

**UPDATES ON THE PROPOSED ACQUISITION OF
ISKANDAR MALAYSIA STUDIOS SDN BHD
– MUTUAL TERMINATION OF DEFINITIVE AGREEMENTS**

1. INTRODUCTION

The Board of Directors (the "**Board**") of G.H.Y Culture & Media Holding Co., Limited (the "**Company**") and together with its subsidiaries and associated companies, the "**Group**") refers to the announcement by the Company dated 31 March 2023 in relation to the Proposed Acquisition (the "**Announcement**"). Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcement.

As stated in the Announcement, GHY Malaysia had entered into the Share Sale Agreement, the Put Option Agreement and the Shareholders' Agreement in relation to its acquisition of shares in SMS. Completion of the sale and purchase of the Sale Shares under the Share Sale Agreement had taken place on 18 April 2023 and since the completion, GHY Malaysia has held 80% of the issued and paid-up share capital of SMS. In accordance with the terms of the Share Sale Agreement, GHY Malaysia had paid a portion of the consideration amounting to RM 3,200,000 on the completion date ("**First Tranche Consideration**"), with the remaining balance of the consideration amounting to RM 5,640,000 being due and payable on the date falling 12 months after completion of the Share Sale Agreement.

Following the execution of the Share Sale Agreement, the Put Option Agreement and the Shareholders' Agreement, SMS had entered into the IMS SPA with GVSB, pursuant to which GVSB had agreed to sell, and SMS had agreed to purchase, all of the ordinary shares and preference shares representing 100% of the total issued and paid-up share capital of IMS.

2. MUTUAL TERMINATION OF THE IMS SPA AND THE OTHER DEFINITIVE AGREEMENTS

The Board wishes to announce that SMS and GVSB have decided to mutually terminate the IMS SPA due to certain conditions precedent under the IMS SPA not being fulfilled or waived in accordance with the terms of the IMS SPA, pursuant to a termination notice issued by GVSB to SMS ("**Termination Notice**"). The termination of the IMS SPA is not expected to have any impact on the Group's ongoing projects with IMS. As stated in the Announcement, pursuant to the termination of the IMS SPA:

- (a) GHY Malaysia is deemed to have exercised the Put Option; and
- (b) GHY Malaysia, the Sellers and SMS must take all necessary steps to recover all or any part of the purchase consideration and all other sums paid to GVSB under the IMS SPA ("**Initial Purchase Consideration**"). Pursuant to the Termination Notice, GVSB has agreed to return the Initial Purchase Consideration to SMS and shall endeavour to do so within 10 business days from the date on which SMS delivers its agreement to the Termination Notice or its bank account details to GVSB, whichever is later.

In connection with the exercise of the Put Option, the Sale Shares held by GHY Malaysia will be transferred to the Sellers in consideration for the amount paid to date by GHY Malaysia,

which will be equivalent to substantially all of the First Tranche Consideration (after deducting certain fees, if any) on completion under the Put Option Agreement. Following which, GHY Malaysia will cease to hold any shares in SMS and the Shareholders' Agreement and the Subscription Agreement will be terminated.

The completion of the subscription of the Subscription Shares by GHY Malaysia and the Sellers under the Subscription Agreement is conditional upon the conditions precedent under the IMS SPA being fulfilled or waived, and accordingly, has not occurred. Consequently, the Subscription Shares have not been issued and the aggregate consideration for the Subscription Shares under the Subscription Agreement has not been paid for by GHY Malaysia.

3. FINANCIAL IMPACT ON THE COMPANY

The termination of the definitive agreements relating to the Proposed Acquisition is not expected to have a material impact on the consolidated net tangible assets or earnings per share of the Group for the financial year ending 31 December 2024.

4. DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTEREST

None of the Directors or the controlling shareholder of the Company has any interest, direct or indirect, in the termination of the definitive agreements relating to the Proposed Acquisition, other than through their respective shareholding interests in the Company.

The Group and IMS shall endeavour to strengthen its long-term working relationship and continue to operate and manage the existing business of licensing the jointly-owned film sets.

The Company will make further announcements to keep shareholders informed when there are material updates or developments, including completion of the procedures under paragraph 2 mentioned above.

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

Guo Jingyu
Executive Chairman and Group CEO
4 April 2024