



长信传媒

G.H.Y Culture & Media

**G.H.Y Culture & Media Holding Co., Limited**

(Company Number: 337751)

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## FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2023

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Singapore, 7 August 2023 – 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 half year ended 30 June 2023.

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 jurisdictions, 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.

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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 period of the immediately preceding financial period.

	<b>Group</b>			
	<b>For the half year ended</b>			
	30 June 2023 (Unaudited) \$'000	30 June 2022 (Unaudited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
<b>Revenue</b>	32,677	20,625	12,052	58
Cost of sales	(22,110)	(15,605)	6,505	42
<b>Gross profit</b>	10,567	5,020	5,547	110
Other income	1,842	5,801	(3,959)	(68)
Share of result from associate	(4)	8	(12)	(150)
Share of result from joint venture	(175)	(154)	21	14
Administrative expenses	(6,079)	(5,997)	82	1
Selling and distribution expenses	(2,657)	(2,824)	(167)	(6)
Other expenses	(4,142)	(3,167)	975	31
Finance costs	(1,292)	(638)	654	103
<b>Loss before income tax</b>	(1,940)	(1,951)	(11)	(1)
Income tax credit	49	166	(117)	(70)
<b>Loss for the period</b>	(1,891)	(1,785)	106	6
<b>Other comprehensive loss, net of income tax:</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange loss difference arising on translation of foreign operations	(758)	(1,175)	(417)	(35)
<b>Total comprehensive loss for the period</b>	(2,649)	(2,960)	(311)	(11)
<b>Loss for the period attributable to:</b>				
Owners of the Group	(1,735)	(1,411)	324	23
Non-controlling interests	(156)	(374)	(218)	(58)
	(1,891)	(1,785)	106	6
<b>Total comprehensive (loss) income for the period attributable to:</b>				
Owners of the Group	(2,677)	(2,586)	91	4
Non-controlling interests	28	(374)	(402)	(107)
	(2,649)	(2,960)	(311)	(11)
<b>Loss per share</b>				
Basic and diluted (cents)	(0.16)	(0.13)	0.03	23

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

	<b>Group</b>			
	<b>For the half year ended</b>			
	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)	Change Increase / (Decrease)	Change Increase / (Decrease)
\$'000	\$'000	\$'000	%	
Gain on structured deposits	(1)	(3)	(2)	(67)
Government grants	(814)	(5,140)	(4,326)	(84)
Interest income	(281)	(153)	128	84
Net reversal of expected credit losses	(335)	(300)	35	12
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	117	299	(182)	(61)
Amortisation of intangible assets	356	326	30	9
Bad debts written off	8	15	(7)	(47)
Cost of defined contribution plans included in employee benefits expense	326	895	(569)	(64)
Cost of television, drama and film production recognised as cost of sales	11,422	11,748	(326)	(3)
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	190	208	(18)	(9)
Depreciation of plant and equipment recognised in administrative, selling and distribution and other expenses	473	383	90	23
Depreciation of right-of-use assets	1,096	1,035	61	6
Employee benefits expense	4,189	5,697	(1,508)	(26)
Expenses relating to leases of low value assets	1	1	-	-
Expenses relating to short-term leases	20	16	4	25
Interest expense	1,292	638	654	103
Net foreign currency exchange loss	3,434	2,692	742	28
Written-off of inventories	59	-	59	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.

	Group		Company	
	30 June 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000	30 June 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash at banks and restricted bank deposits	42,503	36,760	688	830
Trade and notes receivables	32,106	46,742	-	-
Other receivables	16,899	13,742	7,943	7,871
Advances to subsidiaries	-	-	95,120	95,593
Amount due from related parties	104	920	57	-
Amount due from joint venture	14	14	-	-
Contract assets	32,488	41,027	-	-
Contract costs	179	574	-	-
Financial assets at fair value through profit or loss	5,819	2,662	-	-
Inventories	35	177	-	-
Films and drama productions in progress	25,792	23,566	-	-
Films and drama products	351	387	-	-
	156,290	166,571	103,808	104,294
<b>Non-current assets</b>				
Plant and equipment	4,630	5,262	-	-
Right-of-use assets	5,276	2,928	-	-
Goodwill	1,111	1,111	-	-
Intangible assets	2,186	2,580	-	-
Other receivables	103	104	-	-
Deferred tax assets	4,489	4,362	-	-
Investment in subsidiaries	-	-	8,518	8,518
Investment in associate	878	914	-	-
Investment in joint venture	194	369	-	-
	18,867	17,630	8,518	8,518
<b>Total assets</b>	175,157	184,201	112,326	112,812
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	9,943	22,691	2,676	1,945
Film investment funds from investors	935	-	-	-
Contract liabilities	3,509	6,279	-	-
Amount due to related parties	795	1,901	355	205
Lease liabilities	2,459	1,495	-	-
Borrowings	21,733	13,414	-	-
Income tax payable	619	740	-	-
	39,993	46,520	3,031	2,150
<b>Non-current liabilities</b>				
Lease liabilities	3,153	1,729	-	-
Borrowings	157	188	-	-
Deferred tax liabilities	6	19	-	-
	3,316	1,936	-	-
<b>Total liabilities</b>	43,309	48,456	3,031	2,150
<b>NET ASSETS</b>	131,848	135,745	109,295	110,662

**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>	
	30 June 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000	30 June 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
<b>Capital and reserves</b>				
Share capital	14	14	14	14
Share premium	111,979	113,048	111,979	113,048
Treasury shares	(2,426)	(2,230)	(2,426)	(2,230)
Capital reserve	629	629	-	-
Statutory reserve	297	297	-	-
Retained earnings (Accumulated losses)	23,796	25,531	(272)	(170)
Translation reserves	(1,141)	(199)	-	-
Equity attributable to owners of the Company	133,148	137,090	109,295	110,662
Non-controlling interest	(1,300)	(1,345)	-	-
<b>Total equity</b>	<b>131,848</b>	<b>135,745</b>	<b>109,295</b>	<b>110,662</b>

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

	<b>Group</b>	
	As at 30 June 2023 (Unaudited) \$'000	As at 31 December 2022 (Audited) \$'000
<b>Total borrowings</b>		
- Amount repayable in one year or less or on demand (secured)	21,733	13,414
- Amount repayable after one year (secured)	157	188
	<b>21,890</b>	<b>13,602</b>
<b>Lease liabilities</b>		
- Amount repayable in one year or less or on demand (unsecured)	2,459	1,495
- Amount repayable after one year (unsecured)	3,153	1,729
	<b>5,612</b>	<b>3,224</b>

Apart from the above, the Group does not have any unsecured borrowings and debt securities as at 30 June 2023 and 31 December 2022.

**Details of any collaterals:**

As at 30 June 2023, borrowings amounting to \$21,890,000 (31 December 2022: \$13,602,000) are singly or jointly guaranteed by (i) Mr. Guo Jingyu, the Executive Chairman and Group CEO and controlling shareholder, (ii) third parties, (iii) restricted bank deposits of not less than RMB20 million, (iv) the Group's motor vehicle and (v) assignment of sales contracts 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 period of the immediately preceding financial period.

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
	\$'000	\$'000
<b>Operating activities</b>		
Loss before income tax	(1,940)	(1,951)
Adjustments for:		
Amortisation of films and drama products	117	299
Amortisation of intangible assets	356	326
Depreciation of plant and equipment	663	591
Depreciation of right-of-use assets	1,096	1,035
Reversal of expected credit losses	(335)	(300)
Written-off of inventories	59	-
Bad debts written off	8	15
Interest income	(281)	(153)
Interest expense	1,292	638
Gain on structured deposits	(1)	(3)
Share of result from associate	4	(8)
Share of result from joint venture	175	154
Net foreign exchange difference	(185)	(441)
Operating cash flows before movements in working capital	1,028	202
Films and drama productions in progress (Note A)	(3,225)	(6,245)
Films and drama products	80	3,363
Trade, notes and other receivables	11,666	15,459
Amount due from related parties	823	(813)
Contract assets	8,631	(381)
Contract costs	395	(502)
Trade and other payables	(13,020)	(6,600)
Amount due to related parties	(1,106)	(176)
Amount due from joint venture	-	50
Inventories	83	-
Contract liabilities	(2,770)	3,262
Cash generated from operating activities	2,585	7,619
Interest received	400	153
Interest paid	(154)	(392)
Income tax paid	(266)	(7,714)
Net cash generated from (used in) operating activities	2,565	(334)
<b>Investing activities</b>		
Purchase of plant and equipment (Note B)	(120)	(36)
Deposit paid for acquisition of shares in a subsidiary <sup>1</sup>	(963)	-
Investment in financial assets at fair value through profit or loss	(3,313)	-
Proceeds from derecognition of financial assets at fair value through profit or loss	714	-
Investment in structured deposits (Note C)	1	3
Purchase of intangible assets	(58)	(1,524)
Investment in joint operation	-	(69)
Net cash used in investing activities	(3,739)	(1,626)

<sup>1</sup> SGX announcement reference: SG230331OTHR04WH

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

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
	\$'000	\$'000
<b>Financing activities</b>		
Dividends paid to shareholders	(1,069)	(1,070)
Repayment of lease liabilities	(1,422)	(969)
Proceeds of film investment fund from an investor at amortised cost	965	-
Proceeds from borrowings	8,812	-
Repayment of borrowings	(29)	-
Shares repurchased	(196)	(1,437)
Capital contribution from a non-controlling interest	17	60
IPO listing expenses paid	(5)	-
Net cash from (used in) financing activities	<u>7,073</u>	<u>(3,416)</u>
Net increase (decrease) in cash and cash equivalents	5,899	(5,376)
Cash and cash equivalents at beginning of period (Note D)	32,886	32,312
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(20)	10
Cash and cash equivalents at end of period (Note D)	<u>38,765</u>	<u>26,946</u>

Note A:

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
	\$'000	\$'000
Additions of films and drama productions in progress	4,207	6,966
Sales of films and drama productions in progress	(982)	(709)
Less: Non-cash movement:		
Amortisation of intangible assets capitalised as films and drama productions in progress	-	(12)
	<u>3,225</u>	<u>6,245</u>

Note B:

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
	\$'000	\$'000
Purchase of plant and equipment	177	36
Less: Current period purchase of plant and equipment unpaid as at the end of the current period	(57)	-
	<u>120</u>	<u>36</u>

Note C:

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. During the half year ended 30 June 2023, the gross investment and proceeds arising from such investment upon maturity amounted to \$1,930,000 and \$1,931,000 (half year ended 30 June 2022: \$1,269,000 and \$1,272,000).

Note D:

As at 30 June 2023, cash and cash equivalents in the statement of cash flows exclude restricted bank deposits amounting to \$3,738,000 (31 December 2022: \$3,874,000) pledged to a bank to secure short-term borrowings granted to the Group. The Group's restricted bank deposits carry fixed interest at 2.0% (31 December 2022: 2.0%) per annum and will be released upon the repayment of the short-term borrowings.



## 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 period of the immediately preceding financial period.

### 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 2023</b>	14	113,048	(2,230)	629	297	25,531	(199)	137,090	(1,345)	135,745
<i>Total comprehensive loss for the period:</i>										
Loss for the period	-	-	-	-	-	(1,735)	-	(1,735)	(156)	(1,891)
Other comprehensive (loss) profit for the period	-	-	-	-	-	-	(942)	(942)	184	(758)
	-	-	-	-	-	(1,735)	(942)	(2,677)	28	(2,649)
<i>Transactions with owners, recognised directly in equity:</i>										
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	17	17
Shares repurchased	-	-	(196)	-	-	-	-	(196)	-	(196)
Dividends	-	(1,069)	-	-	-	-	-	(1,069)	-	(1,069)
	-	(1,069)	(196)	-	-	-	-	(1,265)	17	(1,248)
<b>Balances at 30 June 2023</b>	14	111,979	(2,426)	629	297	23,796	(1,141)	133,148	(1,300)	131,848
<b>Balances at 1 January 2022</b>	14	114,118	(367)	629	297	34,913	2,939	152,543	(444)	152,099
<i>Total comprehensive loss for the period:</i>										
Loss for the period	-	-	-	-	-	(1,411)	-	(1,411)	(374)	(1,785)
Other comprehensive loss for the period	-	-	-	-	-	-	(1,175)	(1,175)	-	(1,175)
	-	-	-	-	-	(1,411)	(1,175)	(2,586)	(374)	(2,960)
<i>Transactions with owners, recognised directly in equity:</i>										
Non-controlling interest arising from investment in a subsidiary	-	-	-	-	-	-	-	-	60	60
Shares repurchased	-	-	(1,437)	-	-	-	-	(1,437)	-	(1,437)
Dividends	-	(1,070)	-	-	-	-	-	(1,070)	-	(1,070)
	-	(1,070)	(1,437)	-	-	-	-	(2,507)	60	(2,447)
<b>Balances at 30 June 2022</b>	14	113,048	(1,804)	629	297	33,502	1,764	147,450	(758)	146,692

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

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 period of the immediately preceding financial period (cont'd).

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

	<b>Share capital</b>	<b>Share premium</b>	<b>Treasury shares</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances at 1 January 2023</b>	14	113,048	(2,230)	(170)	110,662
Loss for the period, representing total comprehensive loss for the period	-	-	-	(102)	(102)
<i>Transactions with owners, recognised directly in equity:</i>					
Shares repurchased	-	-	(196)	-	(196)
Dividends	-	(1,069)	-	-	(1,069)
	-	(1,069)	(196)	-	(1,265)
<b>Balances at 30 June 2023</b>	14	111,979	(2,426)	(272)	109,295
<b>Balances at 1 January 2022</b>	14	114,118	(367)	(109)	113,656
Loss for the period, representing total comprehensive loss for the period	-	-	-	(231)	(231)
<i>Transactions with owners, recognised directly in equity:</i>					
Shares repurchased	-	-	(1,437)	-	(1,437)
Dividends	-	(1,070)	-	-	(1,070)
	-	(1,070)	(1,437)	-	(2,507)
<b>Balances at 30 June 2022</b>	14	113,048	(1,804)	(340)	110,918

## 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 2022	1,069,243,200	US\$10,738
Shares repurchased and held as treasury shares	(495,400)	*
Issued and paid-up share capital as at 30 June 2023	<u>1,068,747,800</u>	<u>US\$10,738</u>

\* Amount less than \$1,000.

As at 30 June 2023, the Company held 5,044,200 (30 June 2022: 3,642,200) treasury shares which represented 0.47% (30 June 2022: 0.34%) 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, 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 31 December 2022, being the end of the preceding period reported on.

The Company did not have any outstanding convertible securities and subsidiary holdings as at 30 June 2023 and 30 June 2022.

- 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 30 June 2023 was 1,068,747,800 ordinary shares (31 December 2022: 1,069,243,200 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 shares as at 1 January 2023	4,548,800	2,230
Shares repurchased and held as treasury shares	495,400	196
Balance of treasury shares as at 30 June 2023	<u>5,044,200</u>	<u>2,426</u>

There were no other transfers, disposals, or cancellations of treasury shares during the half year ended 30 June 2023.

- 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 period 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 2022 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 period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2022.

**4b. Whether the financial statements are prepared in accordance with the relevant accounting standards for interim 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 2023 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 period/years.

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

	<b>Group</b>	
	<b>For the half year ended</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss attributable to Shareholders (\$'000)	(1,735)	(1,411)
Weighted average number of ordinary shares ('000)	1,069,093	1,071,569
Basic and fully diluted loss per share (Singapore Cents)	<u>(0.16)</u>	<u>(0.13)</u>

The diluted (loss) per share for the half years ended 30 June 2023 and 30 June 2022 are the same as the basic (loss) 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 period reported on; and**  
**(b) immediately preceding financial period.**

	<b>Group</b>		<b>Company</b>	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Net asset value* (\$'000)	133,148	137,090	109,295	110,662
No. of ordinary shares ('000)	1,068,748	1,069,243	1,068,748	1,069,243
Net asset value per ordinary share* (Singapore Cents)	12.46	12.82	10.23	10.35

\* 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)**

**6M2023 vs 6M2022**

**Revenue**

The Group's revenue increased by approximately \$12.1 million from \$20.6 million for the half year ended 30 June 2022 ("6M2022") to \$32.7 million for the half year ended 30 June 2023 ("6M2023"). This was mainly due to the following factors:

- i. revenue contribution from Concert Production business segment of \$13.8 million (6M2022: \$Nil) in respect of two concerts held in Malaysia and Australia in January 2023 and March 2023 respectively. In 6M2022, there was no concert held;

which was partially offset by:

- i. a decrease in revenue contribution (net of inter-segment elimination) from the TV Program and Film Production business segment of approximately \$0.6 million from \$17.4 million in 6M2022 to \$16.8 million in 6M2023.

Revenue from TV Program and Film Production business segment recognised in 6M2023 was mainly in respect of one drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行". In 6M2022, the revenue contribution was from (i) the completed production of three dramas titled "Strange Tales of Tang Dynasty 唐朝诡事录", "Sisterhood 南洋女儿情" and "A Fish and A Cat 骑着鱼的猫" and (ii) sale of a script "Misty Rain 烟雨"; and

- ii. a decrease in revenue contribution (net of inter-segment elimination) from the Others business segment mainly comprising Talent Management, Costumes, Props and Make-up Services and Musical Plays of approximately \$1.1 million from \$3.2 million in 6M2022 to \$2.1 million in 6M2023, mainly due to a decrease in the number of projects for Talent Management and Costumes, Props and Make-up Services.

In 6M2023, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$18.9 million (6M2022: \$20.5 million), which is 57.9% (6M2022: 99.4%) of the total revenue of the Group.

**Gross profit**

The Group's gross profit ("GP") increased by approximately \$5.5 million from \$5.0 million in 6M2022 to \$10.6 million in 6M2023. Gross profit margin ("GPM") increased from 24.3% in 6M2022 to 32.3% in 6M2023. The increase in GP and GPM was mainly contributed by:

- i. GP contribution from the Concert Production business segment of approximately \$4.8 million with GPM of 34.6% in 6M2023 in respect of two concerts held in Malaysia and Australia in January 2023 and March 2023 respectively. There was no concert held in 6M2022;
- ii. an increase in GP contribution from the TV Program and Film Production business segment of approximately \$0.2 million from \$5.1 million in 6M2022 to \$5.3 million in 6M2023. GPM improved from 29.5% in 6M2022 to 31.9% in 6M2023 mainly in respect of one drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行"; and
- iii. an increase in GP contribution (net of inter-segment elimination) from the Others business segment mainly comprising Talent Management, Costumes, Props and Make-up Services and Musical Plays of approximately \$0.4 million from \$0.1 million in 6M2022 to \$0.5 million in 6M2023, mainly due to improved margins in projects.

#### **Other income**

The Group's other income decreased by approximately \$4.0 million from \$5.8 million in 6M2022 to \$1.8 million in 6M2023. This was mainly due to a decrease of approximately \$4.3 million from government grants. Government grants mainly comprise (a) grants in respect of certain drama and film production activities from the relevant local government authorities and (b) grants from government relief schemes.

The decrease was partially offset by an increase in rental income of \$0.2 million from the leasing of two film sets located in the PRC to third parties.

#### **Share of result from associate**

Share of result from associate relates to the Group's share of the total comprehensive loss for 6M2023, 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 result from joint venture**

Share of result from joint venture relates to the Group's share of the total comprehensive loss for 6M2023, arising from the Group's 70.0% interest in Uni-Icon Entertainment Pte. Ltd..

#### **Administrative expenses**

The Group's administrative expenses remained relatively consistent in 6M2023 and 6M2022.

#### **Selling and distribution expenses**

The Group's selling and distribution expenses decreased by approximately \$0.2 million from \$2.8 million in 6M2022 to \$2.7 million in 6M2023. This was mainly due a decrease of approximately \$0.2 million in employee benefit expenses (which includes salaries and defined contribution plans) due to a reduction in headcount arising from cost saving measures put in place.

#### **Other expenses**

Other expenses increased by approximately \$1.0 million from \$3.2 million in 6M2022 to \$4.1 million in 6M2023. This was mainly due to the following:

- i. an increase of approximately \$0.7 million in net foreign exchange loss from \$2.7 million in 6M2022 to \$3.4 million in 6M2023, primarily due to the appreciation of Singapore Dollar against Chinese Renminbi in 6M2023, mostly from intercompany balances denominated in Singapore Dollar of the entities of the Group in the PRC of which the financial statements are prepared in Chinese Renminbi, as the Group has significant operations in the PRC; and
- ii. the half year impact of amortisation and share of joint operations' rental expenses of approximately \$0.2 million in 6M2023 mainly arising from the jointly-owned film sets in the PRC. These film sets are held for leasing purpose and for own use.

## **Finance cost**

Finance cost increased by approximately \$0.7 million from \$0.6 million in 6M2022 to \$1.3 million in 6M2023, mainly due to additional borrowings drawdown in 6M2023.

## **Loss for the period**

The Group registered a loss after tax of \$1.9 million (6M2022: \$1.8 million) for 6M2023, primarily due to net foreign exchange loss of \$3.4 million (6M2022: \$2.7 million) arising from the appreciation of Singapore Dollar against Chinese Renminbi in 6M2023, mostly from intercompany balances denominated in Singapore Dollar of the entities of the Group in the PRC of which the financial statements are prepared in Chinese Renminbi, as the Group has significant operations in the PRC.

In 6M2023, the total loss for the period derived from the PRC Affiliated Entities amounted to approximately \$1.9 million (6M2022: \$0.4 million), representing more than 100.0% (6M2022: 19.9%) of the Group's total loss for the period.

## **Review of Financial Position (Consolidated Statement of Financial Position)**

### **30 June 2023 vs 31 December 2022**

#### **Current assets**

The Group's current assets decreased by approximately \$10.3 million from \$166.6 million as at 31 December 2022 to \$156.3 million as at 30 June 2023. The decrease was mainly due to the following factors:

- i. a decrease of approximately \$14.6 million in trade and notes receivables, mainly due to receipts for drama and film productions sold partially offset by sales billings;
- ii. a decrease of approximately \$8.5 million in contract assets, mainly due to sales billing and translation loss arising from the appreciation of Singapore Dollar against Chinese Renminbi as the Group has significant operations in the PRC partially offset by ongoing or completed drama and film productions to represent the Group's right to consideration for drama and film productions in progress or completed but not billed at 30 June 2023;
- iii. a decrease of approximately \$0.4 million in contract costs as these contract costs incurred in relation to two concerts were recognised as cost of sales when the concerts were held in 6M2023; and
- iv. a decrease of approximately \$0.8 million in amount due from related parties, mainly due to a decrease in prepayment made to an entity connected to a non-controlling shareholder and non-executive Director in relation to the Concert Production business. The prepayment was recognised as cost of sales when the concerts were held in 6M2023.

The decrease was partially offset by:

- i. an increase of approximately \$5.7 million in cash and cash equivalents, mainly due to cash generated from operating activities and borrowings drawn down in 6M2023. Please refer to <Review of Cash Flows (Consolidated Statement of Cash Flow)> for details;
- ii. an increase of approximately \$3.2 million in other receivables mainly due to the (i) deposit paid for the acquisition of shares in a subsidiary, (ii) net increase in prepayments and advances to third parties and a third-party contractor. These prepayments and advances are made for preparation work in relation to various ongoing and upcoming drama, film and concert projects, including but not limited to the artiste fees, purchase and/or development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects offset by receipts of advances paid to production crew and staff, after netting against actual expenditure and upon final settlement with crew and staff, and (iii) increase in VAT receivables. The increase was partially offset by receipts from outside parties in relation to investment in concert and film productions upon final settlements;
- iii. an increase of approximately \$3.2 million in financial assets at fair value through profit or loss ("FVTPL"), for concert investments advanced to external parties for the financing of production and marketing expenditure that are associated with the concerts that the Group had invested in; and
- iv. an increase of approximately of \$2.2 million in films and drama productions in progress representing production costs, costs of services, direct labour costs, facilities and raw materials consumed under ongoing drama and film productions.

### **Non-current assets**

The Group's non-current assets increased by approximately \$1.2 million from \$17.6 million as at 31 December 2022 to \$18.9 million as at 30 June 2023, mainly due to:

- i. an increase of approximately \$2.3 million in right-of-use assets, arising from the new lease of office premises and a film set in Indonesia; and
- ii. an increase of approximately \$0.1 million in deferred tax assets arising from additional deductible temporary differences and unutilised tax losses in 6M2023.

The increase was partially offset by:

- i. a decrease of approximately \$0.6 million and \$0.4 million in plant and equipment and intangible assets respectively mainly due to routine depreciation and amortisation; and
- ii. a decrease of approximately \$0.2 million for investment in joint venture due to the Group's share of the total comprehensive loss for 6M2023 from the joint venture.

### **Current liabilities**

The Group's current liabilities decreased by approximately \$6.5 million from \$46.5 million as at 31 December 2022 to \$40.0 million as at 30 June 2023. The decrease was mainly due to the following factors:

- i. a net decrease of approximately \$12.7 million in trade and other payables mainly due to the (i) payment for amounts due to joint operators which pertains to the proportionate share of revenue from concert production attributable to the joint operators, (ii) repayment of advances received from a joint operator, an entity connected to a shareholder of the company for joint operation in a drama production, (iii) payment of amounts due to vendors and accruals in the ordinary course of business for trade purchases and ongoing operating costs and (iv) decrease in VAT payables.
- ii. a decrease of approximately \$2.8 million in contract liabilities as these amounts are recognised as revenue when the Group has fulfilled its performance obligation;
- iii. a decrease in the amount due to related parties of approximately \$1.1 million which was mainly due to payment for payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees and concert production related costs; and
- iv. a decrease of approximately \$0.1 million in income tax payable, mainly due to repayment of income tax.

The decrease was partially offset by:

- i. film investment funds of approximately \$0.9 million received from an investor in 6M2023 for a drama production;
- ii. an increase of approximately \$1.0 million in lease liabilities, mainly arising from the new lease of office premises and a film set in Indonesia partially offset by repayment of lease liabilities; and
- iii. a net increase of approximately \$8.3 million in borrowings due to borrowings drawdown in 6M2023.

### **Non-current liabilities**

The Group's non-current liabilities increased by approximately \$1.4 million from \$1.9 million as at 31 December 2022 to \$3.3 million as at 30 June 2023 mainly due to a net increase of approximately \$1.4 million in lease liabilities, mainly arising from the new lease of office premises and a film set in Indonesia, partially offset by the repayment of lease liabilities.

### **Shareholders' Equity**

Shareholders' equity decreased by approximately of \$3.9 million from \$135.7 million as at 31 December 2022 to \$131.8 million as at 30 June 2023 mainly due to the following:

- i. shares repurchased amounting to approximately \$0.2 million in 6M2023;
- ii. final dividends of \$1.1 million declared in respect of the year ended 31 December 2022 ("**FY2022**");



- iii. loss after tax of approximately \$1.7 million for 6M2023 attributable to owners of the Group; and
- iv. a decrease in translation reserves of approximately \$0.9 million primarily due to appreciation of Singapore Dollars against Chinese Renminbi in 6M2023.

The Group has working capital of \$116.3 million as at 30 June 2023 (31 December 2022: \$120.1 million).

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

#### **Net cash generated from operating activities**

The Group generated cash inflows from operating activities before movements in working capital of approximately \$1.0 million, with net changes in working capital of approximately \$1.6 million, income tax paid and net interest received of approximately \$0.3 million and \$0.2 million respectively.

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

- i. a decrease in trade, notes and other receivables of approximately \$11.7 million mainly due to mainly due to receipts for drama and film productions sold. This is partially offset by the following (i) sales billings for drama and film productions and (ii) net increase in prepayments and advances to third parties and third-party contractor. These prepayments and advances are made for preparation work in relation to various ongoing and upcoming drama and film projects, including but not limited to the artiste fees, purchase and/or development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects offset by receipts of advances paid to production crew and staff, after netting against actual expenditure and upon final settlement with crews and staff and (iii) increase in VAT receivables.
- ii. a decrease of approximately \$8.6 million in contract assets, mainly due to sales billing partially offset by ongoing or completed drama and film productions to represent the Group's right to consideration for drama and film productions in progress or completed but not billed as at 30 June 2023; and
- iii. a decrease of approximately \$0.4 million in contract costs as these contract costs incurred in relation to two concerts were recognised as cost of sales when the concerts were held in 6M2023.

This was partially offset by the following:

- i. a net decrease of approximately \$13.0 million in trade and other payables mainly due to the (i) payment for amounts due to joint operators which pertains to the proportionate share of revenue from concert production attributable to the joint operators, (ii) repayment of advances received from a joint operator, an entity connected to a shareholder of the company for joint operation in a drama production, (iii) payment of amounts due to vendors and accruals in the ordinary course of business for trade purchases and ongoing costs and (iv) decrease in VAT payables;
- ii. a decrease in contract liabilities of approximately \$2.8 million as these amounts were recognised as revenue when the Group fulfilled its performance obligations;
- iii. ramping up of production volume that resulted in a net increase in films and drama productions in progress of approximately \$3.1 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 partially offset by the cost of dramas and films recognised in 6M2023; and
- iv. a net decrease in the amount due from/(to) related parties of approximately \$0.3 million mainly due to payment for payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees and concert production related costs. This was partially offset by the decrease in prepayment made to an entity connected to a non-controlling shareholder and non-executive Director in relation to the Concert Production business. The prepayment was recognised as cost of sales when the concerts were held in 6M2023.

Net cash generated from operating activities was approximately \$2.6 million.

### Net cash used in investing activities

Net cash used in investing activities amounted to approximately \$3.7 million mainly due to the following:

- i. an increase of approximately \$0.1 million in plant and equipment, mainly due to renovation for a film set located in the PRC;
- ii. an increase of approximately \$3.3 million in financial assets at FVTPL, for concert investments advanced to external parties for the financing of production and marketing expenditure that are associated with the concerts that the Group has invested in; and
- iii. a deposit of approximately \$1.0 million paid for the acquisition of shares in a subsidiary; partially offset by
- iv. proceeds of approximately \$0.7 million received from an external party in relation to an investment in concert production upon final settlement.

### Net cash from financing activities

Net cash generated from financing activities amounted to \$7.1 million mainly due to the following:

- i. net increase of approximately \$8.8 million in borrowings mainly due to proceeds from borrowings partially offset by repayment of bank borrowings; and
- ii. film investment funds of approximately \$1.0 million received from an investor for a drama production; partially offset by
- iii. payment of final dividends of approximately \$1.1 million in respect of FY2022;
- iv. payment of lease liabilities of approximately \$1.4 million; and
- v. shares repurchased of approximately \$0.2 million in 6M2023.

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

The Company received net proceeds amounting to approximately \$101.0 million from the initial public offering ("IPO"), after deducting listing expenses of approximately \$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 at 7 August 2023 \$'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>(2)</sup>	64.5	(64.5)	-
Expansion of the Concert Production business via investment in production <sup>(3)</sup> , acquisitions, joint ventures and/or strategic alliances	21.5	(3.0)	18.5
General working capital purposes	15.0	(8.2) <sup>(4)</sup>	6.8
Total	101.0	(75.7)	25.3

#### Notes:

- (1) Such investments have included and may include, but are not limited to, the production of dramas, films, online video series, musicals, and stage plays.
- (2) It is intended that out of the gross proceeds to be used for expansion of the TV program and film production business via investment in production, acquisitions, joint ventures and/or strategic alliances, 70.0% and 30.0% will be used for the expansion of the TV program and film production business in the PRC and other countries respectively.
- (3) Such investments may include, but are not limited to, undertaking the production of concerts for a larger number of artistes in Singapore and in the region.
- (4) Approximately \$8.2 million was used for general working capital purposes from listing to the date of this announcement mainly: (a) payment for professional fees of approximately \$0.9 million, payment

for employees' salaries of approximately \$5.0 million and payment for office rental expenses of approximately \$0.6 million; and (b) payment for income tax of approximately \$1.7 million.

The above utilisations of the net IPO proceeds are in accordance with the intended use of proceeds from the IPO as stated in the Prospectus dated 11 December 2020. The Company will continue to make periodic announcements on the utilisation of the balance of the net proceeds from the IPO 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 is a leading diversified group within Asia's media and entertainment industry, with a focus on the drama and film production as well as concert production across the Asia-Pacific region.

Television Program and Film Production

In April 2023, the Group entered into a co-production agreement ("Co-Production Agreement") with iQIYI Inc. (北京爱奇艺科技有限公司), a company listed on NASDAQ Global Select Market. Pursuant to the Co-Production Agreement, both parties have agreed to co-produce a web drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行". The Group expects to complete the production for this drama series in 3<sup>rd</sup> quarter of 2023.

In June 2023, Tencent Video announced its drama list for 2023 which includes a co-production with the Group titled "Contenders 狮城山海"<sup>3</sup>. The Group expects to commence filming for "Contenders 狮城山海" in the 4<sup>th</sup> quarter of FY2023.

The Group is expected to commence pre-production for "Nanyang Transport Volunteers 南洋英雄", the third drama series of the Nanyang genre in the 3<sup>rd</sup> quarter of 2023. In addition, the Group has launched its own label "Legendary short drama" on Douyin (抖音) (also known as Tik Tok) to target new audience base and harness new opportunities.

The Group also expects to materialise drama production collaborations with Youku in the 4<sup>th</sup> quarter of FY2023.

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

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

The Group believes that there will be more positive sentiments in the financial years ending 31 December 2023 ("FY2023") and 31 December 2024 ("FY2024"), with an expected increase in the number of long-drama productions in FY2023 and FY2024 as compared to FY2022.

Leveraging on the Group's high-quality entertainment content, the Group aims to attract other sources of revenue, including but not limited to advertisements and e-commerce marketing and to further grow its market share in the region.

The Group will also 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 is not limited to increased investment in special effects and 5G content technology to meet the strong demand of high-definition visual experiences from films, dramas, advertising and other digital media applications.

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<sup>3</sup> Extracted from [http://slide.ent.sina.com.cn/tv/slide\\_4\\_704\\_386522.html#p=5](http://slide.ent.sina.com.cn/tv/slide_4_704_386522.html#p=5)

Barring unforeseen circumstances, the Group anticipates a stronger pipeline of content to be added in FY2023 and FY2024.

#### Concert Production

The Group's concert production business activities have rebounded strongly and continue to exhibit growth momentum. The Group has completed concert productions in Malaysia and Australia in 1<sup>st</sup> quarter of 2023.

PRC's reopening has brought on new opportunities where we see a repeat trend of the pent-up demand for concerts and live entertainment in China. The Group expects to invest in Jay Chou's Carnival World concerts in four Chinese cities including Taiyuan and Hohhot in the PRC in 2<sup>nd</sup> half year of 2023. The Group has also invested in Chris Li Yuchun's 李宇春 2023 Beijing, China concert tour.

Besides ramping up its concert productions, the Group has leveraged on its "IP franchise" business strategy to successfully create large-scale original musicals of "The Ferryman 灵魂摆渡" and "Strange Tales of Tang Dynasty 唐朝诡事录". These two musicals have been ranked among the top three in China's original musical charts by "Damai 大麦" and Douyin in 2022. The Group expects to have close to 100 shows in China in FY2023 and FY2024.

Looking towards FY2023 and FY2024, the Group is cautiously optimistic that this business segment will be the second growth engine of the Group, furthering boosting its financial performance.

#### Overall

The Group believes that providing a good variety of high-quality content and adapting evolving viewership preferences are the most effective methodologies to expand the Group's revenue streams and market share. The Group's strategic priorities for the future include improving its content and through broadening its slate through (i) creating original and well-received drama and film productions, (ii) maximising the synergies of the Group's unique eco-system to deepen consumers' connection to the dramas and films including but not limited to characters and stories, and (iii) utilising new technologies to provide consumers with the best entertainment experience possible.

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

The Group's long term financial objectives remain unchanged and the Group will continue to be committed in its revenue growth, enhancement of operating margins and delivery of positive free cashflow annually. The Group prioritises its cash for reinvestment in the core businesses and for funding 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 continue to keep the 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?**

No dividend has been recommended or declared for 6M2023.

### **(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)?**

Not applicable.

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

Nil

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

Not applicable.

- (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.**

Not applicable.

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

No interim dividend has been declared in 6M2023. The Company pays a final dividend as recommended by the Board and approved by the Shareholders at the Annual General Meeting.

- 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 27 April 2023:

<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>
Sure Legend International Limited <sup>(1)</sup>	-	1,148
JVR Music International Ltd <sup>(2)</sup>	163	-
Taiho Holding Limited <sup>(3)</sup>	76	-
Kang Ru Investments Limited <sup>(4)</sup>	640	-
Mr. Guo Jingyu <sup>(5) (6)</sup>	5	-
Ms. Yue Lina <sup>(7)</sup>	-	13
Mr. Yang Zhigang <sup>(8)</sup>	-	21

**Notes:**

- (1) Related to grant of the rights to undertake the production of concerts by Sure Legend International Limited, which is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director and non-controlling shareholder.
- (2) Related to artiste service fees and concert production sundry expenses paid to JVR Music International Ltd. JVR Music International Ltd is 45.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.
- (3) Related to the final dividends in respect of FY2022 paid to Taiho Holding Limited, which is 50.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.
- (4) Related to the final dividends in respect of FY2022 paid to Kang Ru Investments Limited, which is 100.0% owned by Mr. Guo Jingyu, the Executive Chairman and Group CEO and controlling shareholder.
- (5) Related to the final dividends in respect of FY2022 paid to Mr. Guo Jingyu, the Executive Chairman and Group CEO and controlling shareholder.
- (6) As at date of this announcement, credit line facilities of up to approximately RMB 65.0 million and \$0.3 million are singly or jointly secured by personal guarantees provided by Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder, third parties as well as restricted bank deposits of not less than RMB20 million and assignment of sales contract and sales proceeds as well as the Group’s motor vehicle.
- (7) Related to fees for acting services paid by the Group to Ms. Yue Lina, an Executive Director.
- (8) Related to fees for acting services paid by the Group to Mr. Yang Zhigang. Mr. Yang Zhigang is the brother of Mr. Guo Jingyu, the Executive Chairman and Group CEO and controlling shareholder.

**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.**

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 segments. 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 produced by the Group and third-party production companies, 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.

**Group  
For the half year ended 30 June 2023**

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	16,904	13,757	2,168	32,829
Inter-segment elimination	(134)	-	(18)	(152)
	<u>16,770</u>	<u>13,757</u>	<u>2,150</u>	<u>32,677</u>
Gross profit	4,997	2,958	466	8,421
Inter-segment elimination	351	1,806	(11)	2,146
	<u>5,348</u>	<u>4,764</u>	<u>455</u>	<u>10,567</u>
Other income				1,842
Share of result from associate				(4)
Share of result from joint venture				(175)
Administrative expenses				(6,079)
Selling and distribution expenses				(2,657)
Other expenses				(4,142)
Finance costs				(1,292)
Loss before income tax				(1,940)
Income tax credit				49
Loss for the period				<u>(1,891)</u>

**Group**  
**For the half year ended 30 June 2022**

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<b><u>Segment revenue and results</u></b>				
Revenue	17,402	-	5,940	23,342
Inter-segment elimination	-	-	(2,717)	(2,717)
	17,402	-	3,223	20,625
Gross profit	5,027	(208)	2,793	7,612
Inter-segment elimination	112	-	(2,704)	(2,592)
	5,139	(208)	89	5,020
Other income				5,801
Share of result from associate				8
Share of result from joint venture				(154)
Administrative expenses				(5,997)
Selling and distribution expenses				(2,824)
Other expenses				(3,167)
Finance costs				(638)
Loss before income tax				(1,951)
Income tax credit				166
Loss for the period				(1,785)

**Disaggregation of Revenue**

**Group**  
**For the half year ended 30 June 2023**

	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	99	13,757	2,150	16,006
Over time	16,671	-	-	16,671
	16,770	13,757	2,150	32,677
<i>Geographical information:</i>				
PRC	16,770	-	2,142	18,912
Singapore	-	5	8	13
Australia	-	8,367	-	8,367
Malaysia	-	5,385	-	5,385
	16,770	13,757	2,150	32,677

**Group**  
**For the half year ended 30 June 2022**

	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	6,824	-	3,223	10,047
Over time	10,578	-	-	10,578
	17,402	-	3,223	20,625
<i>Geographical information:</i>				
PRC	17,322	-	3,175	20,497
Singapore	80	-	48	128
	17,402	-	3,223	20,625

Revenue contribution from a single region is disclosed separately when it exceeds 10.0% 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**

**6M2023 vs 6M2022**

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

The Group's revenue from customers located outside Singapore accounted for 99.9% (6M2022: 99.4%) of the Group's total revenue. In 6M2023, the copyright and ancillary rights to the ongoing and completed film and drama productions under the TV Program and Film Production business segment were sold to customers located in the PRC, two concert productions were held in Malaysia and Australia and provision of talent management services and costume, props and make-up services were mainly provided to customers located in the PRC.

**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 6M2023:

**Investment / acquisition of shares in a subsidiary**

Investment in a subsidiary, representing 80% equity interest in Studio Management Services Sdn. Bhd.

On 18 April 2023, the Company through its indirect wholly-owned subsidiary, GHY Culture & Media (Malaysia) Sdn. Bhd. acquired 80% of the issued shares in the capital of Studio Management Services Sdn. Bhd., a company incorporated in Malaysia for a total consideration of MYR8,840,000 (announcement reference: SG230331OTHR04WH).

None of the directors or controlling shareholder of the Company has any interest, direct or indirect, in the above investment / acquisition of shares in the subsidiary. The above investment / acquisition of shares in the subsidiary is not expected to have any material effect on the net tangible assets or earnings per share of the Company for FY2023.

**18. Negative confirmation pursuant to Rule 705(5).**

The Board of Directors hereby confirms, to the best of their knowledge, that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half year ended 30 June 2023 to be false or misleading in any material aspect, having considered that, including but not limited to, all material information has been assessed to ensure the reliability of the financial results, and the financial statements provide a fair and balanced view of any material factors that have affected the Company's business conditions and financial position, including the impact of the appreciation of Singapore Dollar against Chinese Renminbi.

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

**19. Corporate Incorporation**

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

The principal activities of the Group are investment holding, Television Program and Film Production, Concert Production, Talent Management Services, Costumes, Props and Makeup Services, Consultancy services and the renting and leasing of concert equipment.



## 20. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. 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 Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 20.1.

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

### 20.1 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 2023 does not have a material financial effect on the Group and the Company.

### 20.2 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 2022 remain relevant.

## 21. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the half year ended 30 June 2023.

## 22. Related Parties Transactions

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

### 23(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 30 June 2023 and 31 December 2022:

	Group		Company	
	As at 30 June 2023 (Unaudited) \$'000	As at 31 December 2022 (Audited) \$'000	As at 30 June 2023 (Unaudited) \$'000	As at 31 December 2022 (Audited) \$'000
<b>Financial Assets</b>				
Financial assets at amortised cost	78,725	87,316	103,702	104,255
Financial assets at fair value through profit or loss	5,819	2,662	-	-
	<u>84,544</u>	<u>89,978</u>	<u>103,702</u>	<u>104,255</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	29,049	31,831	2,916	2,126
Lease liabilities	5,612	3,224	-	-
	<u>34,661</u>	<u>35,055</u>	<u>2,916</u>	<u>2,126</u>

## 23(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:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) 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
- (c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

	<b>Group</b>	
	30 June 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
At the beginning of the period/year	2,662	3,029
Additions:		
- Cash	3,313	820
- Non-cash <sup>(i)</sup>	155	397
Changes in fair value		
- Fair value loss	-	(145)
- Loss on derecognition	-	(200)
Settlement:		
- Cash	-	(9)
- Non-cash <sup>(ii)</sup>	(109)	(972)
Exchange differences	(202)	(258)
At the end of the period/year	<u>5,819</u>	<u>2,662</u>

- (i) In 6M2023, an amount of \$155,000 due from an external party was converted into an investment in a film to be produced and distributed by the external party.

As at 31 December 2021, an amount of \$397,000 was due from an external party. In 2022, this amount was converted into investments in films to be distributed by the external party.

- (ii) In 6M2023, the Group was entitled to proceeds of \$109,000 from completed films, out of which \$28,000 was converted into an investment in film to be produced and distributed by the external party. As at date of announcement, the remaining amount of \$81,000 has not been collected.

In 2022, the Group was entitled to proceeds of \$981,000 from completed film and concert investments, out of which \$972,000 remained uncollected as at 31 December 2022. In 6M2023, an amount of \$714,000 was collected and an amount of \$50,000 was converted into an investment in film to be produced and distributed by the external party. As at the date of this announcement, the remaining amount of \$208,000 has not been collected.

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

At the reporting date, the fair value of investment is determined based on the estimation of box office revenue, fees from licensing rights and revenue from ticket sales and sponsorship revenue. There is no change in fair value in 6M2023 and 6M2022. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

### 23(c). Intangible assets

	<b>Group</b>				
	Film and drama adaptation licenses	Rights to the film set	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Half year ended 30 June 2023</b>					
<b>(Unaudited)</b>					
Cost:					
At 1 January 2023	146	3,582	119	80	3,927
Additions	-	-	-	58	58
Exchange difference	-	(147)	-	(5)	(152)
At 30 June 2023	<u>146</u>	<u>3,435</u>	<u>119</u>	<u>133</u>	<u>3,833</u>
Accumulated amortisation:					
At 1 January 2023	143	927	91	48	1,209
Amortisation charge	3	319	20	14	356
Exchange difference	-	(47)	-	(2)	(49)
At 30 June 2023	<u>146</u>	<u>1,199</u>	<u>111</u>	<u>60</u>	<u>1,516</u>
Accumulated impairment:					
At 1 January 2023	-	138	-	-	138
Impairment charge	-	-	-	-	-
Exchange differences	-	(7)	-	-	(7)
At 30 June 2023	<u>-</u>	<u>131</u>	<u>-</u>	<u>-</u>	<u>131</u>
Carrying amount:					
At 30 June 2023	<u>-</u>	<u>2,105</u>	<u>8</u>	<u>73</u>	<u>2,186</u>
At 1 January 2023	<u>3</u>	<u>2,517</u>	<u>28</u>	<u>32</u>	<u>2,580</u>

	<b>Group</b>				
	Film and drama adaptation licenses	Rights to the film sets	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>For the year ended</b>					
<b>31 December 2022 (Audited)</b>					
Cost:					
At 1 January 2022	146	2,330	119	88	2,683
Additions	-	1,493	-	-	1,493
Exchange difference	-	(241)	-	(8)	(249)
At 31 December 2022	<u>146</u>	<u>3,582</u>	<u>119</u>	<u>80</u>	<u>3,927</u>
Accumulated amortisation:					
At 1 January 2022	122	359	51	20	552
Amortisation charge	21	625	40	31	717
Exchange difference	-	(57)	-	(3)	(60)
At 31 December 2022	<u>143</u>	<u>927</u>	<u>91</u>	<u>48</u>	<u>1,209</u>
Accumulated impairment:					
At 1 January 2022	-	-	-	-	-
Impairment charge	-	143	-	-	143
Exchange differences	-	(5)	-	-	(5)
At 31 December 2022	<u>-</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>138</u>
Carrying amount:					
At 31 December 2022	<u>3</u>	<u>2,517</u>	<u>28</u>	<u>32</u>	<u>2,580</u>
At 1 January 2022	<u>24</u>	<u>1,971</u>	<u>68</u>	<u>68</u>	<u>2,131</u>

\* Amount less than \$1,000.

For the half year ended 30 June 2023, there is nil (30 June 2022: \$12,000) amortisation expense capitalised in the line item 'films and drama productions in progress'.

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

	<b>Group</b>
	\$'000
Cost as at 1 January 2022, 31 December 2022 and 30 June 2023	1,111
Accumulated impairment	-
Carrying amount as at 1 January 2022, 31 December 2022 and 30 June 2023	<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 estimated 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 1.0% (2022: 1.0%). This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows is 14.3% (31 December 2022: 14.3%).

As at 30 June 2023 and 31 December 2022, 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.

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

During 6M2023, the Group acquired plant and equipment of approximately \$177,000 (6M2022: \$36,000) and there was no disposal of plant and equipment in 6M2023 (6M2022: \$Nil).

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

During 6M2023, the Group acquired right-of-use assets of approximately \$3,622,000 (6M2022: \$48,000) and there was no disposal of right-of-use assets in 6M2023 (6M2022: \$Nil).

#### 24. Taxation

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
	\$'000	\$'000
<b>Tax (credit) expense comprises:</b>		
Current tax		
- Current period	204	226
- (Over)Underprovision of prior year tax	(77)	13
Deferred tax	(225)	(405)
Withholding Tax	49	-
Income tax credit	<u>(49)</u>	<u>(166)</u>

## 25. Other receivables

	Group		Company	
	As at 30 June 2023 \$'000	As at 31 December 2022 \$'000	As at 30 June 2023 \$'000	As at 31 December 2022 \$'000
Other receivables (current portion):				
Outside parties*	1,162	1,580	-	-
Subsidiary and related company	-	-	7,894	7,832
Film investment funds advanced to outside parties**	1,289	1,247	-	-
Advances to staff	24	132	-	-
Advances to a third-party contractor	1,223	818	-	-
Director of a subsidiary	299	310	-	-
Refundable security deposits	1,159	163	-	-
Prepayments***	10,469	8,454	49	39
Value-added tax receivable	1,255	880	-	-
Interest receivables from bank	19	138	-	-
Grant receivables	-	20	-	-
	<u>16,899</u>	<u>13,742</u>	<u>7,943</u>	<u>7,871</u>
Other receivables (non-current portion):				
Refundable security deposits	103	104	-	-
Total	<u>17,002</u>	<u>13,846</u>	<u>7,943</u>	<u>7,871</u>

\* These amounts were mainly proceeds from completed drama, film and concert investments and 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 advances 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.

\*\* As of 30 June 2023, the film investment funds advanced to two investors for two drama and film productions are carried at amortised cost, bore interest ranging from 15% to 16% per annum and are repayable within 12 months.

\*\*\* The amounts were mainly utilised in the ordinary course of business in respect of preparation work for various ongoing and upcoming drama and film productions 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 productions. Such amounts are paid in accordance with the planned production schedule.

## 26. 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  
7 August 2023

Wang Qing  
Executive Director