

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

**PROPOSED ACQUISITION OF 95.0% OF THE SHARES IN
ORITA SINCLAIR SCHOOL OF DESIGN AND MUSIC PTE. LTD.**

1. INTRODUCTION

- 1.1. The Board of Directors (the "**Board**") of G.H.Y Culture & Media Holding Co., Limited (the "**Company**", and together with its subsidiaries and associated companies, the "**Group**") wishes to announce that its wholly-owned subsidiary, G.H.Y Culture & Media (Singapore) Pte. Ltd. (the "**Purchaser**"), has on 18 December 2024 entered into a sale and purchase agreement (the "**Agreement**") with Tay Eng Hoe, Tan Hup Foi and John Tan Yik Ann (collectively, the "**Vendors**"), pursuant to which the Vendors have agreed to sell and transfer, and the Purchaser has agreed to purchase, 47,503,193 ordinary shares (the "**Sale Shares**"), representing 95.0% of the issued and paid-up capital of Orita Sinclair School of Design and Music Pte. Ltd. ("**Orita Sinclair**"), for a purchase consideration of S\$3,040,000 (the "**Consideration**"), subject to the terms and conditions in the Agreement (the "**Proposed Transaction**").

2. INFORMATION ON ORITA SINCLAIR AND THE VENDORS

- 2.1. Orita Sinclair is a private company limited by shares incorporated in Singapore on 25 October 2002. The Vendors are the legal and beneficial owners of Orita Sinclair in the respective shareholding proportions: (a) Tay Eng Hoe, who holds 48.59% of the shareholding interest in Orita Sinclair, (b) Tan Hup Foi, who holds 51.08% of the shareholding interest in Orita Sinclair, and (c) John Tan Yik Ann, who holds 0.33% of the shareholding interest in Orita Sinclair.
- 2.2. Orita Sinclair is in the business of operating a private education institution offering programmes in design, communications, music, film and media.
- 2.3. Based on Orita Sinclair's audited financial statements for the financial ended 31 December 2023, the net loss before and after tax attributable to the Sale Shares were approximately S\$255,255 and S\$255,255 respectively, for the financial year ended 31 December 2023, and the net book value and net tangible asset value of the Sale Shares were approximately S\$467,011 and S\$50,151 respectively. The open market value of the Sale Shares is not available as the shares of Orita Sinclair are not publicly traded. No valuation was commissioned on the Sale Shares.
- 2.4. Upon Completion (as defined below) of the Proposed Transaction, the Purchaser shall hold 95.0% of the issued and paid-up capital of Orita Sinclair and Tan Hup Foi shall hold the remaining 5.0% of the issued and paid-up capital of Orita Sinclair ("**Remaining Shares**"), and Orita Sinclair will become an indirect subsidiary of the Company.
- 2.5. The Vendors are not related to any of the Company's directors, controlling shareholders of the Company ("**Shareholders**") or their respective associates. As at the date of this Announcement, the Vendors do not hold any shares in the capital of the Company ("**Shares**") directly or indirectly.

3. PRINCIPAL TERMS OF THE AGREEMENT

Certain salient terms of the Agreement are as follows:

3.1. Sale and Purchase of Sale Shares

The Vendors shall, in accordance with the terms and conditions of the Agreement, on Completion sell to the Purchaser the Sale Shares (and not part thereof only), and the Purchaser shall purchase the Sale Shares free from all encumbrances and with the benefit of all rights, benefits and entitlements attaching thereto as at the Completion Date (as defined below) and thereafter (including the right to any dividends or other distributions declared and payable thereon on or after such date).

3.2. Consideration

The Consideration was arrived at by the Purchaser and the Vendors after negotiations on an arm's length basis and on a willing-buyer and willing-seller basis, taking into account the net book value of Orita Sinclair, the rationale of the Proposed Transaction, the business prospects and potential of Orita Sinclair.

The Consideration for the Sale Shares will be satisfied by the Purchaser in the following manner:

- (a) the amount of S\$2,240,048.67, which shall be payable in cash by the Purchaser ("**Cash Consideration**") in four (4) tranches; and
- (b) the amount of S\$799,951.33, which shall be satisfied by way of ordinary shares of the Company to be transferred to the Vendors by way of treasury shares ("**Consideration Shares**").

Settlement of the Consideration by the Purchaser shall take place in the following manner:

- (i) First Tranche Consideration Payment (Deposit): an amount of S\$320,000 shall be payable by the Purchaser in cash as a deposit within five (5) business days from the date of the Agreement;
- (ii) Second Tranche Consideration Payment: an amount of S\$1,600,000 shall be payable on completion of the sale and purchase of the Sale Shares by performance by the Vendors and the Purchaser of the obligations assumed by them under the Agreement ("**Completion**"), of which:
 - (A) S\$800,048.67 shall be payable by the Purchaser in cash; and
 - (B) S\$799,951.33 shall be satisfied by Consideration Shares (as defined below), which the Purchaser shall procure be transferred by way of treasury shares in accordance with the Agreement;
- (iii) Third Tranche Consideration Payment: subject to the terms and conditions of the Agreement, an amount of S\$960,000 shall be payable by the Purchaser in cash within five (5) Business Days of the date of receipt by Orita Sinclair of an email notification and/or

approval letter from SkillsFuture Singapore confirming the successful renewal of the EduTrust certificate awarded by SkillsFuture Singapore to Orita Sinclair ("**EduTrust Certificate**") and the issuance of the new EduTrust certification issued by SkillsFuture Singapore to Orita Sinclair for a term of four (4) years in 2025 ("**EduTrust 4-year Certificate**"), and the transition into the framework as set out in the EduTrust Certification Scheme Guidance Document Version 4 issued by SkillsFuture Singapore; and

- (iv) Fourth Tranche Consideration Payment: an amount of S\$160,000 shall be payable by the Purchaser in cash on the sixth (6th) month anniversary of the date of commencement of the new EduTrust 4-year Certificate issued to Orita Sinclair in 2025 following the EduTrust Assessment under the EduTrust guidance Document 4 Framework, provided that (A) the valid and binding arrangements with certain partner universities continue or are renewed for a term of at least two (2) years from the Completion Date (as defined below); or (B) Orita Sinclair successfully establishes new partner universities which allow students to complete Diploma courses and transition to a partner university for a Bachelor's Degree program for a term of two (2) years.
- (v) Any and all settlement of the Consideration by the Purchaser under the Agreement shall be directed to and made in favour of Tay Eng Hoe, on behalf of himself and the other Vendors. The Purchaser shall be deemed to have satisfied its payment obligations towards the Consideration under the Agreement upon (i) the payment of the Cash Consideration to Tay Eng Hoe's designated bank account in accordance with the Agreement; and/or (ii) the crediting of the Consideration Shares in the Tay Eng Hoe's designated securities account of Tay Eng Hoe maintained with The Central Depository (Pte) Limited in accordance with the Agreement.

3.3. Consideration Shares

The Consideration Shares shall be settled by way of the transfer of 6,091,000 treasury shares of the Company to Tay Eng Hoe on the Completion Date (as defined below). The number of Consideration Shares was calculated based on the price per ordinary share of S\$0.13133, such price being the 30-day average closing price of the shares in the Company as at 17 December 2024, rounded up to the nearest whole number.

Tay Eng Hoe has undertaken to execute in favour of the Company a deed of undertaking, pursuant to which he shall undertake not to transfer his interests in the relevant Consideration Shares for a period of one (1) year commencing from the Completion Date (as defined below).

3.4. Conditions Precedent

Completion of the Proposed Transaction is subject to certain conditions precedent being satisfied or waived in accordance with the Agreement, including, *inter alia*, the following:

- (a) approval under the tenancy agreement dated 18 February 2022 (or such renewed tenancy agreement) for the lease of the premises known as 1 Kay Siang Road #06-01/02/10 Singapore 248922 for the deemed assignment of such premises as a result of Completion;
- (b) there not having been at any time hereafter any changes to the status of the EduTrust Certificate awarded to Orita Sinclair; and

- (c) the certification awarded to Orita Sinclair under the enhanced registration framework implemented by SkillsFuture Singapore which sets out the minimum standards for all private education institutions remaining valid and effective up till and including completion of the Proposed Transaction.

3.5. **Completion**

Completion of the Proposed Transaction is to take place on a date falling three (3) business days after the last in time of the conditions precedent are satisfied or waived in accordance with the Agreement (or such other date as may be agreed in writing between the Vendors and the Purchaser) ("**Completion Date**").

3.6. **Call Option**

Pursuant to the Agreement, Tan Hup Foi has irrevocably granted to the Purchaser a call option ("**Call Option**") to require Tan Hup Foi to sell all (and not some only) of the Remaining Shares to the Purchaser and such such other additional shares or securities that he may hold (directly and indirectly) at the time of the exercise of the Call Option ("**Called Securities**"), which is exercisable by the Purchaser on a date falling three (3) years from the date of the Agreement for an aggregate consideration of S\$160,000 in cash for the Called Securities. On the exercise of the Call Option, Tan Hup Foi will become bound to sell all the Called Securities and the Purchaser will become bound to purchase the Called Securities from Tan Hup Foi.

3.7. **Put Option**

Pursuant to the Agreement, the Purchaser has irrevocably granted to Tan Hup Foi a put option ("**Put Option**") to require the Purchaser to purchase all (and not some only) of the Remaining Shares from Tan Hup Foi and such such other additional shares or securities that he may hold (directly and indirectly) at the time of the exercise of the Put Option ("**Put Securities**"), which is exercisable by Tan Hup Foi on a date falling three (3) years from the date of the Agreement for an aggregate consideration of S\$160,000 in cash for the Put Securities. On the exercise of the Put Option, Tan Hup Foi will become bound to sell all the Put Securities and the Purchaser will become bound to purchase the Put Securities from Tan Hup Foi.

4. **RATIONALE FOR THE PROPOSED TRANSACTION**

The Proposed Transaction aligns with the Group's strategic efforts to strengthen its presence in the media and entertainment industry. Orita Sinclair, a boutique private education institution specialising in design, music, and media education, complements the Group's focus on talent management and content production. This provides an opportunity for the Group to develop synergies by integrating educational expertise into the Group's talent pipeline, supporting its efforts to expand its capabilities in producing high-quality content and fostering innovation within the creative sector.

Further, the Proposed Transaction can potentially enhance the Group's ability to cultivate talent and provide specialised training for individuals pursuing careers in media and entertainment. This initiative is expected to support the Group's content production and talent management segments, offering a steady stream of skilled professionals to meet operational demands. The Group's further

venture into this sector is also well-placed in the strategic roadmap for the Group's expansion and can potentially accelerate the revenue growth and execution of the business strategies of the Group through education and industry collaboration.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE MAINBOARD RULES

5.1. Relative Figures under Rule 1006 of the Main Board of the Listing Manual (the "Mainboard Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST")

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 of the Mainboard Rules are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss ⁽²⁾	(1.3%) ⁽³⁾
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares in the share capital of the Company (excluding treasury shares)	2.4% ⁽⁴⁾
(d)	The aggregate number of consideration shares issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities previously in the issue	0.6%
(e)	Aggregate volume of proved and probable reserves to be disposed of compared with the Group's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) This is not applicable as there are no assets to be disposed of pursuant to the Proposed Transaction.
- (2) "Net profit" or "net loss" means profit or loss before income tax, minority interests and extraordinary items.
- (3) This is computed based on net loss attributable to the assets acquired of S\$255,255 and the Group's net loss of S\$19,130,000 as per the unaudited condensed interim financial statements for half year ended 30 June 2024.
- (4) Computed based on the sum of the Consideration of S\$3,040,000 and the Company's market capitalisation of S\$125,938,922 as at 17 December 2024 (being the latest practicable date on which the Shares were traded preceding the date of the Agreement). The market capitalisation of the Company is determined by multiplying the Shares in issue (being 1,067,279,000 Shares, excluding treasury Shares) by the weighted average price of S\$0.118 of such Shares transacted on 17 December 2024 (being the latest practicable date on which the Shares were traded preceding the date of the Agreement).
- (5) Rule 1006(e) of the Mainboard Rules is not applicable as the Company is not a mineral, oil and gas company.

None of the relative figures under Rule 1006 of the Mainboard Rules relating to the Proposed Transaction exceeds 5%, and accordingly, the Proposed Transaction is a non-discloseable transaction under Chapter 10 of the Listing Manual.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, none of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction, other than through their respective shareholding interests, direct or indirect, in the Company.

7. NO SERVICE CONTRACT

As at the date of this Announcement, no person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be made available for inspection during normal business hours at 988 Toa Payoh North, #07-08, Singapore 319002 for a period of three (3) months from the date of this Announcement.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Transaction and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

10. FURTHER UPDATES

The Company will update the Shareholders if there are any material developments and will make the necessary announcements on SGXNet in compliance with the Mainboard Rules.

11. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares as there is no certainty or assurance that the Proposed Transaction will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this Announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

By Order of the Board
18 December 2024

Guo Jingyu
Executive Chairman and Executive Director