



长信传媒

G.H.Y Culture & Media

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

(Company Number: 337751)

Tel: +65 6352 6778

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**FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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Singapore, 26 February 2021 – 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 full year ended 31 December 2020.

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 those 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 jurisdiction, 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.

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF – YEAR AND FULL YEAR RESULTS**

**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 year.**

	<b>Group</b>			
	<b>For the year ended</b>			
	31 December 2020 (Unaudited) \$'000	31 December 2019 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
<b>Revenue</b>	127,095	66,000	61,095	93
Cost of sales	(71,426)	(47,184)	(24,242)	51
<b>Gross profit</b>	55,669	18,816	36,853	196
Other income	9,668	6,575	3,093	47
Share of result from associate	(11)	35	(46)	(131)
Administrative expenses	(10,942)	(5,177)	(5,765)	111
Selling and distribution expenses	(6,701)	(1,887)	(4,814)	255
Other expenses	(623)	(2,035)	1,412	(69)
Finance costs	(985)	(931)	(54)	6
<b>Profit before income tax</b>	46,075	15,396	30,679	199
Income tax expense	(8,009)	(2,962)	(5,047)	170
<b>Profit for the year</b>	38,066	12,434	25,632	206
<b>Other comprehensive income (loss), net of income tax:</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange gain (loss) difference arising on translation of foreign operations	964	(45)	1,009	n.m <sup>(1)</sup>
<b>Total comprehensive income for the year</b>	39,030	12,389	26,641	215
<b>Earnings per share</b>				
Basic and diluted (cents) <sup>(3)</sup>	4.15	1.36 <sup>(2)</sup>	2.79	205

**Notes:**

<sup>(1)</sup> n.m. – Not meaningful

<sup>(2)</sup> For the year ended 31 December 2019, for illustrative purposes, the earnings per share had been computed based on profit attributable to owners of the Company and the Company's enlarged share capital of 910,930,000 shares, assuming the share split of 91,093,000 shares into 910,930,000 shares had been completed as at 31 December 2019.

<sup>(3)</sup> The diluted earnings per share for the years ended 31 December 2019 and 31 December 2020 are the same as the basic earnings per share as the Group does not have any dilutive instruments.

**1(a)(ii) Profit for the year is arrived after (crediting) / charging the following:**

	<b>Group</b>			
	<b>For the year ended</b>			
	31 December 2020 (Unaudited) \$'000	31 December 2019 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Fair value gain on previously held interest in associate	(61)	-	61	100
Gain from bargain purchase of investment in subsidiary	(154)	-	154	100
Gain on disposal of right-of-use assets	(25)	-	25	100
Gain on disposal of investment in associate	(3,153)	-	3,153	100
Government grants	(5,783)	(6,450)	(667)	(10)
Interest income	(83)	(51)	32	63
Net foreign currency exchange (gain) loss	(367)	183	550	301
Allowance for expected credit losses	82	89	(7)	(8)
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	9,439	30,359	(20,920)	(69)
Amortisation of intangible assets	64	7	57	814
Cost of concert organisation recognised as cost of sales	6,953	787	6,166	783
Cost of defined contribution plans included in employee benefits expense	277	413	(136)	(33)
Cost of television, drama and film production recognised as cost of sales	62,398	43,841	18,557	42
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	392	63	329	522
Depreciation of plant and equipment recognised in administrative expenses	337	252	85	34
Depreciation of right-of-use assets	1,634	993	641	65
Employee benefits expense	6,774	4,453	2,321	52
Expenses relating to leases of low value assets	1	1	-	-
Expenses relating to short-term leases	392	100	292	292
Fair value gain in amount due to an external investor	299	1,523	(1,224)	(80)
Impairment loss of contract costs	728	-	728	100
IPO listing expenses	4,666	-	4,666	100
Interest expense	985	931	54	6
Underprovision for prior year tax expenses	55	-	55	100
Written-off of plant and equipment	8	-	8	100

**1(b)(i) 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.**

	<b>Group</b>		<b>Company</b>	
	31 December 2020 (Unaudited) \$'000	31 December 2019 (Audited) \$'000	31 December 2020 (Unaudited) \$'000	31 December 2019 (Audited) \$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	111,931	17,356	101,648	423
Trade receivables	27,474	44,166	-	-
Other receivables	10,357	5,041	18,006	-
Advances to a subsidiary	-	-	7,450	7,100
Amount due from related parties	1,257	9,082	-	-
Contract assets	53,191	4,956	-	-
Contract costs	869	577	-	-
Financial assets at fair value through profit or loss	215	-	-	-
Inventories	179	-	-	-
Finance lease receivables	-	3	-	-
Films and drama productions in progress	9,601	23,307	-	-
Films and drama products	4,615	-	-	-
	<u>219,689</u>	<u>104,488</u>	<u>127,104</u>	<u>7,523</u>
<b>Non-current assets</b>				
Plant and equipment	3,899	3,670	-	-
Right-of-use assets	4,845	2,620	-	-
Finance lease receivables	-	5	-	-
Goodwill	1,111	1,111	-	-
Intangible assets	2,056	327	-	-
Other receivables	104	83	-	-
Deferred tax assets	1,042	203	-	-
Investment in subsidiaries	-	-	8,518	8,518
Investment in associates	-	422	-	-
	<u>13,057</u>	<u>8,441</u>	<u>8,518</u>	<u>8,518</u>
<b>Total assets</b>	<u>232,746</u>	<u>112,929</u>	<u>135,622</u>	<u>16,041</u>
<b><u>LIABILITIES</u></b>				
<b>Current liabilities</b>				
Trade and other payables	37,628	38,059	4,989	10,458
Dividend payable	5,000	-	5,000	-
Film investment funds from investors	4,072	2,708	-	-
Contract liabilities	6,894	21,629	-	-
Amount due to related parties	1,058	23,229	11	-
Lease liabilities	1,217	1,251	-	-
Borrowings	7,125	4,825	-	-
Income tax payable	3,807	2,582	-	-
	<u>66,801</u>	<u>94,283</u>	<u>10,000</u>	<u>10,458</u>
<b>Non-current liabilities</b>				
Lease liabilities	3,473	1,228	-	-
Deferred tax liabilities	3,846	-	-	-
	<u>7,319</u>	<u>1,228</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>74,120</u>	<u>95,511</u>	<u>10,000</u>	<u>10,458</u>
<b>NET ASSETS</b>	<u>158,626</u>	<u>17,418</u>	<u>125,622</u>	<u>5,583</u>

**1(b)(i) 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>	
	31 December 2020 (Unaudited) \$'000	31 December 2019 (Audited) \$'000	31 December 2020 (Unaudited) \$'000	31 December 2019 (Audited) \$'000
<b>Capital and reserves</b>				
Share capital	14	641	14	12
Share premium	117,889	5,713	117,889	5,713
Capital reserve	629	-	-	-
Statutory reserve	297	297	-	-
Retained earnings (Accumulated losses)	38,731	10,665	7,719	(142)
Translation reserves	1,066	102	-	-
<b>Total equity</b>	<b>158,626</b>	<b>17,418</b>	<b>125,622</b>	<b>5,583</b>

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

	<b>Group</b>	
	As at 31 December 2020 (Unaudited) \$'000	As at 31 December 2019 (Audited) \$'000
<b>Total borrowings</b>		
- Amount repayable in one year or less or on demand (secured)	7,125	4,825
<b>Lease liabilities</b>		
- Amount repayable in one year or less or on demand (unsecured)	1,217	1,251
- Amount repayable after one year (unsecured)	3,473	1,228
	<b>4,690</b>	<b>2,479</b>

Apart from the above, the Group does not have any unsecured borrowings and debt securities as at 31 December 2019 and 31 December 2020.

**Details of any collaterals:**

For the financial years ended 31 December 2020 and 31 December 2019, short-term bank loans amounting \$7,125,000 and \$4,825,000 are jointly guaranteed by Mr. Guo Jingyu, the ultimate controlling shareholder and Executive Chairman and Group CEO, a director, PRC affiliated entities and third parties.

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

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2020 (Unaudited) \$'000	31 December 2019 (Audited) \$'000
<b>Operating activities</b>		
Profit before income tax	46,075	15,396
Adjustments for:		
Amortisation of films and drama products	9,439	30,359
Amortisation of intangible assets	64	7
Depreciation of plant and equipment	729	315
Depreciation of right-of-use assets	1,634	993
Allowance for expected credit losses	82	89
Written-off of plant and equipment	8	-
Impairment loss of contract costs	728	-
IPO listing expenses	4,666	-
Gain on disposal of right-of-use assets	(25)	-
Gain on disposal of investment in associate	(3,153)	-
Fair value gain on previously held interest in associate	(61)	-
Gain from bargain purchase of investment in subsidiary	(154)	-
Interest income	(83)	(51)
Interest expense	985	931
Gain on structured deposits	(27)	(15)
Share of result from associate	11	(35)
Fair value gain in amount due to an external investor	299	1,523
Net foreign exchange difference	749	148
Operating cash flows before movements in working capital	61,966	49,660
Films and drama productions in progress	6,836	(31,727)
Trade and other receivables	14,684	(52,749)
Amount due from related parties	7,825	(9,051)
Contract assets	(48,292)	(4,962)
Contract costs	(1,020)	(577)
Trade and other payables	2,281	20,144
Amount due to related parties	(5,873)	6,886
Inventories	(179)	-
Contract liabilities	(15,463)	11,678
Cash generated from (used in) operations	22,765	(10,698)
Interest income received	82	50
Interest paid	(978)	(285)
Income tax paid	(4,043)	(103)
Net cash generated from (used in) operating activities	17,826	(11,036)

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

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2020 (Unaudited)	31 December 2019 (Audited)
	\$'000	\$'000
<b>Investing activities</b>		
Purchase of plant and equipment	(1,189)	(2,871)
Investment in financial assets at fair value through profit or loss	(215)	-
Purchase of intangible assets	(1,817)	(238)
Repayments of finance lease receivables	-	4
Investment in structured deposits	27	15
Advance to a related party	(1,772)	(2,083)
Proceeds from advance to a related party	-	2,083
Additions to investment in an associate	-	(393)
Acquisition of a subsidiary	3,270	-
Net cash used in investing activities	<u>(1,696)</u>	<u>(3,483)</u>
<b>Financing activities</b>		
Dividend paid to shareholders	(5,000)	-
Repayment of lease liabilities	(1,617)	(968)
Proceeds from borrowings	6,969	4,825
Repayment of borrowings	(4,968)	-
Proceeds from amount due to a third party	-	7,500
Proceeds of film investment funds from investors at amortised cost	3,983	2,708
Repayments of film investment funds to an investor at amortised cost	(2,788)	-
Proceeds of film investment funds from an external investor at FVTPL	-	6,977
Repayments of film investment funds to an external investor at FVTPL	-	(11,256)
(Repayments of) Proceeds from amount due to related parties	(16,780)	16,298
Repayment of loan due to an entity connected to a non-controlling shareholder	-	(4,118)
Repayment of loan due to director of a subsidiary	(1,631)	(3,859)
Shares buy-back	(2,800)	-
Proceeds from issuance of shares	107,489	-
IPO listing expenses paid	(4,413)	-
Net cash from financing activities	<u>78,444</u>	<u>18,107</u>
Net increase in cash and cash equivalents	94,574	3,588
Cash and cash equivalents at beginning of year	17,356	13,778
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	1	(10)
Cash and cash equivalents at end of year	<u>111,931</u>	<u>17,356</u>

**1(d)(i) 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 year.**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP**

	Share capital	Share premium	Capital reserve	Statutory reserve	Retained earnings	Translation reserves	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances at 1 January 2020</b>	641	5,713	-	297	10,665	102	17,418
<i>Total comprehensive income for the year:</i>							
Profit for the year	-	-	-	-	38,066	-	38,066
Other comprehensive income for the year	-	-	-	-	-	964	964
	-	-	-	-	38,066	964	39,030
<i>Transactions with owners, recognised directly in equity:</i>							
Conversion of loan to share capital	*	7,736	-	-	-	-	7,736
Issue of shares	2	107,487	-	-	-	-	107,489
IPO expenses taken to equity	-	(3,047)	-	-	-	-	(3,047)
Deemed capital contribution	(629)	-	629	-	-	-	-
Dividends declared	-	-	-	-	(10,000)	-	(10,000)
	(627)	112,176	629	-	(10,000)	-	102,178
<b>Balances at 31 December 2020</b>	14	117,889	629	297	38,731	1,066	158,626
<b>Balances at 1 January 2019</b>	642	8,512	-	-	(1,472)	147	7,829
<i>Total comprehensive income for the year:</i>							
Profit for the year	-	-	-	-	12,434	-	12,434
Other comprehensive loss for the year	-	-	-	-	-	(45)	(45)
	-	-	-	-	12,434	(45)	12,389
<i>Transactions with owners, recognised directly in equity:</i>							
Share buy-back from a non-controlling shareholder	(1)	(2,799)	-	-	-	-	(2,800)
Transfer to statutory reserves	-	-	-	297	(297)	-	-
	(1)	(2,799)	-	297	(297)	-	(2,800)
<b>Balances at 31 December 2019</b>	641	5,713	-	297	10,665	102	17,418

\* Amount less than \$1,000.



1(d)(i) 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, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd).

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

	Share capital	Share premium	Capital reserve	Statutory reserve	(Accumulated losses) / Retained earnings	Translation reserves	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances at 1 January 2020</b>	12	5,713	-	-	(142)	-	5,583
<i>Total comprehensive income for the year:</i>							
Profit for the year	-	-	-	-	17,861	-	17,861
Other comprehensive loss for the year	-	-	-	-	-	-	-
	-	-	-	-	17,861	-	17,861
<i>Transactions with owners, recognised directly in equity:</i>							
Conversion of loan to share capital	*	7,736	-	-	-	-	7,736
Issue of shares	2	107,487	-	-	-	-	107,489
IPO expenses taken to equity	-	(3,047)	-	-	-	-	(3,047)
Dividends declared	-	-	-	-	(10,000)	-	(10,000)
	2	112,176	-	-	(10,000)	-	102,178
<b>Balances at 31 December 2020</b>	14	117,889	-	-	7,719	-	125,622
<b>Balances at 1 January 2019</b>	13	8,512	-	-	(14)	-	8,511
<i>Total comprehensive income for the year:</i>							
Profit for the year	-	-	-	-	(128)	-	(128)
Other comprehensive loss for the year	-	-	-	-	-	-	-
	-	-	-	-	(128)	-	(128)
<i>Transactions with owners, recognised directly in equity:</i>							
Share buy-back from a non-controlling shareholder	(1)	(2,799)	-	-	-	-	(2,800)
<b>Balances at 31 December 2019</b>	12	5,713	-	-	(142)	-	5,583

\* Amount less than \$1,000.

- 1(d)(ii) 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 year. 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 year.**

<b>Purpose of Issue</b>	<b>Number of shares</b>	<b>Resultant issued and paid-up share capital</b>
Shares issued as at 1 January 2019	100,000,000	US\$10,000
Repurchase of shares from a minority shareholder on 27 December 2019	(10,000,000)	US\$9,000
Shares issued as at 31 December 2019	90,000,000	US\$9,000
Shares issued to a minority shareholder on 24 March 2020	1,093,000	US\$9,109
Total issued shares before the Share Split	91,093,000	US\$9,109
Total issued shares after the Share Split	910,930,000	US\$9,109
Shares to be issued pursuant to the Offering and the New Cornerstone Shares	162,862,000	US\$10,738
<b>Issued and paid-up share capital after the Offering and as at 31 December 2020</b>	<b>1,073,792,000</b>	<b>US\$10,738</b>

There are no convertibles or treasury shares as at 31 December 2019 and 31 December 2020.

- 1(d)(iii) 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 year.**

	31 December 2020 (Unaudited)	31 December 2019 (Audited)
Total number of issued shares	1,073,792,000	90,000,000

The Company did not have any treasury shares as at 31 December 2019 and 31 December 2020.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during the year ended and as at the end of the current financial year reported on.

- 1(d)(v) 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.**

On 11 June 2020, the holding company of the PRC Affiliated Entities disposed 51.0% of the equity interest in its subsidiary, Beijing Lingzhanglei for a consideration of \$101,000 (equivalent to RMB510,000), which was determined based on the net asset value of Beijing Lingzhanglei as at the date of disposal. The consideration has been fully satisfied in cash in August 2020.

- 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 is not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**4. Whether the same accounting policies and methods of computation as in the Company's most recently audited annual financial statements have been applied.**

Save 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 combined financial statements for the financial year ended 31 December 2019 as set out in the Company's Prospectus dated 11 December 2020.

**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 that date and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result 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 years.

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

	Group	
	For the year ended 31 December 2020	For the year ended 31 December 2019
	(Unaudited)	(Audited)
Profit attributable to Shareholders (\$'000)	38,066	12,434
Weighted average number of ordinary shares ('000)	916,731	910,930
Basic and fully diluted EPS (Singapore Cents)	4.15	1.36

For the year ended 31 December 2019, for illustrative purposes, the earnings per share had been computed based on profit attributable to owners of the Company and the Company's enlarged share capital of 910,930,000 shares, assuming the share split of 91,093,000 shares into 910,930,000 shares had been completed as at 31 December 2019.

The diluted earnings per share for the years ended 31 December 2019 and 31 December 2020 are the same as the basic earnings 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 year reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	31 December 2020 (Unaudited)	31 December 2019 (Audited)	31 December 2020 (Unaudited)	31 December 2019 (Audited)
Net asset value (\$'000)	158,626	17,418	125,622	5,583
No. of ordinary shares ('000)	1,073,792	910,930	1,073,792	910,930
Net asset value per ordinary share (Singapore Cents)	14.77	1.91	11.70	0.61

For illustrative purposes, the number of ordinary shares used in the computation of net asset value per ordinary share as at 31 December 2019 has been retrospectively adjusted to reflect the share split of 91,093,000 shares into 910,930,000 shares, assuming such transactions had occurred as at 31 December 2019.

8. **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)**

***FY2020 vs FY2019***

Excluding IPO expenses of \$4.7 million, profit for the year ended 31 December 2020 is \$42.7 million.

**Revenue**

The Group's revenue increased by \$61.1 million from \$66.0 million in FY2019 to \$127.1 million in FY2020. This was mainly due to the following factors:

- i. an increase in revenue contribution from the TV Program and Film Production business segment of approximately \$47.9 million mainly arising from 6 dramas sold and completed during the year, 2 dramas and one online short-form video series filming in progress as at 31 December 2020 and one film series completed and broadcasted in FY2020 as compared to 2 dramas sold and completed in FY2019; and
- ii. an increase in revenue from the Concert Production business segment of \$13.5 million, due to two concerts held in Singapore in FY2020 as compared to one concert held in Singapore in FY2019.

The total revenue derived from our PRC Affiliated Entities amount to approximately \$88.3 million, which comprised 69.4% of the total revenue of our Group.

**Gross profit**

The Group's gross profit ("GP") increased by approximately \$36.9 million from \$18.8 million in FY2019 to \$55.7 million in FY2020. Gross profit margin ("GPM") improved from 28.5% in 2019 to 43.8% in 2020. The Group's end-to-end production capabilities enables the Group to have oversight and control over the entire production process. This allows the Group to maximise operational efficiencies across its entire business value chain and generate overall cost savings, thus contributing to the enhanced gross profit margin. The improvement in GPM is mainly contributed by:

- i. the higher GP in TV Program and Film Production business segment by approximately \$29.3 million with GPM of 42.5% (FY2019: 27.7%), as 6 out of 8 dramas in FY2020 are developed by the Group and licensed or sold to customers for fixed fees which enjoyed higher GPM. In comparison, 1 out of 2 dramas in FY2019 was developed by the Group and licensed or sold to customers for fixed fees; and

- ii. the higher GP in Concert Production business segment by approximately \$7.4 million with GPM of 53.0% (FY2019: 37.3%), given that the two concerts held in FY2020 were held at the same venue on two consecutive days, resulting in only incremental costs for the concert held on the second day.

### **Other income**

The Group's other income increased by approximately \$3.1 million from \$6.6 million in FY2019 to \$9.7 million in 2020. This is mainly due to the following factors:

- i. the gain of \$3.1 million on disposal of an associate, being Beijing Honghaier Film & Culture Co., Limited; offset by
- ii. decrease in government grants of approximately \$0.7 million from approximately \$6.5 million in FY2019 to approximately \$5.8 million in 2020. The Group receives government grants for certain of the Group's dramas and films.

In FY2019, the Group received government grants after the completion of production of dramas and films in FY2019. In FY2020, as the production for certain dramas and films was ongoing as at 31 December 2020, we had only recognised government grants of approximately \$5.8 million.

### **Administrative expenses**

The Group's administrative expenses increased by approximately \$5.8 million from \$5.2 million in FY2019 to \$10.9 million in 2020. This was mainly due to approximately \$4.7 million incurred for listing expenses, an increase of approximately \$0.7 million for employee benefits expenses (which includes salaries and defined contribution plans) due to additional headcount. This is in line with the increase in business activities in FY2020.

### **Selling and distribution expenses**

The Group's selling and distribution expenses increased by approximately \$4.8 million from \$1.9 million in FY2019 to \$6.7 million in FY2020. This is mainly due to the following factors:

- i. an increase of \$2.1 million for advertising and promotional activities for five dramas and one film series which were released in 2020;
- ii. an increase of \$1.1 million in employee benefit expenses (which includes salaries and defined contribution plans) due to an increase in headcount for the business development, branding and marketing team;
- iii. costs of \$0.6 million arising from the postponement and rescheduling of the concerts to be held in Malaysia and Australia; and
- iv. an increase of \$0.8 million in depreciation of plant and equipment and right-of-use assets.

### **Other expenses**

Other expenses decreased by \$1.4 million from \$2.0 million in FY2019 to \$0.6 million in 2020. This is mainly due to lower profit on film distribution to external investors by approximately \$1.2 million.

### **Finance cost**

Finance cost remained fairly consistent over the years, at \$1.0 million in FY2020 (FY2019: \$0.9 million), comprising mainly interest expense on bank borrowings and film investment funds from external investors.

### **Income tax expense**

The effective tax rate is approximately 17.4% (FY2019: 19.2%).

### **Profit for the year**

Profit for the year increased by approximately \$25.6 million, from \$12.4 million for FY2019 to \$38.1 million for FY2020. Excluding IPO expenses of \$4.7 million, profit for the year ended 31 December 2020 is \$42.7 million.

The total profit for the year derived from our PRC Affiliated Entities amount to approximately \$22.4 million, which comprised 58.8% of the total profit for the year of our Group.

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

#### **FY2020 vs FY2019**

##### **Current assets**

The Group's current assets increased by \$115.2 million from \$104.5 million as at 31 December 2019 to \$219.7 million as at 31 December 2020. The increase is mainly due to the following factors:

- i. the increase of \$94.6 million in cash and cash equivalents, mainly resulting from the net proceeds from issuance of shares of \$107.5 million, offset by cash outflow of \$4.4 million for listing expenses, payment of \$5.0 million for FY2020 interim dividends using internal generated funds. Please refer to <Review of Cash Position (Consolidated Statement of Cash Flow)> for details.
- ii. the increase in contract assets of \$48.2 million mainly due to increase in number of drama productions in FY2020, which was recognised for Group's right to consideration for dramas and films production in progress but not billed at year end; and
- iii. increase in other receivables of \$5.3 million mainly due to grant receivable of \$2.8 million for a drama production completed in FY2020 and higher prepayment by approximately \$2.8 million for drama production purpose. The grant was received in February 2021.

The above was offset by the following:

- i. the decrease in trade receivables balance of \$16.7 million, which was mainly due to receipts for completed drama projects and the two concerts held in FY2020;
- ii. the net decrease in film and drama productions in progress and films and drama products of \$9.1 million. This is in line with the increase in number of dramas completed in FY2020; and
- iii. decrease in amount due from related parties by approximately \$7.8 million which was mainly due to receipt of \$7.0 million owing from an entity connected to a non-controlling shareholder and non-executive Director for the grant of rights for concert production in the PRC.

##### **Non-current assets**

The Group's non-current assets increased by \$4.6 million from \$8.4 million as at 31 December 2019 to \$13.1 million as at 31 December 2020. The increase is mainly due to the following factors:

- i. the increase of \$2.2 million in right-of-use assets mainly due to the renewal and addition of leased assets during the year, offset by routine depreciation;
- ii. the increase of \$1.7 million in intangible assets, mainly related to the addition of a film set located in Malaysia. The construction of the film set was completed and ready for use in 2020; and
- iii. the increase of \$0.8 million in deferred tax assets mainly arising from the deductible temporary differences and unutilised tax losses.

##### **Current liabilities**

The Group's current liabilities decreased by approximately \$27.5 million from \$94.3 million as at 31 December 2019 to \$66.8 million as at 31 December 2020. The decrease is mainly due to the following factors:

- i. a decrease in the amount due to related parties of approximately of \$22.2 million which was mainly due to (i) payment of approximately of \$14.9 million to the controlling shareholder; (ii) payments of \$6.8 million to a company associated with a non-controlling Shareholder and non-executive Director for grant of rights for concert production in the PRC; and (iii) repayment of \$1.4 million to an associate company. These payments are made using internal generated funds and repaid prior to listing of the Company.
- ii. a decrease in contract liabilities of approximately \$14.7 million, which was mainly due to revenue recognised upon the completion of two concerts in FY2020, of which advance receipts from concert tickets were received in FY2019.

The above was offset by the following factors:

- i. there is a dividend payable of \$5.0 million to Shareholders. The Company has declared interim dividends of \$10.0 million in respect of FY2020 on 18 November 2020 to be paid to persons who were registered Shareholders as at 30 September 2020;
- ii. increase of \$1.4 million in film investment funds from investors;
- iii. increase of \$2.3 million in borrowings for working capital purposes; and
- iv. increase of \$1.2 million in income tax payable which is in line with increase in profits for FY2020.

#### **Non-current liabilities**

The Group's non-current liabilities increased by \$6.1 million from \$1.2 million as at 31 December 2019 to \$7.3 million as at 31 December 2020. The increase is mainly due to the following factors:

- i. the increase of \$2.2 million mainly due to the addition of a new lease arrangement for a filming studio; and
- ii. the increase of \$3.8 million in deferred tax liabilities due to timing differences between the carrying amounts of assets in the financial statements and the corresponding tax bases used in the computation of taxable profit.

#### **Shareholders' Equity**

Shareholders' equity increased by approximately of \$141.2 million from \$17.4 million as at 31 December 2019 to \$158.6 million as at 31 December 2020. The increase is mainly due to the following factors:

- i. net increase of \$28.1 million in retained earnings due to net profit recognised of \$38.1 million for FY2020 offset by interim dividends of \$10.0 million in respect of FY2020 declared; and
- ii. increase of \$112.2 million in share premium mainly due to IPO proceeds raised and capitalisation of the loan due to a non-controlling shareholder.

The Group has a working capital of \$152.9 million as at 31 December 2020.

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

##### ***FY2020 vs FY2019***

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

The Group generated cash inflows from operating activities before movement in working capital of approximately \$62.0 million, with net changes in working capital of approximately \$39.2 million and income tax paid of approximately of \$4.0 million and interest paid of \$1.0 million.

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

- i. increase in contract assets of approximately of \$48.3 million mainly due to completion of drama and film productions not yet billed as at reporting date; and
- ii. decrease in contract liabilities of approximately of \$15.5 million mainly due to advance receipts of ticket sales collected in FY2019 for concerts held which were recognised as revenue when the concerts took place in 2020.

This is offset by the following factors:

- i. a net decrease in films and drama productions in progress of approximately of \$6.8 million mainly due to dramas and films completed in 2020;
- ii. decrease in trade and other receivables of approximately of \$14.7 million mainly due to receipts from films and drama productions and receipts for ticket sales from the ticketing agent for the concerts which took place in 2020; and
- iii. increase in trade and other payables of approximately of \$2.3 million.

Net cash generated from operating activities is \$17.8 million.

### **Net cash used in investing activities**

Net cash used in investing activities amounted to \$1.7 million which is mainly due to following factors:

- i. purchase of plant and equipment of \$1.2 million;
- ii. purchase of intangible assets of \$1.8 million, mainly right to use a film set located in Malaysia; and
- iii. an advance to Beijing Yizhongdao Film & Media Co., Ltd, a PRC Affiliated Entity in which the Group held 30.0% equity interest at the relevant time, of approximately of \$1.8 million for the purposes of funding its working capital.

This is offset by cash and bank balances of approximately \$3.3 million arising from an acquisition of a subsidiary.

### **Net cash generated from financing activities**

Net cash generated from financing activities amounted to \$78.4 million which is mainly due to the following factors:

- i. Net proceeds from borrowings of \$2.0 million for working capital purposes;
- ii. Net proceeds of film investment funds from investors of \$1.2 million; and
- iii. Proceeds of \$107.5 million raised from issuance of new shares;

This is offset by the following factors:

- i. Repayment of lease liabilities of \$1.6 million;
- ii. Repayment of amount due to related parties of \$16.8 million, being 1) the ultimate controlling shareholder and Executive Chairman and Group CEO and 2) a subsidiary, Beijing Yizhongdao Film & Media Co., Ltd in which the Group held 30.0% equity interest at the relevant time. These repayments are made using internal funds and repaid prior to the listing of the Company;
- iii. Repayment of loan of approximately of \$1.6 million due to an ex-director of a subsidiary;
- iv. Payment of shares buy-back of \$2.8 million;
- v. Payment of IPO listing expenses of \$4.4 million; and
- vi. Payment of interims dividends in respect of FY2020 of \$5.0 million paid to persons who were registered Shareholders as at 30 September 2020.

**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 specific 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 global pandemic outbreak of the COVID-19 announced by the World Health Organisation has impacted the Group's operations, as well as the operations of the Group's customers and suppliers, globally including in Singapore, Australia and the PRC. Due to the COVID-19 outbreak, a number of governments around the world have imposed nationwide restrictions to curb the spread of COVID-19, including the quarantine measures, travel restrictions and the closure of workplaces, schools, shops and other public venues, including entertainment venues.

The development of such pandemic is beyond the Group's control. The Group has adopted a strict disease prevention scheme to reduce the risk of its employees from infection of COVID-19. The measures implemented include, among others, ventilating the workplaces and monitoring the body temperature of employees twice a day.



### Television Program and Film Production

There has been slight delay in filming schedule of two dramas and online short form video series as at 31 December 2020. The Group have since resume filming and will complete the remaining filming for these two dramas and online short form video series in 2021. The Group will also receive the government grants for these two dramas in 2021.

In the event of a prolonged COVID-19 outbreak or a reoccurrence of COVID-19 in the economies our Group is operating in, if stay-home and quarantine measures are reinstated and/or continue to be implemented, the Group also expects an increase in demand for new dramas and films produced or co-produced by our Group by distributors such as video streaming platforms, as evidenced by an increase in customers for streaming services, if we are able to undertake and complete production of new drama and film projects.

If these measures require the closure of workplaces and suspension of business activities are reinstated and/or implemented for a prolonged period of time, there may be potential delays in the production schedule of our drama and film projects which are undergoing or slated to commence production in the future. Except for on-site filming of the Group's drama series, screenwriters, post-production members and employees can work remotely and communicate with one another through mobile phones, the internet and other media tools to facilitate the progress of the film and drama projects in a timely manner.

Together with the dramas and film series which production are expected to take place and/or are expected to be released in FY2021 and FY2022, the Group has a pipeline of dramas and films for FY2021 and FY2022, which will contribute to the growth of our TV program and film production business over time.

### Concert Production

The Group also expects postponement of planned concerts and inability to undertake the production of any concerts until the travel restrictions, closure of public venues and safe-distancing measures imposed by the respective governments have been lifted and the general public's concerns over the COVID-19 outbreak have been allayed. While the Group may explore alternative business strategies for the Group's Concert Production business segment during such time, such as the holding of online concerts on online streaming platforms, there can be no assurance that the Group will be able to successfully implement such alternative business strategies due to numerous risks. The Group keeps a relatively small team of staff in its concert production business and engage different vendors in the industry when the concert date is confirmed. Therefore, the Group only incurs a relatively small amount of fixed cost in the concert production business.

### Overall

The Group is unable to predict if the impact of the COVID-19 outbreak will be short-lived or long-lasting or if there will be delays to the production schedules of future dramas and film projects and concert productions and/or further disruptions to the Group's business and operations.

The Group will monitor closely the latest development of COVID-19, including vaccination progress and continue to be diligent and disciplined in managing and controlling the costs. With the current projects in the pipeline and diversified nature of the Group's business portfolio, the Group is cautiously optimistic in overcoming the uncertainties and challenges ahead and will continue to monitor and adapt to the evolving COVID-19 situation. The Group will keep 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?

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	1.10 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

  

Name of Dividend	Final
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	1.07 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

The Directors propose the payment of a tax-exempt final dividend of 1.07 Singapore cents per share in respect of the financial year ended 31 December 2020 amounting approximately \$11.5 million representing approximately 30% of our FY2020 net profit after tax, subject to the approval of Shareholders at the forthcoming AGM and determined based on the retained earnings and share premium of the Company as 31 December 2020.

The Board intends to recommend dividends of at least 30.0% of our net profit after tax generated in FY 2021.

On 1 November 2020, the Company, through our GHY WFOEs<sup>2</sup> entered into the Contractual Agreements ("CA") with the Individual Shareholders<sup>3</sup> of the PRC Affiliated Entities and each of our PRC Affiliated Entities, under which operational control and economic rights over our PRC Affiliated Entities are conferred to our Group. The PRC Affiliated Entities will make payment of service fees to GHY WFOEs (the "Funds") starting from the year ending 31 December 2021.

**(b) Any dividend recommend/declared for the corresponding period of the immediately preceding financial year?**

There is no dividend declared for the corresponding period of the immediately preceding financial year.

**(c) The date the dividend is payable**

Subject to approval by the Shareholders at the forthcoming AGM, the payment date of the proposed final dividend will be announced at a later date.

**(d) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlement to the dividends are determined.**

Subject to approval by the Shareholders at the forthcoming AGM, the record date will be announced at a later date.

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

Not applicable.

**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 has obtained general mandate from the shareholders as at listing date (the "IPT General Mandate"):

<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>	-	1,061.6
JVR Music International Ltd <sup>(2)</sup>	7,055.2	-
Eastern Eagle Investment Co. Ltd <sup>(3)</sup>	7,154.4	-
Taiho Holding Limited <sup>(4)</sup>	439.0	-
Mr. Guo Jingyu <sup>(5)</sup>	3,513.0	-
Ms. Yue Lina <sup>(6)</sup>	-	482.4
Mr. Yang Zhigang <sup>(7)</sup>	-	139.4

<sup>2</sup> It refers to wholly-foreign owned enterprises, which includes Tianjin Xinyuan Culture & Broadcast Co., Ltd. and Beijing Xinyuan Culture & Broadcast Co., Ltd., and each a "GHY WFOE".

<sup>3</sup> It refers to Mr. Guo Jingyu and Mr. Xue Xin, where each of whom is also our Executive Officer.

**Notes:**

- (1) Related to grant of the rights to undertake the production of concerts for Jay Chou in Singapore, Malaysia and Australia 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 amounts paid to JVR Music International Ltd for the grant of rights to undertake production of PRC Concerts, royalties for the licensing of intellectual property rights to music and insurance fee for Singapore FY2020 Jay Chou concert. JVR Music International Ltd is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director and non-controlling shareholder.
- (3) Related to amounts paid by Eastern Eagle for appointment as agent to undertake production of the PRC Concerts. Eastern Eagle Investment Co. Ltd is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director and non-controlling shareholder.
- (4) Related to 50% of interim dividends in respect of FY2020 paid to Taiho Holding Limited, which is 50.0% owned by Mr. Yang Jun Rong, our Non-Executive Director and non-controlling shareholder. The remaining 50% balance is paid subsequent to 31 December 2020 using internal generated funds.
- (5) Related to 50% of interim dividends in respect of FY2020 paid to Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder. The remaining 50% balance is paid subsequent to 31 December 2020 using internal generated funds.
- (6) Related to amounts received by the Group for provision of talent management service fee to Ms. Yue Lina and acting service fee paid to Ms. Yue Lina, our Executive Director.
- (7) Related to amounts received by the Group for provision of talent management service fee to Mr. Yang Zhigang and acting service fee paid to Mr. Yang Zhigang, who is the brother of Mr. Guo Jingyu, our Executive Chairman and Group CEO.

**14. Use of proceeds from Initial Public Offering**

The following table set out the use of IPO proceeds:

	<b>Amount allocated \$'million</b>	<b>Amount utilised \$'million</b>	<b>Balance as at 26 February 2021 \$'million</b>
Expansion of the TV Program and Film Production business via investment in production <sup>(1)</sup> , acquisitions, joint ventures and/or strategic alliances <sup>(3)</sup>	64.5	-	64.5
Expansion of the Concert Production business via investment in production <sup>(2)</sup> , acquisitions, joint ventures and/or strategic alliances	21.5	-	21.5
General working capital purposes <sup>(4)</sup>	15.0	(1.5)	13.5
Issue expenses	6.5	(4.9)	1.6
<b>Total</b>	<b>107.5</b>	<b>(6.4)</b>	<b>101.1</b>

**Notes:**

- (1) Such investments may include, but are not limited to, the production of dramas, films, online video series, musicals and stage plays.
- (2) 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.
- (3) It is intended that out of the gross proceeds to be used for expansion of the TV Program and Film Production business segment via investment in production, acquisitions, joint ventures and/or strategic alliances.
- (4) General working capital purposes included but are not limited to payment of professional fees, salaries, rental expenses etc.

The use of IPO proceeds is in accordance with the stated use as listed in the Prospectus.

**15. 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).

**PART II-ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 16. 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 year.**

	<b>Group</b>			
	<b>For the year ended 31 December 2020</b>			
	TV Program and Film Production	Concert business	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	108,938	14,790	3,986	127,714
Inter-segment elimination				(619)
				<u>127,095</u>
Gross profit	45,295	7,837	1,889	55,021
Inter-segment elimination				648
				<u>55,669</u>
Other income				9,668
Share of result from associate				(11)
Administrative expenses				(10,942)
Selling and distribution expenses				(6,701)
Other expenses				(623)
Finance costs				(985)
Profit before tax				<u>46,075</u>
Income tax expense				(8,009)
Profit for the year				<u>38,066</u>

	<b>Group</b>			
	<b>For the year ended 31 December 2019</b>			
	TV Program and Film Production	Concert business	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	60,651	1,256	5,771	67,678
Inter-segment elimination				(1,678)
				<u>66,000</u>
Gross profit	16,810	469	2,258	19,537
Inter-segment elimination				(721)
				<u>18,816</u>
Other income				6,575
Share of result from associate				35
Administrative expenses				(5,177)
Selling and distribution expenses				(1,887)
Other expenses				(2,035)
Finance costs				(931)
Profit before tax				<u>15,396</u>
Income tax expense				(2,962)
Profit for the year				<u>12,434</u>

### Geographical information

Revenue from external customers:

	<b>Group</b>	
	31 December 2020 (Unaudited)	31 December 2019 (Audited)
Singapore	38,783	924
Australia	-	-
China	88,312	65,076
Malaysia	-	-
	<u>127,095</u>	<u>66,000</u>

**17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

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 approximately 69.4% (FY2019: 98.6%) the Group's total revenue.

The Group's revenue from customers located within Singapore increased from approximately 1.4% of its revenue in FY2019 to approximately 30.6% of its revenue in FY2020. This was mainly due to the two concert productions which were held in Singapore under the Concert Production business segment in FY2020 and completed filming and production of one drama under the TV Program and Film Production business segment in FY2020, for which the copyright and ancillary rights to this drama were sold to a customer located in Singapore. In 2019, the completed filming and production of two dramas under the TV Program and Film Productions were sold to customers located in the PRC, which contributed to approximately 98.6% in FY2019.

**18. A breakdown of Sales**

	<b>Group</b>		
	FY2020 \$'000	FY2019 \$'000	Change Increase / (Decrease) %
i. Sales reported for first half year	37,152	41,622	(11)
ii. Operating profit after tax before deducting non-controlling interests for first half year	13,010	11,629	12
iii. Sales reported for second half year	89,943	24,378	269
iv. Operating profit after tax before deducting non-controlling interests for second half year	25,056	805	n.m.

**19. A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year.**

	FY2020 \$'000	FY2019 \$'000
Annual Dividend		
Ordinary Dividend		
- Interim	10,000	-
- Final (proposed)	11,490	-

The proposed final one-tier tax exempt dividends in respect of FY2020 is subject to Shareholders' approval at the forthcoming AGM.

**20. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704 (13).**

Not applicable. There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**21. Disclosure of any acquisition or sale shares resulting in a company becoming a subsidiary or an associated company of the issuer and shares resulting in the issuer increasing its shareholding percentage in a subsidiary or an associated company.**

On 26 May 2020, the holding company of the PRC Affiliated Entities, Tianjin Changxin acquired 70.0% of the equity interest in Beijing Yizhongdao, from Mr. Wei Zi, an unrelated third party, for a consideration of RMB0.7 million (equivalent to approximately \$139,000), which was determined based on the registered share capital of Beijing Yizhongdao. Payment of the consideration was fully satisfied in cash in August 2020 and the registration of the change in shareholding was completed in August 2020. Subsequent to such acquisition of the 70.0% of the equity interest in Beijing Yizhongdao, Beijing Yizhongdao became a wholly-owned subsidiary of Tianjin Changxin.

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

Guo Jingyu  
Executive Chairman and Group CEO  
26 February 2021

DBS Bank Ltd. and UOB Kay Hian Private Limited are the joint issue managers and global coordinators (the "Joint Issue Managers and Global Coordinators") for the initial public offering of shares in, and listing of, G.H.Y Culture & Media Holding Co., Limited on the Main Board of the Singapore Exchange Securities Trading Limited. The Joint Issue Managers and Global Coordinators assume no responsibility for the contents of this announcement.