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

Letter to Shareholders

Dear Shareholders,

The world continues to face unprecedented economic challenges and risks posed by the COVID-19 pandemic. As a recently listed company, G.H.Y Culture & Media Holding Co., Limited ("**GHY**", and together with its subsidiaries and affiliated entities, the "**Group**") was no exception. We are grateful to have received the continued support and trust of our shareholders, allowing us to forge ahead despite market headwinds, to continue enhancing our product offerings and end-to-end capabilities.

Year in Review –

Continuous focus on core businesses, underpinned by our two growth engines

Since our inception in 2018, GHY has had a strong foothold in the TV Program and Film Production business, as well as in Concert Production business in the region. We believe that these two growth segments will continue to propel the Group to new heights as we focus on enhancing the Group's business for long-term shareholder value.

In FY2021, we continued to invest in our TV Program and Film Production business segment. The drama "Brave Heart II 勇敢的心 2" was a popular hit, topping the search list of Douyin (抖音) (also known as TikTok), China's most influential short video platform. It has also received strong viewership and reputation on iQiyi, Tencent, and Youku, the three biggest mainstream long-form video streaming platforms in China. The Group also completed the post-production of "Horror Stories of Tang Dynasty 唐朝诡事录", a drama that was developed by GHY. We are also exploring the possibilities of sequels and other entertainment products to capture monetisation opportunities from the intellectual property ("**IP**") of "Horror Stories of Tang Dynasty 唐朝诡事录". In FY2021, the filming of three new dramas, the detective series "Never Wronged 无冤行者", the modern romance series "A Cat and A Fish 骑着鱼的猫" and the fantasy drama series "Moon Romance 月上朝颜", were completed and are undergoing post-production. The drama "Sisterhood 南洋女儿情" — the second Nanyang-themed drama produced by the original production team for the drama "The Little Nyonya 小娘惹" — is nearing completion and it is expected to be released in FY2022. In FY2022, we will continue to focus on producing high-quality and diversified entertainment content, with plans to film several dramas in early 2022, while developing IP that is unique, scalable, and sustainable.

In FY2021, the Group had postponed highly anticipated concerts due to the pandemic restrictions as countries around the world strived to prevent the further spread of COVID-19. As COVID-19 becomes endemic, we are cautiously optimistic that concerts can be resumed in FY2022, whilst complying with local COVID-19 measures. In FY2022, preparations are underway to organise the much-anticipated concerts for Jay Chou in Australia and Malaysia in 2023, as well as concerts by other renowned singers. In line with our disciplined cost

management measures, we have maintained a small team of staff while we prepare to ramp up our Concert Production business.

Virtual concerts inevitably gained popularity in FY2021. To capture the growing demand, we are exploring partnership opportunities to provide audience an immersive experience through augmented reality and virtual reality technologies. We intend to build up our existing technological capabilities to keep up with the constant evolution of the entertainment industry, thus allowing us to capitalise on future growth opportunities.

High-quality content lies at the heart of GHY, powered by imagination and analytics. We are continuously improving our content production capabilities, as well as the quality of our TV Program and Film Production and Concert Production businesses through innovation and technology.

Expanding services and setting trends

In FY2021, our Costumes, Props and Make-up Services business has expanded. Led by award-winning designer, Mr. Chen Minzheng (陈敏正), the Group entered into agreements for the provision of costume and make-up services for the performers who participated in the Beijing 2022 Winter Olympics opening ceremony. The exquisite and meticulous craftmanship of the costumes is the result of Mr. Chen's years of experience and mastery, and a testament to the quality and appeal of the costumes, props and make-up of the Group's drama and film productions. Going forward, GHY will expand services in this regard to capture emerging business opportunities in the virtual and augmented reality worlds, such as the designing of avatars to create greater value.

Short-form videos grew in popularity in 2021 and have become one of GHY's new growth adjacencies. Our short-form videos, including "Ability Bureau 异能者" and "Twin Sisters 替身姐妹", successfully captured the attention of younger audience, and were well received on Bilibili and Tencent Video. Although certain costs were incurred as we expanded into the short-form video market, we are confident that expanding our entertainment product offerings to include such short-form videos will bring sustainable value to our shareholders.

We have completed the production of "*Goddess Hotel* 女神酒店", the first short-form video produced by GHY with Douyin, which is now undergoing post-production. It will be the first short-form video produced by GHY to be released on TikTok, and will be available to the global audience. This is a key milestone as we establish our own content slate on the platform. A series of short-form videos of varied themes are also currently under production. We anticipate that the establishment of our own short-form video channel on leading platforms included but not limited to Douyin, TikTok could further diversify our revenue streams via the various subscription methods and could attract other sources of revenue, including advertisements and e-commerce marketing.

High-quality offline entertainment events to increase value

The saying “志坚而勇为，谓之刚“ means to have a strong will and take bold actions. GHY is resilient as we continue to pursue growth through various avenues, while focusing on our core strengths. We believe that such efforts will be beneficial in creating more IPs, value and sustainable growth for the Group. Further to the core businesses and growth adjacencies mentioned above, GHY will continue to execute its business strategies to achieve increased cash flow and develop more customer-focused entertainment products.

Since 2020, GHY has been expanding its entertainment product offerings to include musicals. The rollout of musicals has allowed GHY to increase outreach and publicity for our popular productions, while capitalising on the pent-up demand for live performances in China. The first original musical, "Ferryman: Eternal Life 灵魂摆渡之永生", has been staged for two national tours and was a great success. The second original musical, “Horror Stories of Tang Dynasty 唐朝诡事录之曼陀罗", will debut in the second quarter of 2022. We look to produce one new original musical every year, while maintaining existing musical tours across the world.

Offline entertainment events such as "Murder Mystery Game" and "Escape Room" have gained traction among youths and young adults. Capitalising on our management bench strength in producing high quality and well-received dramas and films, GHY aims to develop and launch a large-scale live action role-playing game ("**LARP**") based on the drama "Horror Stories of Tang Dynasty 唐朝诡事录" in the third quarter of 2022. To capture the fast-growing children’s entertainment market in China, we are also launching a LARP specially created for children in China. We believe that we are well-positioned to become a strong player in these two new growth adjacencies, and we hope to provide you with updates through the year.

Investing in the entertainment industry in the region

In 2021, GHY established a wholly-owned subsidiary in Indonesia, PT. Creative Ocean Pictures, as part of the expansion of our core business in Indonesia, and to leverage the country’s unique demographics and natural resources as we further commercialise and digitalise our businesses.

In FY2021, GHY and iQiyi established a joint venture company, "Uni-Icon Entertainment" ("**Uni-Icon**"), in Singapore to focus on representing artistes in the region which will enable the Group to gain access to wider audiences and exposure to new markets. We will continue to utilise our regional and cross-border strength to integrate our resources in the different markets, and to create greater commercial value through cultural exchanges and innovation. Although some of Uni-Icon’s plans had to be put on hold in FY2021 due to the pandemic, we look forward to resuming activities this year.

Furthermore, GHY had also invested in two joint ventures, Xiamen Jinzhao Film Culture and Media Co., Ltd and Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership,

to strengthen our capabilities in script development, content creations and short-form video production. This will further support our business expansion in the short-form video market.

GHY's "Avatar" programme has been progressing smoothly. The lovely "Little Nyonya Avatar", is the first virtual character inspired by the Nyonya culture in Southeast Asia. With such innovations, we hope to bridge our online successes with offline monetisation opportunities in merchandising, which could be another potential revenue stream for GHY.

Looking ahead

Amidst the COVID-19 pandemic, our teams have been working relentlessly to stay agile in business development and in our operations. The COVID-19 pandemic had significantly impacted our business last year and resulted in a decline in profits for FY2021. However, we believe that our fundamentals remain strong and we are confident in emerging stronger with our wealth of industry experience, strong track record, regional presence, pioneering thinking and proven innovative capabilities.

GHY persevered despite the challenges brought by the COVID-19 pandemic. Achieving success during good times is easy but standing still in bad times is a demonstration of strength. We firmly believe that GHY remains uniquely positioned to capture the growth opportunities in the region in this new and evolving operating environment.

We believe that focusing on our fundamentals is key to ensuring that we excel in the expansion of our core business and in the growth adjacencies we have identified, and this is reflected in our business philosophy that we uphold, "君子务本，本立而道生". Making entertainment more enjoyable and creating higher commercial value through innovation and technology, continues to be our goal. Therefore, while maintaining a firm foothold in the present, we also keep a keen eye on the future. Our business philosophy encourages us to strive to achieve success in every step we take, in order to take GHY to greater heights.

I would like to express my sincere gratitude to all our shareholders, business partners and employees. Thank you for your hard work. GHY could not have made these achievements without your support. We look forward to working hand in hand with you and together, we can become the leading player in the media and entertainment industry in the Asia-Pacific region.

Mr. Guo Jingyu, Executive Chairman and Group CEO
1st March 2022

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This letter should be read in conjunction with the financial statements announcement for FY2021 and the presentation slides uploaded on SGXNet.

About G.H.Y Culture & Media Holding Co. Ltd.

G.H.Y Culture & Media Holding Co., Limited ("**GHY**" or the "**Group**") is an entertainment business that focuses on the production and promotion of dramas, films and concerts in the Asia-Pacific region. GHY has produced several dramas and films in the People's Republic of China ("**PRC**"), Singapore and Malaysia that have been broadcasted and/or distributed on major TV networks and leading video streaming platforms in the PRC. The Group has also undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Malaysia and Australia.

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

Currently headquartered in Singapore and the PRC with over 170 employees, the Group also engages in concert production, talent management services, and costumes, props and make-up services.

GHY is listed on the Mainboard of the Singapore Exchange (SGX: XJB; Bloomberg: GHY:SP).

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