



长信传媒

G.H.Y Culture & Media

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

(Company Number: 337751)

Tel: +65 6352 6778

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2024

Singapore, 6 August 2024 – The directors (“Directors”) of G.H.Y Culture & Media Holding Co., Limited (the “Company”, and together with its subsidiaries and its PRC Affiliated Entities¹, the “Group”) announce the following unaudited results of the Group for the half year ended 30 June 2024.

The announcement is also available at the Company’s website: <https://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.

¹ Entities which the Group is conferred operational control and economic rights over, and the Group is able to exercise control over the business operations of such entities and enjoy substantially all the economic rights arising from the business of such entities. The Group regards each PRC Affiliated Entity as a controlled structured entity and consolidates the financial positions and results of operations of the PRC Affiliated Entities in the financial statements of the Group.

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.

	Group			
	For the half year ended			
	30 June 2024 (Unaudited) \$'000	30 June 2023 (Unaudited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Revenue	26,980	32,677	(5,697)	(17)
Cost of sales	(21,742)	(22,110)	(368)	(2)
Gross profit	5,238	10,567	(5,329)	(50)
Other income	1,749	1,842	(93)	(5)
Share of result from associate	3	(4)	7	(175)
Share of result from joint venture	(57)	(175)	(118)	(67)
Administrative expenses	(5,995)	(6,079)	(84)	(1)
Selling and distribution expenses	(2,668)	(2,657)	11	-
Other expenses - others	(920)	(4,142)	(3,222)	(78)
Other expense – non-recurring	(16,098)	-	16,098	NA
Finance costs	(382)	(1,292)	(910)	(70)
Loss before income tax	(19,130)	(1,940)	17,190	886
Income tax credit	399	49	350	714
Loss for the period	(18,731)	(1,891)	16,840	891
Other comprehensive loss, net of income tax:				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange gain (loss) difference arising on translation of foreign operations	109	(758)	(867)	(114)
Total comprehensive loss for the period	(18,622)	(2,649)	15,973	603
Loss for the period attributable to:				
Owners of the Group	(18,637)	(1,735)	16,902	974
Non-controlling interests	(94)	(156)	(62)	(40)
	(18,731)	(1,891)	16,840	891
Total comprehensive (loss) income for the period attributable to:				
Owners of the Group	(18,416)	(2,677)	15,739	588
Non-controlling interests	(206)	28	234	(836)
	(18,622)	(2,649)	15,973	603
Loss per share				
Basic and diluted (cents)	(1.75)	(0.16)	1.59	994

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

	Group			
	For the half year ended			
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	Change Increase / (Decrease)	Change Increase / (Decrease)
\$'000	\$'000	\$'000	%	
Government grants	(76)	(814)	(738)	(91)
Interest income	(120)	(281)	(161)	(57)
Net reversal of expected credit losses	(165)	(335)	(170)	(51)
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	1,365	117	1,248	NA
Amortisation of intangible assets	272	356	(84)	(24)
Bad debts written off	-	8	(8)	(100)
Cost of defined contribution plans included in employee benefits expense	293	326	(33)	(10)
Cost of television, drama and film production recognised as cost of sales	6,087	11,422	(5,335)	(47)
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	184	190	(6)	(3)
Depreciation of plant and equipment recognised in administrative, selling and distribution and other expenses	317	473	(156)	(33)
Depreciation of right-of-use assets	1,208	1,096	112	10
Employee benefits expense	4,164	4,189	(25)	(1)
Expenses relating to leases of low value assets	1	1	-	-
Expenses relating to short-term leases	8	20	(12)	(60)
Interest expense	382	1,292	(910)	(70)
Other expense – non-recurring	16,098	-	16,098	NA
Net foreign currency exchange loss	(439)	3,434	(3,873)	(113)
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 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000	30 June 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000
ASSETS				
Current assets				
Cash at banks and restricted bank deposits	47,098	51,100	115	216
Trade and notes receivables	6,671	33,754	-	-
Other receivables	23,840	35,946	9,430	9,319
Advances to subsidiaries	-	-	94,920	95,120
Amount due from joint venture	104	29	-	-
Tax recoverable	99	71	-	-
Contract assets	5,516	3,264	-	-
Contract costs	-	1,304	-	-
Financial assets at fair value through profit or loss	1,768	671	-	-
Inventories	10	82	-	-
Films and drama productions in progress	48,951	27,086	-	-
Films and drama products	396	395	-	-
	134,453	153,702	104,465	104,655
Non-current assets				
Plant and equipment	3,599	4,868	-	-
Right-of-use assets	3,526	5,930	-	-
Goodwill	1,111	1,111	-	-
Intangible assets	1,665	1,856	-	-
Other receivables	82	73	-	-
Deferred tax assets	6,750	5,820	-	-
Investment in subsidiaries	-	-	8,518	8,518
Investment in associate	844	840	-	-
Investment in joint venture	-	-	-	-
	17,577	20,498	8,518	8,518
Total assets	152,030	174,200	112,983	113,173
LIABILITIES				
Current liabilities				
Trade and other payables	5,790	9,541	4,563	3,677
Film investment funds from investors	997	4,466	-	-
Contract liabilities	34,012	16,586	-	-
Amount due to related parties	1,074	1,122	299	346
Lease liabilities	1,817	2,637	-	-
Borrowings	2,018	12,357	-	-
Income tax payable	798	539	41	18
	46,506	47,248	4,903	4,041
Non-current liabilities				
Lease liabilities	1,491	3,122	-	-
Borrowings	105	127	-	-
	1,596	3,249	-	-
Total liabilities	48,102	50,497	4,903	4,041
NET ASSETS	103,928	123,703	108,080	109,132

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).

	Group		Company	
	30 June 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000	30 June 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000
Capital and reserves				
Share capital	14	14	14	14
Share premium	110,910	111,979	110,910	111,979
Treasury shares	(2,808)	(2,687)	(2,808)	(2,687)
Capital reserve	629	629	-	-
Statutory reserve	297	297	-	-
Retained earnings (Accumulated losses)	(2,770)	15,867	(36)	(174)
Translation reserves	(936)	(1,157)	-	-
Equity attributable to owners of the Company	105,336	124,942	108,080	109,132
Non-controlling interest	(1,408)	(1,239)	-	-
Total equity	103,928	123,703	108,080	109,132

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

	Group	
	As at 30 June 2024 (Unaudited) \$'000	As at 31 December 2023 (Audited) \$'000
Total borrowings		
- Amount repayable in one year or less or on demand (secured)	2,018	12,357
- Amount repayable after one year (secured)	105	127
	2,123	12,484
Lease liabilities		
- Amount repayable in one year or less or on demand (unsecured)	1,817	2,637
- Amount repayable after one year (unsecured)	1,491	3,122
	3,308	5,759

Apart from the above, the Group does not have any unsecured borrowings and debt securities as at 30 June 2024 and 31 December 2023.

Details of any collaterals:

As at 30 June 2024, borrowings amounting to \$2,123,000 (31 December 2023: \$12,484,000) 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.

	Group	
	For the half year ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
	\$'000	\$'000
Operating activities		
Loss before income tax	(19,130)	(1,940)
Adjustments for:		
Amortisation of films and drama products	1,365	117
Amortisation of intangible assets	272	356
Depreciation of plant and equipment	1,227	663
Depreciation of right-of-use assets	1,208	1,096
Reversal of expected credit losses	(165)	(335)
Written-off of inventories	-	59
Bad debts written off	-	8
Gain on disposal (net)	(150)	-
Fair value gain on financial assets through FVTPL	50	-
Interest income	(120)	(281)
Interest expense	383	1,292
Gain on structured deposits	-	(1)
Share of result from associate	(3)	4
Share of result from joint venture	57	175
Net foreign exchange difference	(439)	(185)
Operating cash flows before movements in working capital	(15,445)	1,028
Films and drama productions in progress (Note A)	(23,207)	(3,225)
Films and drama products	211	80
Trade, notes and other receivables	39,845	11,666
Amount due from related parties	-	823
Contract assets	(2,271)	8,631
Contract costs	1,304	395
Trade and other payables	(3,689)	(13,020)
Amount due to related parties	(48)	(1,106)
Amount due from joint venture	(75)	-
Inventories	72	83
Contract liabilities	17,426	(2,770)
Cash generated from operating activities	14,123	2,585
Income tax paid	(291)	(266)
Net cash generated from operating activities	13,832	2,319
Investing activities		
Purchase of plant and equipment (Note B)	(240)	(120)
Deposit paid for acquisition of shares in a subsidiary ¹	-	(963)
Investment in financial assets at fair value through profit or loss	(5,039)	(3,313)
Proceeds from derecognition of financial assets at fair value through profit or loss	-	714
Investment in structured deposits	-	1
Proceeds from disposal of PPE	187	-
Interest received	177	400
Purchase of intangible assets	(79)	(58)
Net cash used in investing activities	(4,994)	(3,339)

¹ 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).

	Group	
	For the half year ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
	\$'000	\$'000
Financing activities		
Dividends paid to shareholders	(1,069)	(1,069)
Repayment of lease liabilities	(1,067)	(1,422)
Proceeds of film investment fund from an investor at amortised cost	-	965
Proceeds from borrowings	-	8,812
Repayment of borrowings	(10,401)	(29)
Repayment of bank deposit pledged as securities for bank facilities	3,740	-
Interest paid	(330)	(154)
Shares repurchased	(121)	(196)
Capital contribution from a non-controlling interest	-	17
IPO listing expenses paid	-	(5)
Net cash (used in) from financing activities	<u>(9,248)</u>	<u>6,919</u>
Net (decrease) increase in cash and cash equivalents	(410)	5,899
Cash and cash equivalents at beginning of period (Note C)	47,378	32,886
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	130	(20)
Cash and cash equivalents at end of period (Note C)	<u>47,098</u>	<u>38,765</u>

Note A:

	Group	
	For the half year ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
	\$'000	\$'000
Additions of films and drama productions in progress	23,557	4,207
Sales of films and drama productions in progress	(350)	(982)
	<u>23,207</u>	<u>3,225</u>

Note B:

	Group	
	For the half year ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
	\$'000	\$'000
Purchase of plant and equipment	23	177
Less: Current period purchase of plant and equipment unpaid as at the end of the current period	-	(57)
Add: settlement on purchase of plant and equipment remained payable as at the opening of the period/year	217	-
	<u>240</u>	<u>120</u>

Note C:

As at 30 June 2024, cash and cash equivalents in the statement of cash flows exclude restricted bank deposits amounting to \$Nil (31 December 2023: \$3,722,000) pledged to a bank to secure short-term borrowings granted to the Group. The Group's restricted bank deposits carry fixed interest at 2% (31 December 2023: 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 [^]	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
Balances at 1 January 2024	14	111,979	(2,687)	629	297	15,867	(1,157)	124,942	(1,239)	123,703
<i>Total comprehensive loss for the period:</i>										
Loss for the period	-	-	-	-	-	(18,637)	-	(18,637)	(94)	(18,731)
Other comprehensive (loss) profit for the period	-	-	-	-	-	-	221	221	(112)	109
	-	-	-	-	-	(18,637)	221	(18,416)	(206)	(18,622)
<i>Transactions with owners, recognised directly in equity:</i>										
Disposal of subsidiary with non-controlling interest	-	-	-	-	-	-	-	-	37	37
Shares repurchased	-	-	(121)	-	-	-	-	(121)	-	(121)
Dividends	-	(1,069)	-	-	-	-	-	(1,069)	-	(1,069)
	-	(1,069)	(121)	-	-	-	-	(1,190)	37	(1,153)
Balances at 30 June 2024	14	110,910	(2,808)	629	297	(2,770)	(936)	105,336	(1,408)	103,928
Balances at 1 January 2023	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>										
Non-controlling interest arising from investment in a subsidiary	-	-	-	-	-	-	-	-	17	17
Shares repurchased	-	-	(196)	-	-	-	-	(196)	-	(196)
Dividends	-	(1,069)	-	-	-	-	-	(1,069)	-	(1,069)
	-	(1,069)	(196)	-	-	-	-	(1,265)	17	(1,248)
Balances at 30 June 2023	14	111,979	(2,426)	629	297	23,796	(1,141)	133,148	(1,300)	131,848

[^] 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

	Share capital	Share premium	Treasury shares	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 1 January 2024	14	111,979	(2,687)	(174)	109,132
Profit for the period, representing total comprehensive income for the period	-	-	-	138	138
<i>Transactions with owners, recognised directly in equity:</i>					
Shares repurchased	-	-	(121)	-	(121)
Dividends	-	(1,069)	-	-	(1,069)
	-	(1,069)	(121)	138	(1,052)
Balances at 30 June 2024	14	110,910	(2,808)	(36)	108,080
Balances at 1 January 2023	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)
Balances at 30 June 2023	14	111,979	(2,426)	(272)	109,295

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 2023	1,068,051,200	US\$10,738
Shares repurchased and held as treasury shares	(461,200)	*
Issued and paid-up share capital as at 30 June 2024	<u>1,067,590,000</u>	<u>US\$10,738</u>

* Amount less than \$1,000.

As at 30 June 2024, the Company held 6,202,000 (30 June 2023: 5,044,200) treasury shares which represented 0.58% (30 June 2023: 0.47%) 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 2023, 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 2024 and 30 June 2023.

- 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 2024 was 1,067,590,000 ordinary shares (31 December 2023: 1,068,051,200 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 2024	5,740,800	2,687
Shares repurchased and held as treasury shares	461,200	121
Balance of treasury shares as at 30 June 2024	<u>6,202,000</u>	<u>2,808</u>

There were no other transfers, disposals, or cancellations of treasury shares during the half year ended 30 June 2024.

- 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 2023 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 2023.

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 2024 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.

	Group	
	For the half year ended	
	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
Loss attributable to Shareholders (\$'000)	(18,637)	(1,735)
Weighted average number of ordinary shares ('000)	1,067,895	1,069,093
Basic and fully diluted loss per share (Singapore Cents)	<u>(1.75)</u>	<u>(0.16)</u>

The diluted (loss) per share for the half years ended 30 June 2024 and 30 June 2023 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.

	Group		Company	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Net asset value* (\$'000)	105,336	124,942	108,080	109,132
No. of ordinary shares ('000)	1,067,590	1,068,051	1,067,590	1,068,051
Net asset value per ordinary share* (Singapore Cents)	9.87	11.70	10.12	10.22

* 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)

6M2024 vs 6M2023

Revenue

The Group's revenue decreased by approximately \$5.7 million from \$32.7 million for the half year ended 30 June 2023 ("**6M2023**") to \$27.0 million for the half year ended 30 June 2024 ("**6M2024**"). This was mainly due to the following factors:

- i. a decrease in revenue contribution (net of inter-segment elimination) from the TV Program and Film Production business segment of approximately \$9.9 million from \$16.8 million in 6M2023 to \$6.9 million in 6M2024. Revenue from the TV Program and Film Production business segment recognised in 6M2024 was mainly from two drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行" and "Moon Romance 月上朝颜", as well as an online short drama series titled "Miss Tanya 天涯小娘惹"; 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 \$1.7 million from \$2.1 million in 6M2023 to \$0.4 million in 6M2024, mainly due to a decrease in the number of projects for Talent Management and Costumes, Props and Make-up Services

which was partially offset by:

- i. higher revenue contribution from the Concert Production business segment of \$19.7 million (6M2023: \$13.8 million) in respect of the six concert productions held in Singapore, Australia and Japan.

In 6M2024, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$7.5 million (6M2023: \$18.9 million), which is 27.7% (6M2023: 57.9%) of the total revenue of the Group.

Gross profit

The Group's gross profit ("GP") decreased by approximately \$5.4 million from \$10.6 million in 6M2023 to \$5.2 million in 6M2024. Gross profit margin ("GPM") decreased from 32.3% in 6M2023 to 19.4% in 6M2024. The decrease in GP was mainly due to the following:

- i. GP contribution from the Concert Production business segment amounted to approximately \$4.0 million with the completion of six concert productions in 6M2024; and
- ii. GP contribution from the TV Program and Film Production business segment amounted to approximately \$1.8 million in 6M2024 as a result of lower revenue recognised.

which was partially offset by:

- i. a gross loss contribution (net of inter-segment elimination) from the Others business segment mainly comprising Talent Management, Costumes, Props and Make-up Services and Musical Play of approximately \$0.5 million (net of inter-segment elimination) in 6M2024, mainly due to smaller number of projects.

Share of result from associate

Share of result from associate relates to the Group's share of the total comprehensive gain for 6M2024, 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 6M2024, arising from the Group's 70.0% interest in Uni-Icon Entertainment Pte. Ltd. due to better performance.

Administrative expenses

The Group's administrative expenses remained relatively consistent in 6M2024 and 6M2023.

Selling and distribution expenses

The Group's selling and distribution expenses remained relatively consistent in 6M2024 and 6M2023.

Other expenses

Total other expenses increased by approximately \$12.9 million from \$4.1 million in 6M2023 to \$17.0 million in 6M2024. This was mainly due to the recognition of one-time losses of approximately \$16.1 million from the soccer tournament event arising from the collaboration fee paid to Al Nassr Club Company ("Al Nassr") under the collaboration agreement between the Group and Al Nassr and other related costs arising from the cancellation of "China Tournament January 2024" soccer tournament and assuming no replacement tournament is held ("Tournament Cancellation") that was partially offset with share of losses from investors in the soccer tournament. The Group recognised foreign currency exchange gain in 6M2024 (foreign currency exchange loss of \$3.4 million in 6M2023), which also partially offset the one-time losses.

Finance cost

Finance cost decreased by approximately \$0.9 million from \$1.3 million in 6M2023 to \$0.4 million in 6M2024, primarily because of the repayment of bank loans.

Loss for the period

Overall, the Group registered a loss after tax of \$18.7 million (6M2023: loss after tax of \$1.9 million) for 6M2024, primarily due to the one-time losses of \$16.1 million from the Tournament Cancellation.

In 6M2024, the total loss for the period derived from the PRC Affiliated Entities amounted to approximately \$20.5 million (6M2023: \$1.9 million), representing more than 100% (6M2023: more than 100%) of the Group's total loss for the period.

Review of Financial Position (Consolidated Statement of Financial Position)

30 June 2024 vs 31 December 2023

Current assets

The Group's current assets decreased by approximately \$19.3 million from \$153.7 million as at 31 December 2023 to \$134.5 million as at 30 June 2024. The decrease was mainly due to the following factors:

- i. a decrease of approximately \$0.4 million in cash and cash equivalents, mainly due to cash used in investing activities and repayment of borrowings in 6M2024. Please refer to <Review of Cash Flows (Consolidated Statement of Cash Flow)> for details;

- ii. a decrease of approximately \$27.1 million in trade and notes receivables, mainly due to receipts for drama and film productions sold partially offset by sales billings;
- iii. a decrease of \$12.1 million in other receivables, primarily due to the recognition of prepayments comprising the collaboration fee paid to Al Nassr under the collaboration agreement between the Group and Al Nassr, other recurring production costs under cost of sales, a refunded deposit from the acquisition of a subsidiary in Malaysia (Iskandar Malaysia Studios), and the return of project (NTV) funds for advances paid to the Malaysian business partner, Envision; and
- iv. a decrease of approximately \$1.3 million in contract costs as these contract costs incurred in relation to the concert productions were recognised as cost of sales when the concerts were held in 6M2024.

The decrease was partially offset by:

- i. an increase of approximately \$2.3 million in contract assets, mainly due to ongoing drama productions that represented the Group's right to consideration for dramas and films production in progress but not billed at 30 June 2024;
- ii. an increase of approximately \$1.1 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;
- iii. an increase of approximately of \$21.9 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; and

Non-current assets

The Group's non-current assets decreased by approximately \$2.9 million from \$20.5 million as at 31 December 2023 to \$17.6 million as at 30 June 2024, mainly due to:

- i. a decrease of approximately \$1.3 million and \$0.2 million in plant and equipment and intangible assets respectively mainly due to routine depreciation and amortisation; and
- ii. a decrease of approximately \$2.4 million in right-of-use assets mainly arising from early termination of certain rights-of-use assets and routine depreciation in 6M2024.

The decrease was partially offset by:

- i. an increase of approximately \$0.9 million in deferred tax assets arising from additional deductible temporary differences and unutilised tax losses in 6M2024.

Current liabilities

The Group's current liabilities decreased by approximately \$0.7 million from \$47.2 million as at 31 December 2023 to \$46.5 million as at 30 June 2024. The decrease was mainly due to the following factors:

- i. a net decrease of approximately \$3.8 million in trade and other payables mainly due to the (i) payment of amounts due to vendors in the ordinary course of business for trade purchases and ongoing operating costs, (ii) recognition of advances received from customers as revenue for concert tickets sales in Australia, and (iii) decrease in VAT and GST payables;
- ii. a repayment of approximately \$3.5 million in film investment funds to investors for the drama production;
- iii. a decrease of approximately \$0.8 million in lease liabilities due to routine repayment and early termination of lease contract; and
- iv. a decrease of approximately \$10.3 million in borrowings, mainly due to repayment of borrowings.

The decrease was partially offset by:

- i. an increase of approximately \$17.4 million in contract liabilities, mainly due to advance receipts from customer in film production; and
- ii. an increase of approximately \$0.3 million in income tax payable.

Non-current liabilities

The Group's non-current liabilities decreased by approximately \$1.6 million from \$3.2 million as at 31 December 2023 to \$1.6 million as at 30 June 2024 mainly due to routine repayment and early termination of lease contract.

Shareholders' Equity

Shareholders' equity decreased by approximately of \$19.8 million from \$123.7 million as at 31 December 2023 to \$103.9 million as at 30 June 2024 mainly due to the following:

- i. shares repurchased amounting to approximately \$0.1 million in 6M2024;
- ii. final dividends of \$1.1 million declared in respect of the year ended 31 December 2023 ("FY2023");
- iii. loss after tax of approximately \$18.6 million for 6M2024 attributable to owners of the Group; and
- iv. an increase in translation reserves of approximately \$0.2 million primarily due to depreciation of Singapore Dollars against Chinese Renminbi in 6M2024.

The Group has net working capital of \$87.9 million as at 30 June 2024 (31 December 2023: \$106.5 million).

Review of Cash Flows (Consolidated Statement of Cash Flow)

Net cash generated from operating activities

The Group used cash inflows from operating activities before movements in working capital of approximately \$15.4 million, with net changes in working capital of approximately \$29.6 million, income tax paid of approximately \$0.3 million.

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 \$39.8 million mainly due to receipts for drama and film productions sold, recognition of prepayments as production costs under cost of sales, a refunded deposit from the acquisition of a subsidiary in Malaysia (Iskandar Malaysia Studios), and the return of project (NTV) funds for advances paid to the Malaysian business partner, Envision.
- ii. a decrease of approximately \$1.3 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 6M2024; and
- iii. an increase of approximately \$17.4 million in contract liabilities, mainly due to advance receipts from customer in film production.

This was partially offset by the following:

- i. a net increase of approximately of \$23.0 million in films and drama productions in progress and films and drama products representing production costs, costs of services, direct labour costs, facilities and raw materials consumed under ongoing drama and film productions, partially offset by sales billing for completed film productions;
- ii. a decrease in contract assets of approximately \$2.3 million, 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 2024; and
- iii. a decrease of \$3.7 million in trade and other payables mainly due to the (i) payment of amounts due to vendors in the ordinary course of business for trade purchases and ongoing operating costs, (ii) recognition of advances received from customers as revenue for concert tickets sales in Australia, and (iii) decrease in VAT and GST payables.

Net cash generated from operating activities was approximately \$13.8 million.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately \$5.0 million mainly due to the following:

- i. an increase of approximately \$0.2 million in plant and equipment, mainly due to renovation for a film set located in the PRC;
- ii. an increase of approximately \$5.0 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;

This was partially offset by the following:

- i. a proceed of approximately \$0.2 million from disposal of plant and equipment; and
- ii. interest payments of \$0.2 million received from bank deposits.

Net cash used in financing activities

Net cash used in financing activities amounted to \$9.2 million mainly due to the following:

- i. a repayment of approximately \$10.7 million in borrowings including interest payment;
- ii. shares repurchased of approximately \$0.1 million in 6M2024 payment of final dividends of approximately \$1.1 million in respect of FY2023; and
- iii. payment of lease liabilities of approximately \$1.1 million;

This was partially offset by the following:

- i. funds of approximately \$3.7 million received in relates to bank deposit pledged as securities for bank facilities.

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 6 August 2024 \$'million
Expansion of the TV Program and Film Production business via investment in production ⁽¹⁾ , acquisitions, joint ventures and/or strategic alliances ⁽²⁾	64.5	(64.5)	-
Expansion of the Concert Production business via investment in production ⁽³⁾ , acquisitions, joint ventures and/or strategic alliances	21.5	(3.0)	18.5
General working capital purposes	15.0	(8.2) ⁽⁴⁾	6.8
Total	101.0	(75.7)	25.3

Notes:

- (1) Such investments have included and may include, but are not limited to, the production of dramas, films, online 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 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 drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行". Filming production was completed in the 2nd half of 2023 and this drama series was broadcasted on iQIYI on 18 July 2024. Since its debut broadcast, this drama series has achieved strong ratings and recently ranked No.1 in terms of popularity³. Additionally, initial talks are in progress for the third season of "Strange Tales of Tang Dynasty".

In July 2023, the Group signed a co-production agreement with Tencent Video to co-produce a drama series titled "Contenders 狮城山海". Filming production commenced in November 2023 and completed in July 2024. This drama series is expected to be broadcast in the 4th quarter of 2024.

In December 2023, the Group commenced filming for a drama series titled "Notes of DNA Appraiser 鉴定", a co-production with Youku⁴. Filming production has recently been completed and this drama series is expected to be broadcast in the 4th quarter of 2024.

The Group is expected to commence filming production for "Nanyang Transport Volunteers 南洋英雄", the third drama series of the Nanyang genre in the first half of 2025.

In addition, the Group has launched its own "legendary short drama" label on Douyin (抖音) (also known as Tik Tok) to target a new audience base and to harness new opportunities.

A series of dramas and films of varied themes are also currently under evaluation and production. The Group continues to undertake collaborations and partnerships with various streaming platforms, online video platforms and TV networks to develop different genres of dramas and films targeting different 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 lie in its ability to produce high-quality and well-received dramas and films. The Group believes good stories can be made anywhere and be viewed by everyone. Hence, the Group continues to strengthen its capabilities in script development and content creation by broadening the pool of creators with whom the Group can work with and expanding the genres of its dramas and films to better serve and capture the mindshare of local audiences in its target markets.

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

Concert Production

The Group completed six concert productions planned in Singapore, Australia and Japan in the 1st half of 2024.

³ <https://www.163.com/dy/article/j87HM2NR0512D3VJ.html>

⁴ <https://movie.douban.com/review/15597877/>

The Group will continue to explore opportunities as co-producers and co-investors of concerts and live entertainment for popular and well-known international artistes in the PRC and across Asia.

Overall

Barring unforeseen circumstances, the Group anticipates a stronger pipeline of new content to be added in the second half of 2024.

Anchored by its two core businesses of TV Program and Film Production and Concert Production, the Group believes that providing a good variety of high-quality media and entertainment content and adapting to evolving viewership preferences are the most effective methodologies to expand the Group's revenue streams and market share in the region.

This is aligned with the Group's vision to become the leading player in the media and entertainment industry in the region.

Aiming to develop new value propositions and diversify its revenue sources, the Group will continue to take strategic and innovative steps to scale its business model by strengthening its core businesses and high value end-to-end production capabilities.

The Group has leveraged on its "IP franchise" business strategy to successfully create large-scale original musical plays of "The Ferryman 灵魂摆渡" and "Strange Tales of Tang Dynasty 唐朝诡事录". These two musical plays were ranked among the top three in the PRC's original musical charts by "Damai 大麦" and Douyin (抖音) (also known as Tik Tok) in 2022. The Group expects to complete an estimated 50 shows in FY2024.

Supported by its healthy balance sheet, the Group believes it is well-positioned to explore new monetisation opportunities (such as advertising, e-commerce, immersive games, augmented realities, etc) of its growing IP portfolio and to harness new business opportunities across the 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 cashflows 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 6M2024.

(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 6M2024. 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 26 April 2024:

Name of Interested Person	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)	Aggregate value of all interested person transactions conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (\$'000)
Sure Legend International Limited ⁽¹⁾	-	4,756
Taiho Holding Limited ⁽²⁾	76	-
Kang Ru Investments Limited ⁽³⁾	640	-
Mr. Guo Jingyu ⁽⁴⁾⁽⁵⁾	5	-
Ms. Yue Lina ⁽⁶⁾	-	429
Mr. Yang Zhigang ⁽⁷⁾	-	23

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. Mr. Yang Jun Rong has ceased to be our Non-Executive Director with effect from 26 April 2024.
- (2) Related to the final dividends in respect of FY2023 paid to Taiho Holding Limited, which is 50.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder. Mr. Yang Jun Rong has ceased to be our Non-Executive Director with effect from 26 April 2024.
- (3) Related to the final dividends in respect of FY2023 paid to Kang Ru Investments Limited, which is 100.0% owned by Mr. Guo Jingyu, the Executive Chairman and Group CEO and controlling shareholder.
- (4) Related to the final dividends in respect of FY2023 paid to Mr. Guo Jingyu, the Executive Chairman and Group CEO and controlling shareholder.
- (5) 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.
- (6) Related to fees for acting services paid by the Group to Ms. Yue Lina, an Executive Director.
- (7) 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:

Segment	Principal activities
Television Program and Film Production	Production of dramas and films and script production.
Concert Production	Provision of Concert Organisation and Concert Management, sponsorship income and rental of concert equipment.
Talent Management Services	Participation and engagement of the artistes managed by the Group in the projects and events 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 2024

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	7,178	19,708	2,231	29,117
Inter-segment elimination	(286)	7	(1,858)	(2,137)
	<u>6,892</u>	<u>19,715</u>	<u>373</u>	<u>26,980</u>
Gross profit	1,092	3,979	1,327	6,398
Inter-segment elimination	705	-	(1,865)	(1,160)
	<u>1,797</u>	<u>3,979</u>	<u>(538)</u>	<u>5,238</u>
Other income				1,749
Share of result from associate				3
Share of result from joint venture				(57)
Administrative expenses				(5,995)
Selling and distribution expenses				(2,668)
Other expenses - others				(920)
Other expenses - non-recurring				(16,098)
Finance costs				(382)
Loss before income tax				(19,130)
Income tax credit				399
Loss for the period				<u>(18,731)</u>

Group
For the half year ended 30 June 2023

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
Segment revenue and results				
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>

Disaggregation of Revenue

Group
For the half year ended 30 June 2024

	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	1,632	19,715	373	21,720
Over time	5,260	-	-	5,260
	<u>6,892</u>	<u>19,715</u>	<u>373</u>	<u>26,980</u>
<i>Geographical information:</i>				
PRC	6,892	258	348	7,498
Singapore	-	649	25	674
Australia	-	15,381	-	15,381
Japan	-	3,427	-	3,427
	<u>6,892</u>	<u>19,715</u>	<u>373</u>	<u>26,980</u>

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
	<u>16,770</u>	<u>13,757</u>	<u>2,150</u>	<u>32,677</u>
<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
	<u>16,770</u>	<u>13,757</u>	<u>2,150</u>	<u>32,677</u>

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

6M2024 vs 6M2023

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 97.5% (6M2023: 99.9%) of the Group's total revenue. In 6M2024, 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 Japan 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 6M2024:

Disposal of shares in a subsidiary

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

In 2023, in connection with the proposed acquisition of 100% equity interest in Iskandar Malaysia Studios Sdn Bhd ("IMS"), the Company, through its indirect wholly-owned subsidiary, GHY Culture & Media (Malaysia) Sdn. Bhd. acquired 80% of the issued shares in the capital of SMS ("acquisition of SMS"). The aggregate consideration for the acquisition of SMS is approximately \$2,618,000 (MYR8,840,000), of which the Group has paid a partial amount of approximately \$918,000 (MYR3,200,000) to the vendor ("deposit"), with the remaining balance of the consideration amounting approximately to \$1,700,000 (MYR5,640,000) being due and payable on the date falling 12 months after the completion of the acquisition of SMS.

As announced by the Company on 4 April 2024 (announcement reference SG240404OTHRKXNL), the proposed acquisition of IMS was terminated in April 2024 and pursuant to such termination, the vendor has agreed to return the deposit of approximately \$918,000 (MYR3,200,000) to the Group through SMS. As a result of the termination of the proposed acquisition of IMS, GHY Culture & Media (Malaysia) Sdn. Bhd. was deemed to have exercised a put option to sell the shares in SMS to the non-controlling shareholders of SMS for a consideration of approximately \$918,000 (MYR3,200,000). Following completion of the sale of the shares in SMS under the put option, the Group will cease to hold any shares in SMS. The deconsolidation of SMS does not have material impact on the Group's results or net tangible assets for 6M2024.

Incorporation of PRC Affiliated Entity

Incorporation of a PRC Affiliated Entity, Shenzhen Changxin Film & Media Co., Ltd

On 1 April 2024, Tianjin Changxin Film & Media Co., Ltd, a PRC Affiliated Entity of the Group, incorporated a subsidiary, Shenzhen Changxin Film & Media Co., Ltd.. with an initial issued share capital of RMB 3,000,000.

None of the directors or controlling shareholder of the Company has any interest, direct or indirect, in the PRC Affiliated Entity. The above incorporation of the PRC Affiliated Entity 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 2024 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.

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 2024 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 2023 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 2024.

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 2024 and 31 December 2023:

	Group		Company	
	As at 30 June 2024 (Unaudited) \$'000	As at 31 December 2023 (Audited) \$'000	As at 30 June 2024 (Unaudited) \$'000	As at 31 December 2023 (Audited) \$'000
Financial Assets				
Financial assets at amortised cost	57,708	91,140	104,465	104,616
Financial assets at fair value through profit or loss	1,768	671	-	-
	<u>59,476</u>	<u>91,811</u>	<u>104,465</u>	<u>104,616</u>
Financial liabilities				
Financial liabilities at amortised cost	6,989	19,678	4,821	3,962
Financial liabilities at FVTPL	997	4,466	-	-
Lease liabilities	3,308	5,759	-	-
	<u>11,294</u>	<u>29,903</u>	<u>4,821</u>	<u>3,962</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:

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

	Group	
	30 June 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000
At the beginning of the period/year	671	2,662
Additions:		
- Cash	5,039	8,795
- Non-cash	-	155
Changes in fair value		
- Fair value loss ⁽ⁱ⁾	(54)	(126)
- Loss on derecognition	-	2,929
Settlement:		
- Cash	(3,708)	(11,899)
- Non-cash	-	(28)
- Reclass to other receivables ⁽ⁱⁱ⁾	(180)	(1,767)
Exchange differences		(50)
At the end of the period/year	<u>1,768</u>	<u>671</u>

⁽ⁱ⁾ The fair value of investment is determined based on the estimated box office revenue and fees from licensing rights. A fair value loss of \$54,000 (2023: \$126,000) is recognised for the financial period ended 30 June 2024.

⁽ⁱⁱ⁾ In 6M2024, the Group was entitled to proceeds of \$3,888,000 from completed films and concert investments, out of which \$180,000 reminded uncollected as of 30 June 2024.

In 2023, the Group was entitled to proceeds of \$13,694,000 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 31 December 2023, \$11,899,000 has been collected and the remaining amount of \$1,767,000 reminded uncollected.

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.

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

23(c). Intangible assets

	Group				
	Film and drama adaptation licenses \$'000	Rights to the film set \$'000	Computer software \$'000	Software royalty \$'000	Total \$'000
Half year ended 30 June 2024					
<u>(Unaudited)</u>					
Cost:					
At 1 January 2024	146	3,426	119	143	3,834
Additions	-	-	-	79	79
Utilise	-	(359)	-	-	(359)
Exchange difference	-	8	-	(1)	7
At 30 June 2024	<u>146</u>	<u>3,075</u>	<u>119</u>	<u>221</u>	<u>3,561</u>
Accumulated amortisation:					
At 1 January 2024	146	1,500	119	68	1,833
Utilise	-	(359)	-	-	(359)
Amortisation charge	-	258	-	14	272
Exchange difference	-	5	-	-	5
At 30 June 2024	<u>146</u>	<u>1,404</u>	<u>119</u>	<u>82</u>	<u>1,751</u>
Accumulated impairment:					
At 1 January 2024	-	145	-	-	145
Impairment charge	-	-	-	-	-
Exchange differences	-	-	-	-	-
At 30 June 2024	<u>-</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>145</u>
Carrying amount:					
At 30 June 2024	<u>-</u>	<u>1,526</u>	<u>-</u>	<u>139</u>	<u>1,665</u>
At 1 January 2024	<u>-</u>	<u>1,781</u>	<u>-</u>	<u>75</u>	<u>1,856</u>

	Group				
	Film and drama adaptation licenses \$'000	Rights to the film sets \$'000	Computer software \$'000	Software royalty \$'000	Total \$'000
For the year ended					
<u>31 December 2023 (Audited)</u>					
Cost:					
At 1 January 2023	146	3,582	119	80	3,927
Additions	-	16	-	67	83
Exchange difference	-	(172)	-	(4)	(176)
At 31 December 2023	<u>146</u>	<u>3,426</u>	<u>119</u>	<u>143</u>	<u>3,834</u>
Accumulated amortisation:					
At 1 January 2023	143	927	91	48	1,209
Amortisation charge	3	629	28	23	683
Exchange difference	-	(56)	-	(3)	(59)
At 31 December 2023	<u>146</u>	<u>1,500</u>	<u>119</u>	<u>68</u>	<u>1,833</u>
Accumulated impairment:					
At 1 January 2023	-	138	-	-	138
Impairment charge	-	15	-	-	15
Exchange differences	-	(8)	-	-	(8)
At 31 December 2023	<u>-</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>145</u>

Carrying amount:				
At 31 December 2023	-	1,781	-	75
				1,856
At 1 January 2023	3	2,517	28	32
				2,580

* Amount less than \$1,000.

For the half year ended 30 June 2024, there is nil (30 June 2023: Nil) amortisation expense capitalised in the line item 'films and drama productions in progress'.

23(d). Goodwill and Goodwill impairment

	Group
	\$'000
Cost as at 1 January 2023, 31 December 2023 and 30 June 2024	1,111
Accumulated impairment	-
Carrying amount as at 1 January 2023, 31 December 2023 and 30 June 2024	1,111

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% (2023: 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 2023: 14.3%).

As at 30 June 2024 and 31 December 2023, 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 6M2024, the Group acquired plant and equipment of approximately \$23,000 (6M2023: \$177,000) and there was no disposal of plant and equipment in 6M2024 (6M2023: \$Nil).

23(f). Right-of-use assets

During 6M2024, there's nil right-of-use assets acquired by the Group \$ (6M2023: \$3,622,000) and there was an early termination of right-of-use assets amounting to \$88,000 in 6M2024 (6M2023: \$Nil).

24. Taxation

	Group	
	For the half year ended	
	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Tax (credit) expense comprises:		
Current tax		
- Current period	531	204
- (Over) Underprovision of prior year tax	-	(77)
Deferred tax	(930)	(225)
Withholding Tax	-	49
Income tax credit	(399)	(49)

25. Other receivables

	Group		Company	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
	\$'000	\$'000	\$'000	\$'000
Other receivables (current portion):				
Outside parties*	3,235	3,639	-	-
Subsidiary and related company	-	-	9,384	9,280
Joint operator	-	652	-	-
Film investment funds advanced to outside parties**	1,376	1,371	-	-
Advances to staff	10	27	-	-
Advances to a third-party contractor	318	1,211	-	-
Director of a subsidiary	168	298	-	-
Refundable security deposits	334	590	-	-
Deposit paid for acquisition of share in a subsidiary	-	918	-	-
Prepayments***	19,035	27,682	47	17
Prepaid tax (corporate tax)	26	-	-	-
Value-added tax receivable	698	869	-	22
Interest receivables from bank	15	72	-	-
	<u>25,216</u>	<u>37,329</u>	<u>9,431</u>	<u>9,319</u>
Less: Loss allowance**	<u>(1,376)</u>	<u>(1,383)</u>	<u>-</u>	<u>-</u>
	<u>23,840</u>	<u>35,946</u>	<u>9,431</u>	<u>9,319</u>
Other receivables (non-current portion):				
Refundable security deposits	73	73	-	-
Financial assets at fair value through Profit or loss	9	-	-	-
Total	<u>23,922</u>	<u>36,019</u>	<u>9,431</u>	<u>9,319</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 at 30 June 2024, a credit loss allowance of approximately \$1.4 million was made by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

*** 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. The balance as at 31 December 2023 included collaboration fee and service fees of approximately \$16,186,000 paid to Al Nassr, which has been included in loss on soccer tournament in 6M2024.

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
6 August 2024