain on early termination of right-of-use assets	(20)	-
Gain on disposal of right-of-use assets	-	(34)
Gain on disposal of investment in associate	-	(3,153)
Impairment loss of contract costs	219	728
IPO listing expenses	-	4,666
Fair value gain on financial assets at fair value through profit or loss	(95)	-
Fair value gain on previously held interest in associate	-	(61)
Gain from bargain purchase of investment in subsidiary	-	(154)
Interest income	(307)	(83)
Interest expense	1,048	985
Gain on structured deposits	(20)	(27)
Share of result from associate	8	11
Share of result from joint venture	285	-
Fair value gain in amount due to an external investor	-	299
Net foreign exchange difference	1,776	988
Operating cash flows before movements in working capital	21,496	62,194
Films and drama productions in progress (Note A)	(34,770)	(1,857)
Films and drama products	19,839	8,693
Trade and other receivables	(28,559)	10,761
Amount due from related parties	(107)	7,825
Contract assets	(7,259)	(48,292)
Contract costs	-	(1,020)
Trade and other payables	(9,305)	2,419
Amount due to related parties	125	(5,873)
Inventories	-	(179)
Contract liabilities	(1,764)	(15,463)
Cash (used in) generated from operations	(40,304)	19,208
Interest income received	307	82
Interest paid	(1,116)	(978)
Income tax paid	(5,201)	(4,043)
Net cash (used in) generated from operating activities	(46,314)	14,269

**1(d) A statement of cash flows (for the Group), together with a comparative statement for the corresponding year of the immediately preceding financial year (cont'd).**

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000
<b>Investing activities</b>		
Purchase of plant and equipment (Note B)	(2,189)	(1,189)
Financial assets at fair value through profit or loss	(2,719)	(215)
Purchase of intangible assets	(486)	(1,817)
Investment in structured deposits (Note C)	20	27
Investment in associate	(1,071)	-
Investment in joint venture	(950)	-
Advance to a related party	-	(1,772)
Disposal of investment in an associate	-	3,572
Acquisition of a subsidiary	-	3,131
Net cash (used in) from investing activities	<u>(7,395)</u>	<u>1,737</u>
<b>Financing activities</b>		
Dividends paid to shareholders	(16,490)	(5,000)
Repayment of lease liabilities	(1,925)	(1,493)
Proceed from borrowings	13,912	6,969
Repayment of borrowings	(7,258)	(4,968)
Proceed of film investment funds from investors at amortised cost	-	4,381
Repayments of film investment funds to an investor at amortised cost	(4,153)	(3,186)
Repayment of amount due to related parties	-	(16,780)
Repayment of loan due to director of a subsidiary	-	(1,631)
Shares buy-back	(367)	(2,800)
Proceed from issuance of shares	-	107,489
IPO listing expenses paid	(3,210)	(4,413)
Net cash (used in) from financing activities	<u>(19,491)</u>	<u>78,568</u>
Net (decrease) increase in cash and cash equivalents	(73,200)	94,574
Cash and cash equivalents at beginning of year	111,931	17,356
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	7	1
Cash and cash equivalents at end of year	<u>38,738</u>	<u>111,931</u>

**1(d) A statement of cash flows (for the Group), together with a comparative statement for the corresponding year of the immediately preceding financial year (cont'd).**

Note A:

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2021	31 December 2020
	(Unaudited)	(Audited)
	\$'000	\$'000
Additions of films and drama productions in progress	34,858	4,520
Sales of films and drama productions in progress	(66)	(2,638)
Less: Non-cash movement:		
Amortisation of intangible assets capitalised as films and drama productions in progress	(22)	(25)
	34,770	1,857

Note B:

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2021	31 December 2020
	(Unaudited)	(Audited)
	\$'000	\$'000
Purchase of plant and equipment	2,189	799
Add: Settlement on purchase of plant and equipment remained payable as at the opening of the year	-	535
Less: Non-cash movement		
Trade-in with right-of-use assets	-	(145)
	2,189	1,189

Note C:

In the financial year ended 31 December 2021, 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 2021, gross investment and proceeds received arising from such investment upon maturity amounted to \$6,229,000 (2020: \$22,368,000) and \$6,249,000 (2020: \$22,395,000) respectively.

## D. Condensed Interim Statements of Changes of Equity

1(e) A statement (for the Company and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders of the Company ("Shareholders"), together with a comparative statement for the corresponding year of the immediately preceding financial year.

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP

	Share capital	Share premium	Treasury shares	Capital reserve	Statutory reserve <sup>^</sup>	Retained earnings	Translation reserves	Equity attributable to owners of the Company	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances at 1 January 2021</b>	14	117,889	-	629	297	38,731	1,066	158,626	-	158,626
<i>Total comprehensive income for the year:</i>										
Profit (loss) for the year	-	-	-	-	-	3,901	-	3,901	(433)	3,468
Other comprehensive income for the year	-	-	-	-	-	-	1,873	1,873	-	1,873
	-	-	-	-	-	3,901	1,873	5,774	(433)	5,341
<i>Transactions with owners, recognised directly in equity:</i>										
Non-controlling interest arising from investment in a subsidiary	-	-	-	-	-	-	-	-	(11)	(11)
Dividends declared	-	(3,771)	-	-	-	(7,719)	-	(11,490)	-	(11,490)
Repurchase of shares	-	-	(367)	-	-	-	-	(367)	-	(367)
	-	(3,771)	(367)	-	-	(7,719)	-	(11,857)	(11)	(11,868)
<b>Balances at 31 December 2021</b>	14	114,118	(367)	629	297	34,913	2,939	152,543	(444)	152,099
<b>Balances at 1 January 2020</b>	641	5,713	-	-	297	10,665	102	17,418	-	17,418
<i>Total comprehensive income for the year:</i>										
Profit for the year	-	-	-	-	-	38,066	-	38,066	-	38,066
Other comprehensive income for the year	-	-	-	-	-	-	964	964	-	964
	-	-	-	-	-	38,066	964	39,030	-	39,030
<i>Transactions with owners, recognised directly in equity:</i>										
Conversion of loan to share capital	*	7,736	-	-	-	-	-	7,736	-	7,736
Issue of shares	2	107,487	-	-	-	-	-	107,489	-	107,489
IPO expenses taken to equity	-	(3,047)	-	-	-	-	-	(3,047)	-	(3,047)
Deemed capital contribution	(629)	-	-	629	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	(10,000)	-	(10,000)	-	(10,000)
	(627)	112,176	-	629	-	(10,000)	-	102,178	-	102,178
<b>Balances at 31 December 2020</b>	14	117,889	-	629	297	38,731	1,066	158,626	-	158,626

1(e) A statement (for the Company and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders of the Company ("Shareholders"), together with a comparative statement for the corresponding year of the immediately preceding financial year (cont'd).

**STATEMENTS OF CHANGES IN EQUITY FOR THE COMPANY**

	Share capital \$'000	Share premium \$'000	Treasury shares \$'000	Retained earnings (Accumulated losses) \$'000	Total equity \$'000
<b>Balances at 1 January 2021</b>	14	117,889	-	7,719	125,622
<i>Total comprehensive loss for the year:</i>					
Loss for the year	-	-	-	(109)	(109)
<i>Transactions with owners, recognised directly in equity:</i>					
Dividends declared	-	(3,771)	-	(7,719)	(11,490)
Repurchase of shares	-	-	(367)	-	(367)
<b>Balances at 31 December 2021</b>	<b>14</b>	<b>114,118</b>	<b>(367)</b>	<b>(109)</b>	<b>113,656</b>
<b>Balances at 1 January 2020</b>	<b>12</b>	<b>5,713</b>	<b>-</b>	<b>(142)</b>	<b>5,583</b>
<i>Total comprehensive income for the year:</i>					
Profit for the year	-	-	-	17,861	17,861
<i>Transactions with owners, recognised directly in equity:</i>					
Conversion of loan to share capital	*	7,736	-	-	7,736
Issue of shares	2	107,487	-	-	107,489
IPO expenses taken to equity	-	(3,047)	-	-	(3,047)
Dividends declared	-	-	-	(10,000)	(10,000)
	<b>2</b>	<b>112,176</b>	<b>-</b>	<b>(10,000)</b>	<b>102,178</b>
<b>Balances at 31 December 2020</b>	<b>14</b>	<b>117,889</b>	<b>-</b>	<b>7,719</b>	<b>125,622</b>

\* Amount less than \$1,000.

^ 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 (the "PRC") but before dividend distribution). The reserve fund can only be used, upon approval by the relevant authority in the PRC, to offset accumulated losses or to increase share capital.

## E. Other Information required under SGX Listing Manual

- 1(f) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period.**

	Number of shares	Resultant issued and paid-up share capital
Issued and paid-up share capital as at 31 December 2020	1,073,792,000	US\$10,738
Share bought back and held as treasury shares	(672,100)	*
Issued and paid-up share capital as at 31 December 2021	<u>1,073,119,900</u>	<u>US\$10,738</u>

\* Amount less than \$1,000.

As at 31 December 2021, the Company held 672,100 (2020: Nil) treasury shares which represented 0.06% (2020: Nil%) of the total number of issued shares (excluding treasury shares).

Save for the above, there has been no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 31 December 2020, being the end of the preceding period reported on.

The Company did not have any outstanding convertible securities and subsidiary holdings as at 31 December 2020 and 31 December 2021.

- 1(g)(i) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding period.**

Total number of issued shares excluding treasury shares as at 31 December 2021 was 1,073,119,900 ordinary shares (31 December 2020: 1,073,792,000 ordinary shares).

- 1(g)(ii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	The Company No. of shares	Amount S\$'000
Balance of treasury share as at 1 January 2021	-	-
Shares bought back and held as treasury shares	672,100	367
Balance of treasury shares as at 31 December 2021	<u>672,100</u>	<u>367</u>

There were no other transfers, disposals, or cancellations of treasury shares during the financial year ended 31 December 2021.

- 1(g)(iii) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any sales, transfers, disposals, cancellations and/or use of subsidiary holdings as at the end of the current financial year reported on.

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

The figures have not been audited nor reviewed by the Company's auditors.

**3A. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable. The figures have not been audited nor reviewed by the Company's auditors.

**3B. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The latest financial statements of the Group for the financial year ended 31 December 2020 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Saved as disclosed in item 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting year are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2020.

**4b. Whether the financial statements are prepared in accordance with the relevant accounting standards for financial reports.**

The financial statements for the current financial period are prepared in accordance with Singapore Financial Reporting Standards (International).

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") pronouncements that are effective from 1 January 2021 and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements has not resulted in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

**6. Earnings per ordinary share of the Group for the current financial year/period reported on and the corresponding year of the immediately preceding financial year/period, after deducting any provision for preference dividends.**

	Group			
	For the year ended		For the six months ended	
	31 December 2021 (Unaudited)	31 December 2020 (Audited)	31 December 2021 (Unaudited)	31 December 2020 (Unaudited)
Profit attributable to Shareholders (\$'000)	3,901	38,066	421	25,056
Weighted average number of ordinary shares ('000)	1,073,758	916,731	1,073,725	922,499
Basic and fully diluted EPS (Singapore Cents)	0.36	4.15	0.04	2.72

The diluted earnings per share for the six months and full year ended 31 December 2020 and 31 December 2021 are the same as the basic earnings per share as the Group does not have any dilutive instruments.

7. **Net asset value (for the Company and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Company at the end of the:-**  
**(a) current financial year reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	31 December 2021 (Unaudited)	31 December 2020 (Audited)	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Net asset value* (\$'000)	152,543	158,626	113,656	125,622
No. of ordinary shares ('000)	1,073,120	1,073,792	1,073,120	1,073,792
Net asset value per ordinary share (Singapore Cents)	14.21	14.77	10.59	11.70

\* Net asset value per ordinary share = Equity attributable to owners of the Company / Total number of issued shares, excluding treasury shares

- 8(a). **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: -**

- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**Review of Financial Performance (Consolidated Statement of Profit or Loss and Other Comprehensive Income)**

***FY2021 vs FY2020***

**Revenue**

The Group's revenue decreased by \$43.8 million from \$127.1 million for the financial year ended 31 December 2020 ("FY2020") to \$83.3 million for the financial year ended 31 December 2021 ("FY2021"). This was mainly due to the following factors:

- i. a decrease in revenue contribution (net of inter-segment elimination) from the TV Program and Film Production business segment of approximately \$32.8 million from \$108.5 million in FY2020 to \$75.7 million in FY2021.

Revenue was recognised in FY2021 mainly in respect of (i) three dramas "Horror Stories of Dynasty Tang 唐朝诡事录", "Perfect Village 最美的乡村" and "Brave Heart 2 勇敢的心2", (ii) ongoing filming for one drama "Sisterhood 南洋女儿情"; (iii) an online short-form video series "Whimsical World 异想世界", and (iv) three films under the film series "I Come From Beijing 我来自北京".

In FY2020, the revenue contribution was from six dramas, one film series which was completed and broadcasted in FY2020 and ongoing filming for two dramas and one online short-form video series; and

- ii. the absence of revenue contribution from the Concert Production business segment in FY2021 as compared to revenue of \$14.8 million in FY2020 which was mainly from two concerts held in FY2020.

The decrease was offset by an increase of approximately \$3.8 million in revenue contribution from the Others business segment (net of inter-segment elimination) mainly comprising Talent Management and Costumes, Props and Make-up Services from \$3.8 million in FY2020 to \$7.6 million in FY2021, which was mainly due to an increase in number of projects for costumes, props and make-up services.

In FY2021, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$83.3 million (FY2020: \$88.3 million), which is 100.0% (FY2020: 69.5%) of the total revenue of the Group.



## Gross profit

The Group's gross profit ("GP") decreased by approximately \$33.9 million from \$55.7 million in FY2020 to \$21.8 million in FY2021. Gross profit margin ("GPM") decreased from 43.8% in FY2020 to 26.1% in FY2021. The decrease in GP was mainly contributed by:

- i. lower drama and film production sales driven by fewer titles sold in the current year;
- ii. lower margins for certain drama series. Certain filming and production activities were shifted from Malaysia to the PRC for "Sisterhood 南洋女儿情" ("Sisterhood") since May 2021 which affected margins as certain set-up costs had to be incurred again in the PRC, resulting in duplicate costs.

Despite the expected increase in production costs, the drama "Sisterhood" remains profitable. In January 2022, the Group was also awarded the Film in Malaysia Incentive Plus Grant ("FIMI Plus Grant") of approximately \$2.2 million in respect of this drama, which is a 30.0% cash rebate on all qualifying Malaysia production expenditure which meets the prescribed criteria and is available for both Malaysian and foreign production activities; and

- iii. absence of profit contribution from the Concert Production business segment in FY2021 compared to a gross profit contribution of approximately \$7.8 million in FY2020.

## Other income

The Group's other income decreased by approximately \$3.7 million from \$9.7 million in FY2020 to \$6.0 million in FY2021. This was mainly due to the following factors:

- i. absence of a one-time gain of \$3.2 million from the disposal of an associate, Beijing Honghaier Film & Culture Co., Limited in FY2020; and
- ii. lower government grants of approximately \$2.6 million from \$5.8 million in FY2020 to \$3.2 million in FY2021. 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.

This was offset by an increase in net exchange gain of approximately \$1.7 million from \$0.4 million in FY2020 to \$2.1 million in FY2021, mainly due to appreciation of RMB against SGD and rental income of \$0.2 million mainly from leasing of film set located in the PRC to third parties.

## Share of results from associate

Share of results from associate relates to the Group's share of the FY2021 profit or loss and other comprehensive income arising from the Group's 48.92% interest in 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).

## Share of results from joint venture

Share of results from joint venture relates to the Group's share of the FY2021 profit or loss and other comprehensive income arising from the Group's 70% interests in Uni-Icon Entertainment Pte. Ltd.

## Administrative expenses

The Group's administrative expenses increased by approximately \$0.6 million from \$10.9 million in FY2020 to \$11.5 million in FY2021. This was mainly due to the following factors:

- i. an increase of approximately \$2.2 million for employee benefit expenses (which includes salaries and defined contribution plans) due to additional headcount for planned business activities from 2022 onwards;
- ii. an increase in professional expenses and general expenses of approximately \$2.4 million, mainly for directors' fees, professional fees and listing compliance costs subsequent to the Company's IPO on 18 December 2020; and
- iii. an increase of approximately \$0.4 million for depreciation and amortisation expenses mainly arising from the addition of leased offices in Malaysia and PRC and completion of film set located in Malaysia.

This was offset by the absence of one-time IPO expenses of \$4.7 million incurred in FY2020.

### **Selling and distribution expenses**

The Group's selling and distribution expenses decreased by approximately \$0.7 million from \$6.7 million in FY2020 to \$6.0 million in FY2021. This was mainly due to the following factors:

- i. a decrease of approximately \$1.7 million in advertising and promotional activities due to cost control measures put in place; and
- ii. a decrease of impairment loss of contract costs by \$0.5 million, mainly arising from the postponement and rescheduling of the concerts to be held in Malaysia and Australia.

The decrease was offset by:

- i. an increase of approximately \$0.9 million in employee benefit expenses (which includes salaries and defined contribution plans) due to an increase in headcount for the business development, branding and marketing team for planned business activities for 2022 onwards; and
- ii. an increase in depreciation and amortisation of \$0.4 million from \$0.8 million in FY2020 to \$1.2 million in FY2021 mainly arising from addition of a leased office located in the PRC.

### **Other expenses**

Other expenses increased by approximately \$1.7 million from \$0.6 million in FY2020 to \$2.3 million in FY2021, mainly due to credit loss allowance of approximately \$1.7 million. Loss allowance has been measured by a third-party valuer at an amount equal to lifetime expected credit losses by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtors operate.

### **Finance cost**

Finance cost remained fairly consistent over the years, comprising mainly interest expense on bank borrowings and film investment funds from external investors.

### **Profit for the year**

Please see summary as below:

	<b>\$'000</b>
Profit for FY2020	38,066
Less: Decrease in contribution from Concert Production segment	(8,246)
Less: Gain on disposal of an associate, Beijing Honghaier Film & Culture Co., Limited	(3,153)
Add: One-time IPO expenses	4,666
	<u>31,333</u>
Profit for FY2021	<u>3,468</u>
FY2020 vs FY2021	<u>27,865</u>

The decrease in profit for the year is mainly due to:

- i. lower drama and film production sales driven by fewer titles sold in the current year and the shift from licensing our content to third parties to licensing based on user clicks or viewership;
- ii. absence of contribution from the Concert Production business segment; and
- iii. absence of one-time gain on disposal of an associate, being Beijing Honghaier Film & Culture Co., Limited.

This is offset by absence of one-time IPO expenses of \$4.7 million incurred in FY2020.

In FY2021, the total profit for the year derived from the PRC Affiliated Entities amounted to approximately \$9.3 million (FY2020: \$22.4 million), which comprised more than 100% (FY2020: 58.8%) of the Group's total profit for the year.

## **Review of Financial Performance (Consolidated Statement of Profit or Loss and Other Comprehensive Income)**

### **2H2021 vs 2H2020**

#### **Revenue**

The Group's revenue decreased by \$50.4 million from \$89.9 million for the six months ended 31 December 2020 ("2H2020") to \$39.5 million for the six months ended 31 December 2021 ("2H2021"). This was mainly due to a decrease in revenue contribution from the TV Program and Film Production business segment of approximately \$50.2 million from \$86.6 million in 2H2020 to \$36.4 million in 2H2021.

Revenue recognised in 2H2021 was mainly in respect of (i) two dramas "Horror Stories of Dynasty Tang 唐朝诡事录" and "Brave Heart 2 勇敢的心 2", (ii) ongoing filming for "Sisterhood 南洋女儿情", (iii) online short-form video series "Whimsical World 异想世界", and (iv) two films of the film series "I Come From Beijing 我来自北京".

In 2H2020, revenue was mainly recognised for (i) one drama "The Ferryman – Legends of Nanyang 灵魂摆渡", (ii) ongoing filming for two dramas "Horror Stories of Dynasty Tang 唐朝诡事录" and "Sisterhood 南洋女儿情" and (iii) three films of the film series "I Come From Beijing 我来自北京".

In 2H2021, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$39.5 million (2H2020: \$80.3 million), which approximates 100.0% (2H2020: 89.3%) of the total revenue of the Group.

#### **Gross profit**

The Group's gross profit ("GP") decreased by approximately \$26.7 million from \$36.1 million in 2H2020 to \$9.4 million in 2H2021. Gross profit margin ("GPM") decreased from 40.1% in 2H2020 to 23.8% in 2H2021. The decrease in GP is mainly contributed by:

- i. lower drama and film production sales driven by fewer titles sold in the current period; and
- ii. lower margins for certain drama series. Certain filming and production activities were shifted from Malaysia to the PRC for "Sisterhood 南洋女儿情" ("Sisterhood") since May 2021 which affected margins as certain set-up costs had to be incurred again in the PRC, resulting in duplicate costs. Despite the increase in production costs expected, the drama "Sisterhood" remains profitable.

#### **Other income**

The Group's other income decreased by approximately \$1.9 million from \$5.5 million in 2H2020 to \$3.6 million in 2H2021. This was mainly due to lower government grants of approximately \$4.4 million from \$5.4 million in 2H2020 to \$1.0 million in 2H2021. 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.

This was offset by an increase in net exchange gain of approximately \$2.0 million mainly due to appreciation of RMB against SGD and rental income of \$0.1 million mainly from leasing of film set located in the PRC to third parties.

#### **Share of results from associate**

Share of results from associate relates to the Group's share of the 2H2021 profit or loss and other comprehensive income arising from the Group's 48.92% interest in 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).

#### **Share of results from joint venture**

Share of results from joint venture relates to the Group's share of the 2H2021 profit or loss and other comprehensive income arising from the Group's 70% interests in Uni-Icon Entertainment Pte. Ltd.

### **Administrative expenses**

The Group's administrative expenses increased by approximately \$0.5 million from \$5.9 million in 2H2020 to \$6.4 million in 2H2021. This was mainly due to the following factors:

- i. an increase of approximately \$1.3 million for employee benefit expenses (which includes salaries and defined contribution plans) due to additional headcount for planned business activities from 2022 onwards;
- ii. an increase in professional expenses and general expenses of approximately \$1.4 million, mainly for directors' fees, professional fees and listing compliance costs subsequent to the Company's IPO on 18 December 2020; and
- iii. an increase of approximately \$0.2 million for depreciation and amortisation expenses mainly arising from addition of leased offices in Malaysia and PRC and completion of film set located in Malaysia.

This was offset by the absence of one-time IPO expenses of \$2.5 million incurred in 2H2020.

### **Selling and distribution expenses**

The Group's selling and distribution expenses decreased by approximately \$0.2 million from \$3.8 million in 2H2020 to \$3.6 million in 2H2021. This was mainly due to a decrease of approximately \$1.2 million in advertising and promotional activities due to cost control measures put in place.

The decrease was offset by:

- i. an impairment loss of contract costs of \$0.2 million in 2H2021, mainly arising from the postponement and rescheduling of the concerts to be held in Malaysia and Australia;
- ii. an increase of approximately \$0.4 million in employee benefit expenses (which includes salaries and defined contribution plans) due to an increase in headcount for the business development, branding and marketing team for planned business activities for 2022 onwards; and
- iii. an increase in depreciation and amortisation of \$0.3 million from \$0.4 million in 2H2020 to \$0.7 million in 2H2021 mainly arising from addition of a leased office located in the PRC.

### **Other expenses**

Other expenses increased by approximately \$1.9 million from \$0.1 million in 2H2020 to \$2.0 million in 2H2021, mainly due to credit loss allowance of approximately \$1.7 million. Loss allowance has been measured by a third-party valuer at an amount equal to lifetime expected credit losses by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtors operate.

### **Finance cost**

Finance cost increased by approximately \$0.2 million from \$0.4 million in 2H2020 to \$0.6 million in 2H2021, mainly due to higher interest expense on bank borrowings.

## **Profit for the period**

The profit for the period decreased by \$25.0 million from \$25.1 million in 2H2020 to \$0.1 million in 2H2021 mainly due to lower drama and film production sales driven by fewer titles sold in the current period and the shift from licensing our content to third parties to licensing based on user clicks or viewership.

In 2H2021, the total profit for the period derived from the PRC Affiliated Entities amounted to approximately \$5.9 million (2H2020: \$19.8 million), which comprised more than 100.0% (2H2020: 79.0%) of the Group's total profit for the period.

## **Review of Financial Position (Consolidated Statement of Financial Position)** **31 December 2021 vs 31 December 2020**

### **Current assets**

The Group's current assets decreased by approximately \$29.7 million from \$219.7 million as at 31 December 2020 to \$190.0 million as at 31 December 2021. The decrease was mainly due to:

- i. a decrease of approximately \$73.2 million in cash and cash equivalents, mainly for ongoing dramas and film productions, payment of \$16.5 million for FY2020 interim and final dividends using internally generated funds, payment of \$3.2 million for listing expenses and working capital purposes. Please refer to <Review of Cash Flows (Consolidated Statement of Cash Flow)> for details; and
- ii. a decrease in films and drama products of approximately \$4.8 million due to sale of a drama production during the year.

The decrease was offset by:

- i. an increase in trade receivable of approximately \$20.6 million, which was mainly due to sales billing during the year offset by receipts for drama productions. Subsequent to 31 December 2021, the Group received receipts of approximately \$8.9 million;
- ii. the increase in other receivables of approximately \$5.0 million mainly due to prepayments made for drama productions and VAT receivables;
- iii. the increase in contract assets of approximately \$6.1 million, mainly due to ongoing drama productions to represent the Group's right to consideration for dramas and films production not billed at 31 December 2021;
- iv. the increase in financial assets at fair value through profit or loss of approximately \$2.8 million, mainly due to investments in films, concerts and musical plays advanced to external parties for the financing of production and marketing expenditure of these investments; and
- v. the increase in films and drama productions in progress by approximately of \$13.8 million mainly due to ongoing drama and film productions, representing production costs, costs of services, direct labour costs, facilities and raw materials consumed under productions.

### **Non-current assets**

The Group's non-current assets increased by approximately \$6.3 million from \$13.1 million as at 31 December 2020 to \$19.4 million as at 31 December 2021, mainly due to the following factors:

- i. an increase of approximately \$0.3 million in right-of-use assets mainly due to the renewal and addition of leased assets during the period, offset by routine depreciation;
- ii. an increase of approximately \$1.4 million in plant and equipment mainly due to the addition of a film set located in the PRC, offset by routine depreciation.;
- iii. net investment of approximately \$0.7 million in joint venture, representing the Group's 70% equity interest in Uni-Icon Entertainment Pte. Ltd. offset by the Group's share of the FY2021 results from the joint venture;
- iv. net investment of approximately \$1.1 million in associate, representing the Group's 48.92% equity interest in Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership (Limited Partnership) (厦门开门见君影视产业投资合伙企业 (有限合伙)) offset by the Group's share of the FY2021 results from the associate; and

- v. an increase of approximately \$2.7 million in deferred tax assets mainly arising from the deductible temporary differences and unutilised tax losses.

### **Current liabilities**

The Group's current liabilities decreased by approximately \$12.8 million from \$67.1 million as at 31 December 2020 to \$54.3 million as at 31 December 2021. The decrease was mainly due to the following factors:

- i. a decrease of approximately \$14.6 million in trade and other payables mainly due to payments due to vendors in the ordinary course of business, payment of IPO expenses and a decrease of deferred income representing government grants received for drama productions and government reliefs. The deferred income is recognised in profit or loss when the Group recognises as expenses the related costs for which the grants are intended to compensate;
- ii. payment of remaining FY2020 interim dividend of \$5.0 million to Shareholders. The Company had declared interim dividends of \$10.0 million in respect of FY2020 on 18 November 2020 to be paid to persons who were registered Shareholders as at 30 September 2020;
- iii. repayment of \$4.1 million in film investment funds from investors; and
- iv. a decrease in contract liabilities of approximately \$1.8 million as these amounts are recognised as revenue when the Group fulfilled its performance obligation.

The decrease was partially offset by:

- i. a net increase in the amount due to related parties of approximately \$0.1 million which was mainly due to 1) payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees and 2) directors' fees accrued as of 31 December 2021, offset by payment of artiste fees to an entity controlled by a family member of the ultimate controlling shareholder and Executive Chairman and Group CEO;
- ii. an increase of \$0.5 million in lease liabilities due to the addition of leased assets offset by repayment of lease liabilities;
- iii. an increase of \$7.2 million in bank borrowings for drama production and working capital purposes; and
- iv. an increase of \$4.8 million in income tax payables.

### **Non-current liabilities**

The Group's non-current liabilities decreased by approximately \$4.1 million from \$7.1 million as at 31 December 2020 to \$2.9 million as at 31 December 2021 mainly due to decrease in deferred tax liabilities due to timing differences between the carrying amounts of assets in the financial statements and the corresponding tax bases used in the computation of taxable profit.

### **Shareholders' Equity**

Shareholders' equity decreased by approximately of \$6.5 million from \$158.6 million as at 31 December 2020 to \$152.1 million as at 31 December 2021 mainly due to final dividends amounting to approximately \$11.5 million declared in respect of FY2020 and the repurchase of shares amounting to approximately \$0.4 million, offset by FY2021 net profit after tax of \$3.5 million and increase of \$1.9 million in translation reserves.

The Group had working capital of \$135.6 million as at 31 December 2021 (31 December 2020: \$152.6 million).

## **Review of Cash Flows (Consolidated Statement of Cash Flow)**

### **Net cash used in operating activities**

The Group generated cash inflows from operating activities before movements in working capital of approximately \$21.5 million, with net changes in working capital of approximately \$61.8 million, income tax and net interest paid of approximately \$5.2 million and approximately \$0.8 million respectively.

The Group's net working capital outflows was mainly due to the following factors:

- i. ramping up of production volume. Hence, there was a net increase in films and drama productions in progress and products of approximately \$14.9 million, which was mainly due to ongoing drama and film productions, representing production costs, costs of services, direct labour costs, facilities and raw materials consumed under productions, as well as the dramas and films sold during the year;
- ii. an increase in trade and other receivables of approximately \$28.6 million mainly due to prepayments made for drama productions and billings offset by receipts for ongoing drama productions;
- iii. an increase in contract assets of approximately \$7.3 million mainly due to ongoing drama productions to represent the Group's right to consideration for dramas and films production not billed as at 31 December 2021;
- iv. a decrease in trade and other payables of approximately \$9.3 million, due to payments due to vendors in the ordinary course of business and a decrease of deferred income representing government grants received for drama productions and government reliefs. The deferred income is recognised in profit or loss when the Group recognises as expenses the related costs for which the grants are intended to compensate; and
- v. a decrease in contract liabilities of approximately \$1.8 million as these amounts are recognised as revenue when the Group fulfilled its performance obligation.

Net cash used in operating activities was \$46.3 million.

### **Net cash used in investing activities**

Net cash used in investing activities amounted to approximately \$7.4 million which was mainly due to:

- i. purchase of plant and equipment of approximately \$2.2 million, mainly for expansion of post-production visual effects activities to strengthen the Group's end-to-end production capabilities and addition of a film set in PRC for filming purpose;
- ii. purchase of intangible assets of approximately \$0.5 million, mainly due to right to use a film set located in the PRC;
- iii. investment in joint venture of approximately \$1.0 million, for the Group's 70% equity interest in Uni-Icon Entertainment Pte. Ltd.;
- iv. investment in financial assets at fair value through profit or loss of approximately \$2.7 million, mainly due to film, concert and musical play investments advanced to external parties for the financing of production and marketing expenditure of these investments; and
- v. investment in associate of approximately \$1.1 million, for the Group's 48.92% equity interest in Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership (Limited Partnership) (厦门开门见君影视产业投资合伙企业(有限合伙)).

### Net cash used in financing activities

Net cash used in financing activities amounted to approximately \$19.5 million which was mainly due to:

- i. payment of interim and final dividends of \$16.5 million in respect of FY2020;
- ii. repayment of lease liabilities of \$1.9 million;
- iii. repayment of film investment funds to an investor of \$4.2 million;
- iv. repurchase of shares of \$0.4 million; and
- v. payment of listing expenses payable of \$3.2 million.

This was offset by net proceeds from borrowings of \$6.7 million for drama productions and working capital purposes.

### 8(b). Use of proceeds from Initial Public Offering

The Company received net proceeds amounting to approximately S\$101.0 million from the IPO, after deducting listing expenses of approximately S\$6.5 million.

The following table sets out the use of IPO proceeds as at the date of this announcement:

	Amount allocated \$'million	Amount utilised \$'million	Balance as 1 March 2022 \$'million
Expansion of the TV Program and Film Production business via investment in production <sup>(1)</sup> , acquisitions, joint ventures and/or strategic alliances <sup>(3)</sup>	64.5	(58.0)	6.5
Expansion of the Concert Production business via investment in production <sup>(2)</sup> , acquisitions, joint ventures and/or strategic alliances <sup>(3)</sup>	21.5	-	21.5
General working capital purposes	15.0	(8.2) <sup>(4)</sup>	6.8
Total	101.0	(66.2)	34.8

#### Notes:

- (1) Such investments have included and may include, but are not limited to, the production of dramas, films, online video series, musicals and stage plays.
- (2) Such investments may include, but are not limited to, undertaking the production of concerts for artistes in the region including Singapore.
- (3) 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% will be used for the expansion of the TV program and film production business in the PRC and 30.0% will be used for the expansion of the TV program and film production business in other countries.
- (4) Approximately \$8.2 million for general working capital purposes was used for: (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 for the year ended 31 December 2021; 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.

### 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no forecast or prospect statements previously disclosed to Shareholders.



**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

The Group has a diversified business portfolio, with a focus on the drama and film production as well as concert production across Asia-Pacific region.

Television Program and Film Production

Despite a lighter than normal content slate in FY2021 due to COVID-induced production delays in 2021, the Group is expecting to see the positive effects of a stronger pipeline in the year ending 31 December 2022 ("FY2022"), with an expected increase in the number of productions in FY2022 as compared to FY2021.

Going forward, the Group will continue to take strategic and innovative steps to scale the business for sustainable growth by strengthening its core businesses and high value end-to-end production capabilities. This includes but not limited to increased investment in special effects and 5G content technology to meet strong demand for engaging high-definition visual experiences. The Group will also continue to explore new growth adjacencies in short form video and interactive series to capitalise on growing demand for quality short-form entertainment content.

In October 2021, the Group debuted its first short form video on leading platform Bilibili. Since then, the Group also released additional short form videos on other leading video platforms including but not limited to Douyin. Although this is still in the early stage, all videos received strong viewership in leading platforms, demonstrating the potential for commercial success. Going forward, the Group plans to collaborate with video-streaming platforms to develop even more of these short form videos. The Group's high-quality entertainment content and expansion into additional markets worldwide will enable it to further grow its global reach.

COVID-related government regulations and implemented safety management measures for the crew, talent and employees will continue to weigh on operating cost for the benefit of longer-term business sustainability and employee safety. The Group also regularly reviews its costs to optimise margins, as it becomes accustomed to the new working environment in COVID-19.

In January 2022, the Group was awarded the Film in Malaysia Incentive Plus Grant ("FIMI Plus Grant") of approximately \$2.2 million in respect of the drama "Sisterhood 南洋女儿情", which is a 30.0% cash rebate on all qualifying Malaysia production expenditure which meets the prescribed criteria and is available for both Malaysian and foreign production activities. This FIMI Plus Grant shall be used to defray the production costs.

Looking at FY2022, the Group is cautiously optimistic about the number of drama and film productions coming in the first half of the year. The Group anticipates a strong pace of content to hit the pipeline in the second half of this year, and the growth in the second half of FY2022 will be meaningfully higher than the first half of FY2022.

Concert Production

Although the Group has postponed highly anticipated concerts in 2021, a significant number of fans held on to their tickets. This reflects the potential strong pent-up demand for live concerts.

The continued relaxation of travel restrictions and safe-distancing measures imposed by the respective governments, coupled with the progressive vaccination roll-out programme to younger age group have paved ways for the recovery of the concert production business.

Looking at 2022 and 2023, the Group expects a phased reopening of economies in Singapore, Malaysia, the PRC and Australia will boost the second growth engine, the concert production business. Accordingly, the Group expects to hold previously postponed concerts and the Group will also be able to undertake more concert productions.

As part of the Group's overall disciplined approach to cost management, a relatively small team of staff manages its concert production business. Therefore, the Group only incurs a relatively small amount of fixed costs in the concert production business.

Overall

The Group is uniquely positioned to capture growth opportunities brought by the convergence of physical and virtual entertainment worlds, with a significant presence in the physical world through its concert production, growing media and entertainment assets and footprints in the digital space, as well as strong end-to-end production capabilities which are portable. The Group looks forward to creating unparalleled opportunities for consumers to experience everything it has to offer across its products wherever the consumer may be.

Providing a good variety of high-quality content and adapting evolving viewership preference are the most effective ways to grow the Group's revenue. To emerge stronger in the post-pandemic world, the Group's strategic priorities for the future include 1) creating original and well-received drama and film productions, 2) maximising the synergies of the Group's unique eco-system to deepen consumers' connection to drama

and film production including but not limited to characters and stories; and 3) using new technologies to give consumers the best entertainment experience possible.

The Group is well-prepared and has the agility to respond promptly, and to ramp up productions across its two engines in the TV program and film production business segments and the concert production business segment, to resume its planned growth trajectory.

Supported by its resilient balance sheet, the Group continues to expand and diversify its portfolio of proprietary entertainment content, explore potential partnerships and collaborations as well as inorganic growth through acquisitions in the Group's journey to become the leading player in the media and entertainment industry in the Asia-Pacific region.

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

The Group will keep Shareholders informed of any material developments that may impact the Group's operations and performance as and when they arise.

## 11. Dividend

### (a) Any dividend declared for the current financial period reported on?

Name of Dividend	Final
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	0.10 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

The Directors propose the payment of a tax-exempt final dividend of 0.10 Singapore cents per share in respect of FY2021 amounting to approximately \$1.1 million representing approximately 30% of our FY2021 net profit after tax, subject to the approval of Shareholders at the forthcoming AGM and determined based on the retained earnings and share premium of the Company as at 31 December 2021.

### (b) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)?

The proposed final dividend of 0.10 Singapore cents per share in respect of FY2021, subject to the approval of Shareholders at the forthcoming AGM, is tax exempt.

### (c) Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	1.10 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

Name of Dividend	Final
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	1.07 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

### (d) The date the dividend is payable

Subject to approval by the Shareholders at the forthcoming AGM, the payment date of the proposed final dividend will be announced at a later date.

### (e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlement to the dividends are determined.

Subject to approval by the Shareholders at the forthcoming AGM, the record date will be announced at a later date.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

**13. If the Group has obtained a mandate from shareholders for Interested Party Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group renewed the IPTs mandate from the Shareholders at the Annual General Meeting held on 29 April 2021:

<b>Name of Interested Person</b>	<b>Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920) (\$'000)</b>	<b>Aggregate value of all interested person transactions conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (\$'000)</b>
JVR Music International Ltd <sup>(1)</sup>	638	-
Taiho Holding Limited <sup>(2)</sup>	1,255	-
Kang Ru Investments Limited <sup>(3)</sup>	10,361	-
Mr. Guo Jingyu <sup>(4) (5)</sup>	20	-
Ms. Yue Lina <sup>(6)</sup>	-	209
Mr. Yang Zhigang <sup>(7)</sup>	-	1,476

**Notes:**

- (1) Related to artiste service fees 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.
- (2) Related to the outstanding amount of 50% of the interim dividends and the final dividends in respect of FY2020 paid to Taiho Holding Limited, which is 50.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.
- (3) Related to the outstanding amount of 50% of the interim dividends and the final dividends in respect of FY2020 paid to Kang Ru Investments Limited, which is 100% owned by Mr. Guo Jingyu, the ultimate controlling shareholder and Executive Chairman and Group CEO.
- (4) Related to the final dividends in respect of FY2020 paid to Mr. Guo Jingyu, the ultimate controlling shareholder and Executive Chairman and Group CEO.
- (5) As at date of announcement, credit line facilities of up to RMB65 million provided by the East West Bank (China) Limited and China Guangfa Bank are secured by personal guarantee provided by Mr. Guo Jingyu, the ultimate controlling shareholder and Executive Chairman and Group CEO as well as fixed deposit of not less than RMB30 million and assignment of sale contracts and sale proceeds.
- (6) Related to (a) amounts received by the Group for provision of talent management services to Ms. Yue Lina and (b) fees for acting services paid by the Group to Ms. Yue Lina, an Executive Director.
- (7) 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 ultimate controlling shareholder and Executive Chairman and Group CEO. In relation to the fees for acting services paid by the Group to Mr. Yang Zhigang, payment of such fees was made to Xiamen Lubing Film and Television Culture Studio as directed by Mr. Yang Zhigang for his tax planning reasons. As at date of this announcement, Xiamen Lubing Film and Television Culture Studio has no active business operations and is held entirely by Mr. Yang Zhigang.

**14. Confirmation that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).**

The Company has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

**15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited financial statements, with comparative information for the immediately preceding period.**

**Reportable segments**

The Group's chief operating decision-maker ("CODM") comprises the Executive Chairman and Group CEO, the Executive Directors, the 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 is organised into the following main business segments:

<b>Segment</b>	<b>Principal activities</b>
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 Makeup Services	Provision of costumes, props and make up services to artists and third-party production companies.

	<b>Group</b>			
	<b>For the year ended 31 December 2021</b>			
	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<b><u>Segment revenue and results</u></b>				
Revenue	84,651	-	11,361	96,012
Inter-segment elimination	(8,921)	-	(3,772)	(12,693)
	<u>75,730</u>	<u>-</u>	<u>7,589</u>	<u>83,319</u>
Gross profit	20,205	(408)	4,200	23,997
Inter-segment elimination	174	-	(2,416)	(2,242)
	<u>20,379</u>	<u>(408)</u>	<u>1,784</u>	<u>21,755</u>
Other income				5,961
Share of result from associate				(8)
Share of result from joint venture				(285)
Administrative expenses				(11,514)
Selling and distribution expenses				(5,957)
Other expenses				(2,263)
Finance costs				(1,048)
Profit before income tax				<u>6,641</u>
Income tax expense				(3,173)
Profit for the year				<u>3,468</u>

**Group**  
**For the year ended 31 December 2020**

	TV Program and Film Production \$'000	Concert Production \$'000	Others \$'000	Total \$'000
<u>Segment revenue and results</u>				
Revenue	108,938	14,790	3,986	127,714
Inter-segment elimination	(410)	-	(209)	(619)
	108,528	14,790	3,777	127,095
Gross profit	45,295	7,837	1,889	55,021
Inter-segment elimination	835	-	(187)	648
	46,130	7,837	1,702	55,669
Other income				9,668
Share of result from associate				(11)
Administrative expenses				(10,942)
Selling and distribution expenses				(6,701)
Other expenses				(623)
Finance costs				(985)
Profit before income tax				46,075
Income tax expense				(8,009)
Profit for the year				38,066

**Group**  
**For the six months ended 31 December 2021**

	TV Program and Film Production \$'000	Concert Production \$'000	Others \$'000	Total \$'000
<u>Segment revenue and results</u>				
Revenue	44,053	-	4,123	48,176
Inter-segment elimination	(7,634)	-	(1,008)	(8,642)
	36,419	-	3,115	39,534
Gross profit	9,508	(206)	187	9,489
Inter-segment elimination	(414)	-	347	(67)
	9,094	(206)	534	9,422
Other income				3,564
Share of result from associate				(8)
Share of result from joint venture				(218)
Administrative expenses				(6,432)
Selling and distribution expenses				(3,618)
Other expenses				(1,960)
Finance costs				(573)
Profit before income tax				177
Income tax expense				(135)
Profit for the period				42

	<b>Group</b>			
	<b>For the six months ended 31 December 2020</b>			
	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<b><u>Segment revenue and results</u></b>				
Revenue	87,054	10	3,388	90,452
Inter-segment elimination	(410)	-	(99)	(509)
	<u>86,644</u>	<u>10</u>	<u>3,289</u>	<u>89,943</u>
Gross profit	34,124	(187)	1,530	35,467
Inter-segment elimination	835	-	(191)	644
	<u>34,959</u>	<u>(187)</u>	<u>1,339</u>	<u>36,111</u>
Other income				5,490
Administrative expenses				(5,942)
Selling and distribution expenses				(3,842)
Other expenses				(105)
Finance costs				(379)
Profit before income tax				<u>31,333</u>
Income tax expense				(6,277)
Profit for the period				<u>25,056</u>

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

	<b>Group</b>			
	<b>For the year ended 31 December 2021</b>			
	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<b><i>Timing of revenue recognition:</i></b>				
At a point in time	36,285	-	7,373	43,658
Over time	39,445	-	216	39,661
	<u>75,730</u>	<u>-</u>	<u>7,589</u>	<u>83,319</u>
<b><i>Geographical information:</i></b>				
Singapore	4	-	-	4
China	75,726	-	7,589	83,315
	<u>75,730</u>	<u>-</u>	<u>7,589</u>	<u>83,319</u>

**Group**  
**For the year ended 31 December 2020**

	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	30,967	14,790	3,777	49,534
Over time	77,561	-	-	77,561
	<u>108,528</u>	<u>14,790</u>	<u>3,777</u>	<u>127,095</u>
<i>Geographical information:</i>				
Singapore	23,923	14,790	70	38,783
China	84,605	-	3,707	88,312
	<u>108,528</u>	<u>14,790</u>	<u>3,777</u>	<u>127,095</u>

**Group**  
**For the six months ended 31 December 2021**

	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	29,099	-	2,969	32,068
Over time	7,320	-	146	7,466
	<u>36,419</u>	<u>-</u>	<u>3,115</u>	<u>39,534</u>
<i>Geographical information:</i>				
Singapore	4	-	-	4
China	36,415	-	3,115	39,530
	<u>36,419</u>	<u>-</u>	<u>3,115</u>	<u>39,534</u>

**Group**  
**For the six months ended 31 December 2020**

	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	25,396	10	3,289	28,695
Over time	61,248	-	-	61,248
	<u>86,644</u>	<u>10</u>	<u>3,289</u>	<u>89,943</u>
<i>Geographical information:</i>				
Singapore	9,547	10	70	9,627
China	77,097	-	3,219	80,316
	<u>86,644</u>	<u>10</u>	<u>3,289</u>	<u>89,943</u>

Revenue contribution from a single region is disclosed separately when it exceeds 10% of the Group's revenue, respectively.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

**FY2021 vs FY2020**

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 100.0% (FY2020: 69.5%) the Group's total revenue.

In FY2021, the copyright and ancillary rights to the completed and ongoing film and drama productions under the TV Program and Film Production business segment were sold to customers located outside of Singapore.

In FY2020, the Group's revenue from customers located within Singapore was mainly due to the two concert productions which were held in Singapore under the Concert Production business segment in FY2020 and the completed production of one drama under the TV Program and Film Production business segment in FY2020, of which the copyright and ancillary rights to this drama were sold to a customer located in Singapore.

**2H2021 vs 2H2020**

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 100.0% (2H2020: 89.3%) the Group's total revenue.

In 2H2021, the copyright and ancillary rights to the completed and ongoing film and drama productions under the TV Program and Film Production business segment were sold to customers located outside of Singapore.

In 2H2020, the Group's revenue from customers located within Singapore was mainly due to the completed production of one drama under the TV Program and Film Production business segment in 2H2020, of which the copyright and ancillary rights to this drama were sold to a customer located in Singapore.

**17. Additional information required pursuant to Rule 706A of the Listing Manual**

Save as disclosed below, there was no acquisition or sale of shares resulting in a company becoming a subsidiary or an associated company of the Group or any change of the Group's shareholding percentage in a subsidiary or an associated company in FY2021:

**Investment / acquisition of shares in subsidiaries or associated entities**

1. Investment in associate, representing 48.92% equity interest in 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)

On 19 January 2021, Tianjin Changxin Film & Media Co., Ltd (天津长信影视传媒有限公司)("Tianjin Changxin"), a PRC Affiliated Entity, had incorporated the joint venture limited partnership, 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), in the PRC, with a registered capital of RMB10.22 million. An announcement on the incorporation of the joint venture limited partnership was made on 20 January 2021 (announcement reference: SG2101200THRQD6).

2. Investment in joint venture, representing 70% equity interest in Uni-Icon Entertainment Pte. Ltd.

On 30 June 2021, G.H.Y Culture & Media (Singapore) Pte. Ltd., an indirect wholly-owned subsidiary of the Company, incorporated the joint venture company, Uni-Icon Entertainment Pte. Ltd. in Singapore, with an issued and paid-up share capital of US\$1,000. The issued capital was increased to US\$1,000,000 in August 2021. An announcement on the memorandum of understanding in respect of the joint venture was made on 17 March 2021 (announcement reference: SG210317OTHERXKG1) and an announcement on the entry into the joint venture agreement was made on 14 June 2021 (announcement reference: SG210614OTHRNVU8).

3. Investment in subsidiary, representing 51% equity interest in Xiamen Jinzhao Film Culture & Media Co., Ltd. (厦门金朝映画文化传媒有限公司)

On 6 May 2021, Tianjin Changxin together with the other shareholder, Liu Shizhao, established the joint venture company, Xiamen Jinzhao Film Culture & Media Co., Ltd. (厦门金朝映画文化传媒有限公司)("Xiamen Jinzhao") in China. Xiamen Jinzhao has a registered capital of RMB10,205,000. An announcement on the establishment of joint venture company in the PRC was made on 3 August 2021 (announcement reference: SG210803OTHR4VN8).

4. Investment in subsidiary, representing 51% equity interest in Guangzhou Fengye Culture & Co., Ltd. (广州风也文化传媒有限公司)



On 29 June 2021, Tianjin Changxin together with the other shareholder, Wang Qiang, established the joint venture company, Guangzhou Fengye Culture & Co., Ltd. (广州风也文化传媒有限公司)("Guangzhou Fengye") in the PRC. Guangzhou Fengye has a registered capital of RMB30,000,000.

#### Incorporation of indirect wholly-owned subsidiaries

- Investment in a wholly owned subsidiary, GHY Culture & Media (IMS) Sdn Bhd

On 10 March 2021, GHY Culture & Media (Malaysia) Sdn Bhd, an indirect wholly-owned subsidiary of the Company, incorporated the subsidiary, GHY Culture & Media (IMS) Sdn Bhd with an initial issued and paid-up share capital of MYR\$1 comprising 1 ordinary share.

- Investment in a wholly owned subsidiary, GHY Culture & Media (ISK) Sdn Bhd

On 10 March 2021, GHY Culture & Media (Malaysia) Sdn Bhd, an indirect wholly-owned subsidiary of the Company, incorporated the subsidiary, GHY Culture & Media (ISK) Sdn Bhd with an initial issued and paid-up share capital of MYR\$1 comprising 1 ordinary share.

- Investment in wholly owned subsidiary, Shanghai Xincheng Culture & Broadcast Co., Ltd. (上海信澄文化传播有限公司)

On 13 May 2021, Tianjin Xinyuan Culture & Broadcast Co., Ltd, an indirectly wholly-owned subsidiary of the Company, incorporated the subsidiary, Shanghai Xincheng Culture & Broadcast Co., Ltd. (上海信澄文化传播有限公司) with an initial issued share capital of RMB3,000,000.

- Investment in a wholly owned subsidiary, Shanghai Senwu Culture & Management Co., Ltd.

On 14 May 2021, Tianjin Xinhe Culture & Broadcast Co., Ltd, an indirectly wholly-owned subsidiary of the Company, incorporated the subsidiary, Shanghai Senwu Culture & Broadcast Co., Ltd. (上海森梧文化传播有限公司) with an initial issued share capital of RMB3,000,000.

- Investment in a wholly owned subsidiary, PT. Creative Ocean Pictures

On 21 July 2021, G.H.Y Culture & Media (Singapore) Pte. Ltd. and G.Yue Culture & Media Limited, wholly-owned subsidiaries of the Company, incorporated the subsidiary, PT. Creative Ocean Pictures with an initial issued share capital of USD750,000.

None of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the above investment / acquisition of shares in subsidiaries or associated entities and incorporation of indirect wholly-owned subsidiaries.

#### **18. A breakdown of Sales**

		<b>Group</b>		
		FY2021	FY2020	Change Increase / (Decrease)
		\$'000	\$'000	%
i.	Sales reported for first half year	43,785	37,152	17.9
ii.	Operating profit after tax before deducting non-controlling interests for first half year	3,426	13,010	(73.7)
iii.	Sales reported for second half year	39,534	89,943	(56.0)
iv.	Operating profit after tax before deducting non-controlling interests for second half year	42	25,056	(99.8)

#### **19. A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year.**

	FY2021 \$'000	FY2020 \$'000
Annual Dividend		
Ordinary Dividend		
- Interim	-	10,000
- Final (proposed)	1,100	11,490

The proposed final one-tier tax exempt dividends in respect of FY2021 is subject to Shareholders' approval at the forthcoming AGM.

**20. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704 (13).**

Not applicable. There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**F. Other Notes to the Condensed Interim Consolidated Financial Statements**

**21. Corporate Incorporation**

G.H.Y Culture & Media Holding Co., Limited (the "Company") is incorporated in Cayman Islands with its principal place of business at 988 Toa Payoh North, #07-08, Singapore 319002 and registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries and PRC Affiliated Entities (collectively, the Group).

The principal activities of the Group are investment holding, TV program and film production, concert production, talent management services, costumes, props and makeup services, consultancy services and the renting and leasing of concert equipment.

**22. Basis of Preparation**

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s except for the adoption of new and amended standards as set out in Note 22.1.

The condensed interim financial statements are presented in Singapore dollar and all values are rounded to the nearest thousand (\$'000).

**22.1 New and Amended Standards adopted by the Group**

The adoption of the various new/revised SFRS(I) effective for the financial year beginning on 1 January 2021 does not have a material financial effect on the Group and the Company.

**22.2 Uses of judgement and estimates**

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

The significant areas of estimation, uncertainty and critical judgements in applying accounting policies disclosed in Annual Report 2020 remain relevant.

**22.3 Seasonal operations**

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

**23. Related Parties Transactions**

There are no material related party transactions apart those disclosed elsewhere in the financial statements and other information required under the listing manual.

## 24(a). Financial assets and financial liabilities

Below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 December 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000	31 December 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000
<b>Financial Assets</b>				
Financial assets at amortised cost	90,445	144,188	110,949	127,104
Financial assets at fair value through profit or loss	3,029	215	-	-
	<u>93,474</u>	<u>144,403</u>	<u>110,949</u>	<u>127,104</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	23,797	40,343	6,264	10,000
Lease liabilities	4,924	4,690	-	-
	<u>28,721</u>	<u>45,033</u>	<u>6,264</u>	<u>10,000</u>

## 24(b). Financial assets at fair value through profit or loss

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

	Group	
	31 December 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000
At the beginning of the year	215	-
Additions	2,719	215
Changes in fair value	95	-
At the end of the year	<u>3,029</u>	<u>215</u>

The financial assets at FVTPL represent film investment advanced to external parties for the financing of production and marketing expenditures that are associated with specific film and drama that the Group invested in. At the reporting date, the fair value of investment is determined based on the estimated box office revenue and fees from licensing rights. For the six months and full year ended 31 December 2021, a fair value gain of \$95,000 (2H2020 and FY2020: \$Nil) is recognised. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

**24(c). Intangible assets**

	<b>Group</b>					
	Film and drama adaptation licenses	Rights to the film set under construction	Rights to the film sets	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>For the year ended</u></b>						
<b><u>31 December 2021</u></b>						
<b><u>(Unaudited)</u></b>						
Cost:						
At 1 January 2021	146	-	1,958	97	8	2,209
Additions	-	-	387	22	77	486
Exchange difference	-	-	(15)	-	3	(12)
At 31 December 2021	146	-	2,330	119	88	2,683
Accumulated amortisation:						
At 1 January 2021	93	-	45	12	3	153
Amortisation charge	29	-	311	39	16	395
Exchange difference	-	-	2	-	2	4
At 31 December 2021	122	-	358	51	21	552
Carrying amount:						
At 31 December 2021	24	-	1,972	68	67	2,131
At 31 December 2020	53	-	1,913	85	5	2,056
<b><u>For the 6 months ended</u></b>						
<b><u>31 December 2021</u></b>						
<b><u>(Unaudited)</u></b>						
Cost:						
At 1 July 2021	146	-	1,910	118	56	2,230
Additions	-	-	387	1	29	417
Exchange difference	-	-	33	-	3	36
At 31 December 2021	146	-	2,330	119	88	2,683
Accumulated amortisation:						
At 1 July 2021	105	-	142	31	5	283
Amortisation charge	17	-	214	20	14	265
Exchange difference	-	-	2	-	2	4
At 31 December 2021	122	-	358	51	21	552
Carrying amount:						
At 31 December 2021	24	-	1,972	68	67	2,131
At 30 June 2021	41	-	1,768	87	51	1,947

	<b>Group</b>					
	Film and drama adaptation licenses	Rights to the film set under construction	Rights to the film sets	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>For the year ended</u></b>						
<b><u>31 December 2020</u></b>						
<b><u>(Audited)</u></b>						
Cost:						
At 1 January 2020	147	238	-	-	8	393
Additions	-	1,720	-	97	-	1,817
Transfer upon completion	-	(1,958)	1,958	-	-	-
Exchange difference	(1)	*	*	-	*	(1)
At 31 December 2020	146	-	1,958	97	8	2,209
Accumulated amortisation:						
At 1 January 2020	64	-	-	-	2	66
Amortisation charge	29	-	45	12	1	87
Exchange difference	-	-	*	-	*	*
At 31 December 2020	93	-	45	12	3	153
Carrying amount:						
At 31 December 2020	53	-	1,913	85	5	2,056
At 31 December 2019	83	238	-	-	6	327
<b><u>For the 6 months ended</u></b>						
<b><u>31 December 2020</u></b>						
<b><u>(Unaudited)</u></b>						
Cost:						
At 1 July 2020	147	721	-	-	8	876
Additions	-	1,237	-	97	-	1,334
Transfer upon completion	-	(1,958)	1,958	-	-	-
Exchange difference	(1)	*	*	-	*	(1)
At 31 December 2020	146	-	1,958	97	8	2,209
Accumulated amortisation:						
At 1 July 2020	79	-	-	-	3	82
Amortisation charge	14	-	45	12	-	71
Exchange difference	-	-	*	-	*	*
At 31 December 2020	93	-	45	12	3	153
Carrying amount:						
At 31 December 2020	53	-	1,913	85	5	2,056
At 30 June 2020	68	721	-	-	5	794

\* Amount less than \$1,000.

For the year ended 31 December 2021, the amortisation expenses of \$22,000 (31 December 2020: \$25,000) have been capitalised in the line item 'films and drama productions in progress' in statement of financial position as at 31 December 2021.

For the six months ended 31 December 2021, the amortisation expenses of \$13,000 (31 December 2020: \$11,000) have been capitalised in the line item 'films and drama productions in progress' in statement of financial position as at 31 December 2021.

#### 24(d). Goodwill and Goodwill impairment

	<b>Group</b>
	\$'000
<u>At 31 December 2020 (audited) and 31 December 2021 (unaudited)</u>	
Cost	1,111
Accumulated impairment	-
Carrying amount	<u>1,111</u>

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

The recoverable amount 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 3 years and thereafter budget a perpetual growth of 1.00% (2020 : 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 10.5% (2020 : 12.05%).

As at 31 December 2021 and 31 December 2020, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

#### 24(e). Plant and equipment

During FY2021, the Group acquired plant and equipment of cost amounting to \$2,189,000 (FY2020: \$799,000) and written off plant and equipment at net book value of \$18,000 (FY2020: \$8,000).

During 2H2021, the Group acquired plant and equipment of cost amounting to \$1,658,000 (2H2020: \$149,000) and written off plant and equipment at net book value of \$18,000 (2H2020: \$Nil).

#### 24(f). Right-of-use assets

During FY2021, the Group acquired right-of-use assets of cost amounting to \$2,633,000 (FY2020: \$4,529,000) and written off right-of-use assets at net book value of \$500,000 (FY2020: \$800,000).

During 2H2021, the Group acquired right-of-use assets of cost amounting to \$240,000 (2H2020: \$170,000) and written off right-of-use assets at net book value of \$51,000 (2H2020: \$4,000).

#### 25. Taxation

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2021	31 December 2020
	(Unaudited)	(Audited)
	\$'000	\$'000
<b>Tax expense comprises:</b>		
<u>Current tax</u>		
Current year	9,785	5,008
(Over) under-provision of prior year tax	(58)	55
Deferred tax	(6,554)	2,877
Withholding tax	-	69
	<u>3,173</u>	<u>8,009</u>

	<b>Group</b>	
	<b>For the six months ended</b>	
	31 December 2021 (Unaudited)	31 December 2020 (Unaudited)
	\$'000	\$'000
<b>Tax expense comprises:</b>		
<u>Current tax</u>		
Current year	6,866	3,307
(Over) under-provision of prior year tax	(58)	55
Deferred tax	(6,673)	2,891
Withholding tax	-	24
	135	6,277

## 26. Other receivables

	<b>Group</b>		<b>Company</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Other receivables (current portion):				
Outside parties*	2,352	675	-	6
Joint operator	-	164	-	-
Dividend receivable from subsidiary With an entity connected to a shareholder of the Company	-	-	-	18,000
Subsidiaries	-	561	-	-
Advances to a joint operator	-	116	2,710	-
Advances to a third-party contractor	711	-	-	-
Advances to staff	97	11	-	-
Director of a subsidiary	343	326	-	-
Refundable security deposits	536	131	-	-
Prepayments**	8,181	4,390	453	-
Interest receivable from bank	33	-	-	-
Value-added tax receivable	3,082	1,172	-	-
Grant receivables	-	2,811	-	-
	15,335	10,357	3,163	18,006
Other receivables (non-current portion):				
Refundable security deposits	104	104	-	-
Prepayments	4	-	-	-
Total	15,443	10,461	3,163	18,006

\* The amounts were mainly advances paid to third party production crews and staff in respect of the expenditure for various ongoing drama and film projects and concert production including but not limited to expenditure for food, accommodation, artiste fees, costumes and props in accordance with the planned production schedule. Such amounts are recoverable at the end of the production, after netting against actual expenditure and upon final settlement with the third-party production crews and staff.

\*\* The amounts were mainly utilised in the ordinary course of business in respect of 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 planned production schedule.

**27. Subsequent events**

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

**On Order of the Board**  
**G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED**

Guo Jingyu  
Executive Chairman and Group CEO  
1 March 2022