



长信传媒

G.H.Y Culture & Media

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

(Company Number: 337751)

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**FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

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Singapore, 28 February 2023 – The Directors ("Directors") of G.H.Y Culture & Media Holding Co., Limited (the "Company", and together with its subsidiaries and its PRC Affiliated Entities<sup>1</sup>, the "Group") announce the following unaudited results of the Group for the year ended 31 December 2022.

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: [hujimin.low@ghyculturemedia.com](mailto:hujimin.low@ghyculturemedia.com).

**Important Notes on Forward-Looking Statements ("Statements"):**

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements involve numerous assumptions, risks or uncertainties regarding the Group's present and future business strategies and the environment in which the Group will operate in the future.

There may be additional risks not described or not presently known to the Group or that the Group currently believe to be immaterial that turn out to be material.

Actual future performance, outcomes and results may differ materially from these expressed in forward-looking statements should these assumptions, risks and uncertainties occur or turn out to be material. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Group concerning future events.

New assumptions, risks and uncertainties arise from time to time, and it is impossible for the Group to predict these events or how these events may affect the Group. Save as required by all applicable laws of applicable 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. 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 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 year/period of the immediately preceding financial year.**

	<b>Group</b>			
	<b>For the year ended</b>			
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
<b>Revenue</b>	45,732	83,319	(37,587)	(45)
Cost of sales	(31,483)	(61,564)	(30,081)	(49)
<b>Gross profit</b>	14,249	21,755	(7,506)	(35)
Other income	7,095	5,961	1,134	19
Share of result from associate	(50)	(8)	42	525
Share of result from joint venture	(296)	(285)	11	4
Administrative expenses	(13,367)	(11,514)	1,853	16
Selling and distribution expenses	(6,409)	(5,957)	452	8
Other expenses	(10,663)	(2,263)	8,400	371
Finance costs	(1,701)	(1,048)	653	62
<b>(Loss) Profit before income tax</b>	(11,142)	6,641	(17,783)	(268)
Income tax credit (expense)	661	(3,173)	(3,834)	(121)
<b>(Loss) Profit for the year</b>	(10,481)	3,468	(13,949)	(402)
<b>Other comprehensive (loss) income, net of income tax:</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange (loss) gain difference arising on translation of foreign operations	(3,138)	1,873	(5,011)	(268)
<b>Total comprehensive (loss) income for the year</b>	(13,619)	5,341	(18,960)	(355)
<b>(Loss) Profit for the year attributable to:</b>				
Owners of the Group	(9,382)	3,901	(13,283)	(341)
Non-controlling interests	(1,099)	(433)	666	154
	(10,481)	3,468	(13,949)	(402)
<b>Total comprehensive (loss) income for the year attributable to:</b>				
Owners of the Group	(12,520)	5,774	(18,294)	(317)
Non-controlling interests	(1,099)	(433)	666	154
	(13,619)	5,341	(18,960)	(355)
<b>(Loss) Earnings per share</b>				
Basic and diluted (cents)	(0.88)	0.36	(1.24)	(344)

**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 year/period of the immediately preceding financial period.**

	<b>Group</b>			
	<b>For the six months ended</b>			
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Unaudited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
<b>Revenue</b>	25,107	39,534	(14,427)	(36)
Cost of sales	(15,878)	(30,112)	(14,234)	(47)
<b>Gross profit</b>	9,229	9,422	(193)	(2)
Other income	1,294	3,564	(2,270)	(64)
Share of result from associate	(58)	(8)	50	625
Share of result from joint venture	(142)	(218)	(76)	(35)
Administrative expenses	(7,370)	(6,432)	938	15
Selling and distribution expenses	(3,585)	(3,618)	(33)	(1)
Other expenses	(7,496)	(1,960)	5,536	282
Finance costs	(1,063)	(573)	490	86
<b>(Loss) Profit before income tax</b>	(9,191)	177	(9,368)	(5,293)
Income tax credit (expense)	495	(135)	(630)	(467)
<b>(Loss) Profit for the period</b>	(8,696)	42	(8,738)	(20,805)
<b>Other comprehensive (loss) income, net of income tax:</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange (loss) gain difference arising on translation of foreign operations	(1,963)	1,292	(3,255)	(252)
<b>Total comprehensive (loss) income for the period</b>	(10,659)	1,334	(11,993)	(899)
<b>(Loss) Profit for the period attributable to:</b>				
Owners of the Group	(7,971)	421	(8,392)	(1,993)
Non-controlling interests	(725)	(379)	346	91
	(8,696)	42	(8,738)	(20,805)
<b>Total comprehensive (loss) income for the period attributable to:</b>				
Owners of the Group	(9,934)	1,713	(11,647)	(680)
Non-controlling interests	(725)	(379)	346	91
	(10,659)	1,334	(11,993)	(899)
<b>(Loss) Earnings per share</b>				
Basic and diluted (cents)	(0.75)	0.04	(0.79)	(1,963)

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

	<b>Group</b>			
	<b>For the year ended</b>			
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Gain on early termination of right-of-use assets	(22)	(20)	2	10
Gain on structured deposits	(3)	(20)	(17)	(85)
Government grants	(5,658)	(3,201)	2,457	77
Interest income	(395)	(307)	88	29
(Reversal of allowance) Allowance for expected credit losses	(384)	1,741	(2,125)	(122)
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	2,061	6,892	(4,831)	(70)
Amortisation of intangible assets	701	373	328	88
Bad debts written-off	15	-	15	100
Cost of defined contribution plans included in employee benefits expense	1,191	751	440	59
Cost of television, drama and film production recognised as cost of sales	15,356	55,915	(40,559)	(73)
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	404	408	(4)	(1)
Depreciation of plant and equipment recognised in administrative expenses, selling and general expenses and other expenses	798	516	282	55
Depreciation of right-of-use assets	2,000	2,013	(13)	(1)
Employee benefits expense	11,794	8,967	2,827	32
Expenses relating to leases of low value assets	1	1	-	-
Expenses relating to short-term leases	130	154	(24)	(16)
Fair value loss (gain) on financial assets at fair value through profit or loss	145	(95)	(240)	(253)
Interest expense	1,701	1,048	653	62
Impairment loss of contract costs	-	219	(219)	(100)
Impairment loss of intangible assets	143	-	143	100
Listing expenses	-	17	(17)	(100)
Loss on derecognition of financial assets at FVTPL	200	-	200	100
Net foreign currency exchange loss (gain)	8,824	(2,111)	(10,935)	(518)
Written-off of inventories	2	-	2	100
Written-off of plant and equipment	8	18	(10)	(56)
Written-off of films and drama productions in progress	181	-	181	100

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

	<b>Group</b>			
	<b>For the six months ended</b>			
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Unaudited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Gain on early termination of right-of-use assets	(22)	(20)	2	10
Gain on structured deposits	-	(20)	(20)	(100)
Government grants	(518)	(981)	(463)	(47)
Interest income	(242)	(177)	65	37
(Reversal of allowance) Allowance for expected credit losses	(84)	1,656	(1,740)	(105)
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	1,762	1,871	(109)	(6)
Amortisation of intangible assets	375	252	123	49
Cost of defined contribution plans included in employee benefits expense	296	395	(99)	(25)
Cost of television, drama and film production recognised as cost of sales	3,093	27,908	(24,815)	(89)
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	196	206	(10)	(5)
Depreciation of plant and equipment recognised in administrative expenses, selling and general expenses and other expenses	415	338	77	23
Depreciation of right-of-use assets	965	1,049	(84)	(8)
Employee benefits expense	6,097	5,850	247	4
Expenses relating to leases of low value assets	-	1	(1)	(100)
Expenses relating to short-term leases	114	28	86	307
Fair value loss (gain) on financial assets at fair value through profit or loss	145	(95)	(240)	(253)
Impairment loss of contract costs	-	219	(219)	(100)
Impairment loss of intangible assets	143	-	143	100
Listing expenses	-	17	(17)	(100)
Interest expense	1,063	573	490	86
Net foreign currency exchange loss (gain)	6,132	(2,090)	(8,222)	(393)
Written-off of inventories	2	-	2	100
Written-off of plant and equipment	8	18	(10)	(56)
Written-off of films and drama productions in progress	181	-	181	100

## B. Condensed 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.

	<b>Group</b>		<b>Company</b>	
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	36,760	38,738	830	11,148
Trade and note receivables	46,742	48,059	-	-
Other receivables	13,742	15,335	7,871	3,163
Advances to subsidiaries	-	-	95,593	97,091
Amount due from related parties	920	1,347	-	-
Amount due from joint venture	14	77	-	-
Contract assets	41,027	59,313	-	-
Contract costs	574	663	-	-
Financial assets at fair value through profit or loss	2,662	3,029	-	-
Inventories	177	191	-	-
Films and drama productions in progress	23,566	22,687	-	-
Films and drama products	387	507	-	-
	<u>166,571</u>	<u>189,946</u>	<u>104,294</u>	<u>111,402</u>
<b>Non-current assets</b>				
Plant and equipment	5,262	5,348	-	-
Right-of-use assets	2,928	5,175	-	-
Goodwill	1,111	1,111	-	-
Intangible assets	2,580	2,131	-	-
Other receivables	104	108	-	-
Deferred tax assets	4,362	3,789	-	-
Investment in subsidiaries	-	-	8,518	8,518
Investment in associate	914	1,063	-	-
Investment in joint venture	369	665	-	-
	<u>17,630</u>	<u>19,390</u>	<u>8,518</u>	<u>8,518</u>
<b>Total assets</b>	<u>184,201</u>	<u>209,336</u>	<u>112,812</u>	<u>119,920</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	22,691	22,980	1,945	6,134
Contract liabilities	6,279	5,130	-	-
Amount due to related parties	1,901	1,202	205	130
Lease liabilities	1,495	2,013	-	-
Borrowings	13,414	14,352	-	-
Income tax payable	740	8,621	-	-
	<u>46,520</u>	<u>54,298</u>	<u>2,150</u>	<u>6,264</u>
<b>Non-current liabilities</b>				
Lease liabilities	1,729	2,911	-	-
Borrowings	188	-	-	-
Deferred tax liabilities	19	28	-	-
	<u>1,936</u>	<u>2,939</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>48,456</u>	<u>57,237</u>	<u>2,150</u>	<u>6,264</u>
<b>NET ASSETS</b>	<u>135,745</u>	<u>152,099</u>	<u>110,662</u>	<u>113,656</u>

**1(b) A statement of financial position (for the Company and the Group), together with a comparative statement as at the end of the immediately preceding financial year (cont'd).**

	<b>Group</b>		<b>Company</b>	
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000
<b>Capital and reserves</b>				
Share capital	14	14	14	14
Share premium	113,048	114,118	113,048	114,118
Treasury shares	(2,230)	(367)	(2,230)	(367)
Capital reserve	629	629	-	-
Statutory reserve	297	297	-	-
Retained earnings (accumulated losses)	25,531	34,913	(170)	(109)
Translation reserves	(199)	2,939	-	-
Equity attributable to owners of the Company	137,090	152,543	110,662	113,656
Non-controlling interest	(1,345)	(444)	-	-
<b>Total equity</b>	<b>135,745</b>	<b>152,099</b>	<b>110,662</b>	<b>113,656</b>

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

	<b>Group</b>	
	As at 31 December 2022 (Unaudited) \$'000	As at 31 December 2021 (Audited) \$'000
<b>Total borrowings</b>		
- Amount repayable in one year or less or on demand (secured)	13,414	14,352
- Amount repayable after one year (secured)	188	-
	<b>13,602</b>	<b>14,352</b>
<b>Lease liabilities</b>		
- Amount repayable in one year or less or on demand (unsecured)	1,495	2,013
- Amount repayable after one year (unsecured)	1,729	2,911
	<b>3,224</b>	<b>4,924</b>

Apart from the above, the Group does not have any borrowings and debt securities as at 31 December 2022 and 31 December 2021.

**Details of any collaterals:**

As at 31 December 2022, bank loans amounting to \$13,602,000 (31 December 2021: \$14,352,000) 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, and (iv) assignment of sales contracts, sales proceeds as well as the Group's motor vehicle.



### C. Condensed Consolidated Statements of Cash Flows

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

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000
<b>Operating activities</b>		
(Loss) Profit before income tax	(11,142)	6,641
Adjustments for:		
Amortisation of films and drama products	2,061	6,892
Amortisation of intangible assets	701	373
Depreciation of plant and equipment	1,202	924
Depreciation of right-of-use assets	2,000	2,013
(Reversal of allowance) Allowance for expected credit losses	(384)	1,741
Written-off of plant and equipment	8	18
Impairment loss of contract costs	-	219
Bad debts written-off	15	-
Loss on derecognition of financial assets at FVTPL	200	-
Impairment loss of intangible assets	143	-
Written-off of inventories	2	-
Fair value loss (gain) on financial assets at FVTPL	145	(95)
Gain on early termination of right-of-use assets	(22)	(20)
Interest income	(395)	(307)
Interest expense	1,701	1,048
Gain on structured deposits	(3)	(20)
Share of result from associate	50	8
Share of result from joint venture	296	285
Net foreign exchange difference	(1,068)	1,776
Operating cash flows before movements in working capital	(4,490)	21,496
Films and drama productions in progress (Note A)	(8,284)	(34,770)
Films and drama products	3,328	19,839
Trade, note and other receivables	6,771	(28,526)
Amount due from related parties	417	(107)
Amount due from joint venture	63	(77)
Contract assets	19,248	(7,259)
Contract costs	89	-
Trade and other payables	(179)	(9,131)
Amount due to related parties	699	125
Inventories	12	-
Contract liabilities	(2,464)	(1,764)
Cash generated from (used in) operations	15,210	(40,174)
Interest income received	290	274
Interest paid	(1,810)	(1,116)
Income tax paid	(7,743)	(5,201)
Net cash generated from (used in) operating activities	5,947	(46,217)

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

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000
<b>Investing activities</b>		
Purchase of plant and equipment (Note B)	(1,329)	(2,189)
Investments in financial assets at fair value through profit or loss	(820)	(2,719)
Purchase of intangible assets	(1,493)	(486)
Investment in structured deposits (Note C)	3	20
Investment in associate	-	(1,071)
Investment in joint venture	-	(950)
Proceeds from derecognition of financial assets at FVTPL	9	-
Net cash used in investing activities	<u>(3,630)</u>	<u>(7,395)</u>
<b>Financing activities</b>		
Capital contribution from non-controlling interests	198	-
Restricted bank deposits	2,055	(6,426)
Dividends paid to shareholders	(1,070)	(16,490)
Repayment of lease liabilities	(1,440)	(1,925)
Proceed from borrowings (Note B)	14,751	13,912
Repayment of borrowings	(14,355)	(7,258)
Repayments of film investment funds to an investor at amortised cost	-	(4,153)
Shares buy-back	(1,863)	(367)
IPO listing expenses paid	-	(3,307)
Net cash used in financing activities	<u>(1,724)</u>	<u>(26,014)</u>
Net increase (decrease) in cash and cash equivalents	593	(79,626)
Cash and cash equivalents at beginning of year (Note D)	32,312	111,931
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(19)	7
Cash and cash equivalents at end of year (Note D)	<u>32,886</u>	<u>32,312</u>

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

Note A:

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2022	31 December 2021
	(Unaudited)	(Audited)
	\$'000	\$'000
Additions of films and drama productions in progress	10,699	34,858
Sales of films and drama productions in progress	(2,399)	(66)
Less: Non-cash movement - Amortisation of intangible assets capitalised as films and drama productions in progress	(16)	(22)
	<u>8,284</u>	<u>34,770</u>

Note B:

In the financial year ended 31 December 2022, the Group acquired plant and equipment of \$1,579,000 (2021: \$2,189,000), out of which \$250,000 (2021: \$Nil) is acquired through borrowings.

Note C:

In the financial year ended 31 December 2022, the Group entered into structured deposits which represented short-term deposits placed with financial institutions and the return of the investment is dependent on the return of the underlying investments of the structured deposits. As at 31 December 2022, gross investment and proceeds received arising from such investment upon maturity amounted to \$1,233,000 (2021: \$6,229,000) and \$1,236,000 (2021: \$6,249,000) respectively.

Note D:

As at 31 December 2022, cash and cash equivalents in the statement of cash flows exclude restricted bank deposits amounting to \$3,874,000 (31 December 2021: \$6,426,000) pledged to a bank to secure short-term borrowings granted to the Group. The Group's restricted bank deposits carry fixed interest at 2.0% (31 December 2021: 2.0%) per annum and will be released upon repayment of the short-term borrowings.

## D. 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 year of the immediately preceding financial year.

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

	Share capital	Share premium	Treasury shares	Capital reserve	Statutory reserve <sup>^</sup>	Retained earnings	Translation reserves	Equity attributable to owners of the Company	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances at 1 January 2022</b>	14	114,118	(367)	629	297	34,913	2,939	152,543	(444)	152,099
<i>Total comprehensive loss for the year:</i>										
Loss for the year	-	-	-	-	-	(9,382)	-	(9,382)	(1,099)	(10,481)
Other comprehensive loss for the year	-	-	-	-	-	-	(3,138)	(3,138)	-	(3,138)
	-	-	-	-	-	(9,382)	(3,138)	(12,520)	(1,099)	(13,619)
<i>Transactions with owners, recognised directly in equity:</i>										
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	198	198
Shares repurchased	-	-	(1,863)	-	-	-	-	(1,863)	-	(1,863)
Dividends	-	(1,070)	-	-	-	-	-	(1,070)	-	(1,070)
	-	(1,070)	(1,863)	-	-	-	-	(2,933)	198	(2,735)
<b>Balances at 31 December 2022</b>	14	113,048	(2,230)	629	297	25,531	(199)	137,090	(1,345)	135,745
<b>Balances at 1 January 2021</b>	14	117,889	-	629	297	38,731	1,066	158,626	-	158,626
<i>Total comprehensive income for the year:</i>										
Profit (Loss) for the year	-	-	-	-	-	3,901	-	3,901	(433)	3,468
Other comprehensive income for the year	-	-	-	-	-	-	1,873	1,873	-	1,873
	-	-	-	-	-	3,901	1,873	5,774	(433)	5,341
<i>Transactions with owners, recognised directly in equity:</i>										
Non-controlling interest arising from investment in a subsidiary	-	-	-	-	-	-	-	-	(11)	(11)
Shares repurchased	-	-	(367)	-	-	-	-	(367)	-	(367)
Dividends	-	(3,771)	-	-	-	(7,719)	-	(11,490)	-	(11,490)
	-	(3,771)	(367)	-	-	(7,719)	-	(11,857)	(11)	(11,868)
<b>Balances at 31 December 2021</b>	14	114,118	(367)	629	297	34,913	2,939	152,543	(444)	152,099

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

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

	Share capital \$'000	Share premium \$'000	Treasury shares \$'000	(Accumulated losses) Retained earnings \$'000	Total equity \$'000
<b>Balances at 1 January 2022</b>	14	114,118	(367)	(109)	113,656
Loss for the year, representing total comprehensive loss for the year	-	-	-	(61)	(61)
<i>Transactions with owners, recognised directly in equity:</i>					
Shares repurchased	-	-	(1,863)	-	(1,863)
Dividends	-	(1,070)	-	-	(1,070)
	-	(1,070)	(1,863)	-	(2,933)
<b>Balances at 31 December 2022</b>	14	113,048	(2,230)	(170)	110,662
<b>Balances at 1 January 2021</b>	14	117,889	-	7,719	125,622
Loss for the year, representing total comprehensive loss for the year	-	-	-	(109)	(109)
<i>Transactions with owners, recognised directly in equity:</i>					
Shares repurchased	-	-	(367)	-	(367)
Dividends	-	(3,771)	-	(7,719)	(11,490)
	-	(3,771)	(367)	(7,719)	(11,857)
<b>Balances at 31 December 2021</b>	14	114,118	(367)	(109)	113,656

**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.**

	<b>Number of shares</b>	<b>Resultant issued and paid-up share capital</b>
Issued and paid-up share capital as at 31 December 2021	1,073,119,900	US\$10,738
Share repurchased and held as treasury shares	(3,876,700)	*
Issued and paid-up share capital as at 31 December 2022	<u>1,069,243,200</u>	<u>US\$10,738</u>

\* Amount less than \$1,000.

As at 31 December 2022, the Company held 4,548,800 (2021: 672,100) treasury shares which represented 0.42% (2021: 0.06%) 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 2021, being the end of the preceding period reported on.

The Company did not have any outstanding convertible securities and subsidiary holdings as at 31 December 2021 and 31 December 2022.

- 1(g)(i) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding period.**

Total number of issued shares excluding treasury shares as at 31 December 2022 was 1,069,243,200 ordinary shares (31 December 2021: 1,073,119,900 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.**

	<b>The Company No. of shares</b>	<b>Amount S\$'000</b>
Balance of treasury shares as at 1 January 2022	672,100	367
Shares repurchased and held as treasury shares	3,876,700	1,863
Balance of treasury shares as at 31 December 2022	<u>4,548,800</u>	<u>2,230</u>

There were no other transfers, disposals, or cancellations of treasury shares during the financial year ended 31 December 2022.

- 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 year 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 2021 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 year are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2021.

**4b. Whether the financial statements are prepared in accordance with the relevant accounting standards for 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 2022 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 years/periods.

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

	Group			
	For the year ended		For the six months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
(Loss) Profit attributable to Shareholders (\$'000)	(9,382)	3,901	(7,971)	421
Weighted average number of ordinary shares ('000)	1,070,635	1,073,758	1,069,708	1,073,725
Basic and fully diluted (loss) earnings per share (Singapore Cents)	(0.88)	0.36	(0.75)	0.04

The diluted (loss) / earnings per share for the six months and full year ended 31 December 2021 and 31 December 2022 are the same as the basic (loss) / 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 2022 (Unaudited)	31 December 2021 (Audited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Net asset value* (\$'000)	137,090	152,543	110,662	113,656
No. of ordinary shares ('000)	1,069,243	1,073,120	1,069,243	1,073,120
Net asset value per ordinary share (Singapore Cents)	<u>12.82</u>	<u>14.21</u>	<u>10.35</u>	<u>10.59</u>

\* 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)**

***FY2022 vs FY2021***

**Revenue**

The Group's revenue decreased by approximately \$37.6 million from \$83.3 million for the financial year ended 31 December 2021 ("FY2021") to \$45.7 million for the financial year ended 31 December 2022 ("FY2022"). This was mainly due to the following factors:

- i. decrease in revenue contribution (net of inter-segment elimination) from the TV Program and Film Production business segment of approximately \$55.7 million from \$75.7 million in FY2021 to \$20.0 million in FY2022 due to lower drama and film production sales driven by fewer titles sold in FY2022 and the gradual shift from licensing our content to third parties to licensing based on user clicks or viewership.

In FY2022, the Group recognised revenue mainly in respect of the completed production of three dramas named "Strange Tales of Tang Dynasty 唐朝诡事录", "Sisterhood 南洋女儿情" and "A Fish and A Cat 骑着鱼的猫". The Group also recognised revenue for one online short drama series named "Goddess Hotel 女神酒店" which is licensed to a customer for variable fees and the sale of a script named "Misty Rain 烟雨".

In FY2021, the Group recognised revenue mainly in respect of (i) the ongoing production of two dramas named "Strange Tales of Tang Dynasty 唐朝诡事录" and "Sisterhood 南洋女儿情", and an online short-film series named "Whimsical World 异想世界"; and (ii) the completed production of a drama named "Perfect Village 最美的乡村". The Group also recognised revenue in respect of three films under the film series named "I Come From Beijing 我来自北京" which are licensed to the Group's customers for variable fees; and

- ii. decrease in revenue contribution (net of inter-segment elimination) from the Others business segment mainly comprising Talent Management and Costumes, Props and Make-up Services of approximately \$2.1 million from \$7.6 million in FY2021 to \$5.5 million in FY2022, 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:

- iii. revenue contribution (net of inter-segment elimination) from the Concert Production business segment of approximately \$20.3 million in respect of two concert productions completed in FY2022. There was nil contribution from concert production in FY2021.

In FY2022, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$25.3 million (FY2021: \$83.3 million), which is 55.2% (FY2021: 100.0%) of the total revenue of the Group.

### **Gross profit**

The Group's gross profit ("GP") decreased by approximately \$7.5 million from \$21.8 million in FY2021 to \$14.2 million in FY2022. Gross profit margin increased from 26.1% in FY2021 to 31.2% in FY2022 mainly due to higher contribution from the Concert Production business segment. The decrease in GP was mainly attributed to the following:

- i. lower GP contribution from the TV Program and Film Production business segment of approximately \$15.7 million from \$20.4 million (net of inter-segment elimination) in FY2021 to \$4.7 million in FY2022.

As a result of the heightened COVID-19 measures and the COVID-19 lockdown in Shanghai, PRC in March 2022 to November 2022, where filming for the drama named "Sisterhood 南洋女儿情" was located, there was a significant disruption of filming and production activities. The filming duration was therefore extended from March 2022 to May 2022 and this resulted in higher costs for filming and production. As at the date of this announcement, the Group has completed the production of "Sisterhood 南洋女儿情"; and

- ii. lower GP contribution from the Others business segment of approximately \$1.1 million from \$1.8 million (net of inter-segment elimination) in FY2021 to \$0.7 million in FY2022, mainly due to a decrease in the number of projects for the Talent Management and Costumes, Props and Make-up Services;

which was partially offset by:

- iii. GP contribution from the Concert Production business segment of approximately \$8.9 million mainly in respect of two concert productions completed in FY2022. There was nil contribution from concert production in FY2021.

### **Other income**

The Group's other income increased by approximately \$1.1 million from \$6.0 million in FY2021 to \$7.1 million in FY2022. This was mainly due to the following factors:

- i. an increase of approximately \$2.5 million from government grants. Government grants mainly comprise (a) grants in respect of certain drama and film production activities from the relevant local government authorities and (b) grants from government relief schemes;
- ii. a reversal of allowance of credit loss of approximately \$0.4 million as the trade receivables for the relevant projects were collected in FY2022; and
- iii. rental income of \$0.4 million from leasing of two film sets located in the PRC to third parties;

which were partially offset by:

- iv. an absence of net foreign exchange gain of approximately \$2.1 million in FY 2022. In FY2022, the Group recognised a net foreign exchange loss of approximately \$8.8 million. Please refer to <Review of Financial Performance – Other Expenses> for details.

### **Share of results from associate**

Share of results from associate relates to the Group's share of the profit or loss and other comprehensive income for FY2022, arising from the Group's 48.92% interest in Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership (Limited Partnership) (厦门开门见君影视产业投资合伙企业 (有限合伙)).

### **Share of results from joint venture**

Share of results from joint venture relates to the Group's share of the profit or loss and other comprehensive income for FY2022, arising from the Group's 70.0% interest in Uni-Icon Entertainment Pte. Ltd..

### **Administrative expenses**

The Group's administrative expenses increased by approximately \$1.9 million from \$11.5 million in FY2021 to \$13.4 million in FY2022. This was mainly due to the following factors:

- i. an increase of approximately \$2.2 million for full year recognition of employee benefit expenses (which includes salaries and defined contribution plans) arising from an increase in headcount in the second quarter of 2021 for planned business activities from 2022 onwards;

which was partially offset by:

- ii. a decrease of approximately \$0.4 million in professional expenses and general expenses due to cost saving measures put in place.

### **Selling and distribution expenses**

The Group's selling and distribution expenses increased by approximately \$0.5 million from \$6.0 million in FY2021 to \$6.4 million in FY2022. This was mainly due to the following factors:

- i. an increase of approximately \$0.5 million in advertising and promotional activities for various dramas and films in FY2022. The Group continues to invest in marketing activities, with a focus to drive awareness and interests around our titles, which in turn boosts engagement and ratings for these titles;

which was partially offset by:

- ii. an absence of \$0.2 million in impairment loss. In FY2021, there was an impairment loss of \$0.2 million arising from the postponement and rescheduling of the concert to be held in Malaysia. In FY2022, there was nil impairment loss. This concert was subsequently held in January 2023.

### **Other expenses**

Other expenses increased by approximately \$8.4 million from \$2.3 million in FY2021 to \$10.7 million in FY2022. This was mainly due to the following:

- i. approximately \$8.8 million in net foreign exchange loss in FY2022, primarily due to the appreciation of Singapore Dollar against Chinese Renminbi in FY2022, mostly from intercompany balances denominated in Singapore Dollar by the entities of the Group in the People's Republic of China which financial statements are prepared in Chinese Renminbi, as the Group has significant operations in the PRC;
- ii. full year recognition of amortisation expenses and share of joint operations' expenses of approximately \$0.8 million in FY2022 arising from the jointly-owned film sets in the PRC and Malaysia. The construction of these film sets were completed in second half of 2021 and in 2022 respectively and are held for leasing purpose and own use in FY2022;
- iii. loss of approximately \$0.2 million arising from derecognition of financial assets at fair value through profit or loss ("FVTPL") based on the actual box office revenue, actual fees from licensing rights and actual ticket sales; and
- iv. impairment loss of approximately \$0.1 million arising from a jointly-owned film set in Malaysia as the recoverable amount is estimated to be less than the carrying amount;

which was partially offset by:

- v. an absence of approximately \$1.7 million in credit loss allowance. In FY2021, the credit loss allowance was measured by a third-party valuer at an amount equal to lifetime expected losses by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtors operate.

In FY2022, there is a reversal of allowance of credit loss of approximately \$0.4 million as the trade receivables for the relevant projects were collected in FY2022. Please refer to <Review of Financial Performance – Other Income> for details.

### **Finance costs**

Finance costs increased by approximately \$0.7 million from \$1.0 million in FY2021 to \$1.7 million in FY2022 mainly due to the full year recognition of interest expense on additional borrowings drawdown in the last quarter of 2021 and in FY2022.

### **Loss for the year**

The Group registered a loss after tax of \$10.5 million for FY2022 (FY2021: profit of \$3.5 million), of which the total loss for FY2022 derived from the PRC Affiliated Entities amounted to approximately \$10.5 million (FY2021: profit of \$9.3 million), representing more than 100.0% (FY2021: more than 100.0%) of the Group's total loss in FY2022.

## **Review of Financial Performance (Consolidated Statement of Profit or Loss and Other Comprehensive Income)**

### **2H2022 vs 2H2021**

#### **Revenue**

The Group's revenue decreased by approximately \$14.4 million from \$39.5 million for the six months ended 31 December 2021 ("2H2021") to \$25.1 million for the six months ended 31 December 2022 ("2H2022"). This was mainly due to the following factors:

- i. decrease in revenue contribution (net of inter-segment elimination) from the TV Program and Film Production business segment of approximately \$33.8 million from \$36.4 million in 2H2021 to \$2.6 million in 2H2022 due to lower drama and film production sales driven by fewer titles sold in 2H2022 and the gradual shift from licensing our content to third parties to licensing based on user clicks or viewership.

In 2H2022, the Group recognised revenue mainly in respect of one drama named "Strange Tales of Tang Dynasty 唐朝诡事录" and an online short drama series named "Goddess Hotel 女神酒店".

In 2H2021, the Group recognised revenue mainly in respect of (i) a completed drama named "Brave Heart 2 勇敢的心 2", (ii) ongoing filming for two dramas named "Strange Tales of Tang Dynasty 唐朝诡事录" and "Sisterhood 南洋女儿情", (iii) an online short film series named "Whimsical World 异想世界", and (iv) three films under the film series named "I Come From Beijing 我来自北京";

which was partially offset by:

- ii. increase in revenue contribution (net of inter-segment elimination) from the Others business segment mainly comprising Talent Management and Costumes, Props and Make-up Services of approximately \$0.9 million from \$3.1 million in 2H2021 to \$2.2 million in 2H2022, mainly due to an increase in number of projects for Talent Management and Costumes, Props and Make-up Services; and
- iii. revenue contribution (net of inter-segment elimination) from the Concert Production business of approximately \$20.3 million mainly in respect of two concert productions completed in 2H2022. There was nil revenue from concert production in 2H2021.

In 2H2022, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$4.8 million (2H2021: \$39.5 million), which was approximately 19.0% (2H2021: 100.0%) of the total revenue of the Group.

#### **Gross profit**

The Group's gross profit ("GP") decreased by approximately \$0.2 million from \$9.4 million in 2H2021 to \$9.2 million in 2H2022. Gross profit margin increased from 23.8% in 2H2021 to 36.8% in 2H2022 mainly due to higher contribution from the Concert Production business segment. The decrease in GP is mainly attributed to the following:

- i. lower drama and film production sales driven by fewer titles sold in the current period and the gradual shift from licensing our content to third parties to licensing based on user clicks or viewership coupled with the implementation of various COVID-19 related government regulations and safety management measures for the crew and employees for drama and film productions;

which was partially offset by:

- ii. GP contribution from the Concert Production business segment of approximately \$8.9 million in respect of two concert productions completed in 2H2022. There was nil contribution from concert production in 2H2021; and
- iii. higher GP contribution from the Others business segment of approximately \$0.1 million from \$0.5 million (net of inter-segment elimination) in 2H2021 to \$0.6 million in 2H2022, mainly due to an increase in the number of projects for Talent Management and Costumes, Props and Make-up Services.

#### **Other income**

The Group's other income decreased by approximately \$2.3 million from \$3.6 million in 2H2021 to \$1.3 million in 2H2022. This was mainly due to the following factors:

- i. a decrease of approximately \$0.5 million from government grants. Government grants mainly comprise (a) grants in respect of certain drama and film production activities from the relevant local government authorities and (b) grants from government relief schemes; and
- ii. an absence of net foreign exchange gain of approximately \$2.1 million in 2H2022. In 2H2022, the Group recognised a net foreign exchange loss of approximately \$6.1 million. Please refer to <Review of Financial Performance – Other Expenses> for details;

which was partially offset by:

- iii. a reversal of allowance of credit loss of approximately \$0.4 million as the trade receivables for the relevant projects were collected in FY2022.

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

Share of result from associate relates to the Group's share of the profit or loss and other comprehensive income for 2H2022, arising from the Group's 48.92% interest in Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership (Limited 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 profit or loss and other comprehensive income for 2H2022, arising from the Group's 70% interest in Uni-Icon Entertainment Pte. Ltd..

#### **Administrative expenses**

The Group's administrative expenses increased by approximately \$0.9 million from \$6.4 million in 2H2021 to \$7.4 million in 2H2022. This was mainly due to the following factors:

- i. an increase of approximately \$1.1 million for employee benefit expenses (which includes salaries and defined contribution plans) arising from an increase in headcount from second quarter of 2021 for planned business activities from 2022 onwards;

which was partially offset by:

- ii. a decrease of approximately \$0.2 million in professional expenses and general expenses due to cost saving measures put in place.

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

The Group's selling and distribution expenses remained relatively consistent in 2H2021 and 2H2022.

### **Other expenses**

Other expenses increased by approximately \$5.5 million from \$2.0 million in 2H2021 to \$7.5 million in 2H2022. This was mainly due to the following factors:

- i. approximately \$6.1 million in net foreign exchange loss in 2H2022, primarily due to the appreciation of Singapore Dollar against Chinese Renminbi in 2H2022, mostly from intercompany balances denominated in Singapore Dollar by the entities of the Group in the People's Republic of China which financial statements are prepared in Chinese Renminbi, as the Group has significant operations in the PRC;
- ii. half year recognition of approximately \$0.3 million in amortisation expenses and share of joint operations' expenses in 2H2022 arising from the jointly-owned film sets in the PRC and Malaysia. The construction of the film sets was completed in second half of 2021 and in 2022 and are held for leasing purpose;
- iii. loss of approximately \$0.2 million arising from derecognition of financial assets at FVTPL based on the actual box office revenue, actual fees from licensing rights and actual ticket sales;
- iv. fair value loss of \$0.1 million of the financial assets at FVTPL as the fair value of investment is determined based on the estimated box office revenue and fees from licensing rights; and
- v. impairment loss of approximately \$0.1 million arising from a jointly-owned film set in Malaysia as the recoverable amount is estimated to be less than the carrying amount;

which were partially offset by:

- vi. an absence of approximately \$1.7 million in credit loss allowance. In 2H2021, the credit loss allowance was measured by a third-party valuer at an amount equal to lifetime expected losses by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor and general economic conditions of the industry in which the debtors operate.

In 2H2022, there was a reversal of allowance of credit loss of approximately \$0.4 million as the trade receivables for the relevant projects were collected in FY2022. Please refer to <Review of Financial Performance – Other Income> for details.

### **Finance cost**

Finance cost increased by approximately \$0.5 million from \$0.6 million in 2H2021 to \$1.1 million in 2H2022, mainly due to interest expense on higher borrowings in 2H2022 as compared to 1H2021.

### **Loss for the period**

The Group registered a loss of approximately \$8.7 million in 2H2022 (2H2021: profit of approximately \$0.1 million), of which the total loss for the period derived from the PRC Affiliated Entities amounted to approximately \$10.2 million (2H2021: profit of \$5.9 million), representing more than 100.0% (2H2021: more than 100.0%) of the Group's total loss (2H2021: profit) for the period.

### **Review of Financial Position (Consolidated Statement of Financial Position)** ***31 December 2022 vs 31 December 2021***

#### **Current assets**

The Group's current assets decreased by approximately \$23.4 million from \$190.0 million as at 31 December 2021 to \$166.6 million as at 31 December 2022. The decrease was mainly due to:

- i. a net decrease of approximately \$1.3 million in trade and note receivables due to receipts for drama and concert productions, partially offset by sales billings;
- ii. a net decrease of approximately \$1.6 million in other receivables mainly due to receipts of advances paid to production crew and staff, after netting against actual expenditure and upon final settlement with crews and staff, decrease in VAT receivables and refundable security deposits offset by (i) investment in two films; and (ii) increase in prepayments and advances to third party contractor made for preparation work in relation to various ongoing and upcoming drama and film projects, including but not limited to the artiste fees, purchase and development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects;

- iii. a decrease of approximately \$0.4 million in amount due from related parties, mainly due to decrease in prepayment made to an entity connected to a non-controlling shareholder and non-executive Director in relation to the Concert Production business;
- iv. a decrease of approximately \$18.3 million in contract assets, mainly due to sales billing and translation loss arising from the appreciation of Singapore Dollar against Chinese Renminbi as the Group has significant operations in the PRC offset by ongoing drama productions to represent the Group's right to consideration for dramas and films production in progress but not billed at 31 December 2022;
- v. a net decrease of approximately \$0.4 million in financial assets at FVTPL due to derecognition of financial assets at FVTPL based on the actual box office revenue and actual ticket sales offset by investment in financial assets. Financial assets at FVTPL represent films, concert, and musical play investments advanced to external parties for the financing of production and marketing expenditure that are associated with the films, concert, and musical play the Group has invested in; and
- vi. a decrease of approximately \$2.0 million in cash and cash equivalents, mainly used for ongoing films, drama and concert productions and working capital purposes. Please refer to <Review of Cash Flows (Consolidated Statement of Cash Flow)> for details.

The decrease was partially offset by an increase of approximately \$0.8 million in films and drama productions in progress and products representing production costs, costs of services, direct labour costs, facilities and raw materials utilised during the films and drama productions.

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

The Group's non-current assets decreased by approximately \$1.8 million from \$19.4 million as at 31 December 2021 to \$17.6 million as at 31 December 2022, mainly due to the following factors:

- i. a decrease of right-of-use assets of approximately \$2.2 million mainly arising from early termination of certain rights-of-use assets and routine depreciation;
- ii. a decrease of approximately \$0.1 million for investment in associate due to the Group's share of profit or loss and other comprehensive income for FY2022, arising from the Group's 48.92% interest in Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership (Limited Partnership) (厦门开门见君影视产业投资合伙企业(有限合伙)); and
- iii. a decrease of approximately \$0.3 million for investment in joint venture due to the Group's share of the profit or loss and other comprehensive income for FY2022, arising from the Group's 70.0% interest in Uni-Icon Entertainment Pte. Ltd.; partially offset by:
- iv. an increase of approximately \$0.4 million in intangible assets mainly due to the addition of a film set located in the PRC, offset by impairment of a film set located in Malaysia and routine amortisation. The construction of the film set was completed and ready for use in 2022; and
- v. an increase of approximately \$0.6 million in deferred tax assets arising from deductible temporary differences and unutilised tax losses in FY2022.

#### **Current liabilities**

The Group's current liabilities decreased by approximately \$7.8 million from \$54.3 million as at 31 December 2021 to \$46.5 million as at 31 December 2022. The decrease was mainly due to the following factors:

- i. a decrease of approximately \$0.5 million in lease liabilities due to payment of lease liabilities;
- ii. a decrease of approximately \$7.9 million in income tax payable mainly due to payment of income tax; and
- iii. a net decrease of approximately \$0.9 million in borrowings mainly due to translation loss arising from the appreciation of Singapore Dollar against Chinese Renminbi as the borrowings are mainly denominated in Chinese Renminbi and repayment of bank borrowings offset by proceeds from borrowings;

which were partially offset by:

- iv. an increase of approximately \$1.1 million in contract liabilities, mainly due to advance receipts from concert tickets and sponsorship. Contract liabilities relate to payment received in advance from customers and these amounts are recognised as revenue when the Group fulfilled its contractual obligations; and

- v. a net increase in the amount due to related parties of approximately \$0.7 million which was mainly due to payables due to a company associated with a non-controlling shareholder and non-executive director in relation to concert production.

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

The Group's non-current liabilities decreased by approximately \$1.0 million from \$2.9 million as at 31 December 2021 to \$1.9 million as at 31 December 2022 mainly due to the following factors:

- i. decrease of approximately \$1.2 million arising from early termination of rights-of-use assets and repayment of lease liabilities;

which was partially offset by:

- ii. approximately \$0.2 million of long-term borrowings obtained in FY2022 for the Company's motor vehicle.

#### **Shareholders' Equity**

Shareholders' equity decreased by approximately of \$16.4 million from \$152.1 million as at 31 December 2021 to \$135.7 million as at 31 December 2022 mainly due to the following:

- i. shares repurchased amounting to approximately \$1.9 million in FY2022; and
- ii. final dividends of \$1.1 million declared in respect of the year ended 31 December 2021 ("FY2021");
- iii. decrease in translation reserves of approximately \$3.1 million primarily due to appreciation of Singapore Dollars against Chinese Renminbi in FY2022; and
- iv. loss after tax of approximately \$10.3 million recognised for FY2022.

The Group has a working capital of \$120.1 million as at 31 December 2022 (31 December 2021: \$135.6 million).

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

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

The Group incurred cash outflows from operating activities before movements in working capital of approximately \$4.5 million, with net changes in working capital of approximately \$19.7 million, income tax and net interest paid of approximately \$7.7 million and \$1.5 million respectively.

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

- i. a net decrease of approximately \$6.8 million in trade, note and other receivables due to receipts for drama and concert productions offset by sales billings and receipts of advances paid to production crew and staff, after netting against actual expenditure and upon final settlement with crews and staff, decrease in VAT receivables and refundable security deposits, partially offset by (i) investment in two movies and (ii) increase in prepayments and advances to third party contractor made for preparation work in relation to various ongoing and upcoming drama and film projects, including but not limited to the artiste fees, purchase and development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects;
- ii. a decrease of approximately \$19.2 million in contract assets, mainly due to sales billing offset by ongoing drama productions to represent the Group's right to consideration for drama and film production in progress but not billed at 31 December 2022;
- iii. a decrease of approximately \$0.4 million in amount due from related parties, mainly due to decrease in prepayment made to an entity connected to a non-controlling shareholder and non-executive Director in relation to the Concert Production business; and
- iv. an increase in the amount due to related parties of approximately \$0.7 million which was mainly due to payables due to a company associated with a non-controlling shareholder and non-executive director in relation to the Concert Production business.

This was partially offset by the following:

- i. ramping up of production volume in FY2022. As a result, there was a net increase in films and drama productions in progress and films and drama products of approximately \$5.0 million, representing production costs, costs of services, direct labour costs, facilities and raw materials utilised under ongoing drama and film productions, partially offset by the cost of dramas and films sold during the period;
- ii. a decrease of approximately \$2.5 million in contract liabilities as these amounts were recognised as revenue when the Group fulfilled its performance obligation; and
- iii. a decrease of approximately \$0.2 million in trade and other payables mainly due to payments for amount due to joint operators, entities connected to a shareholder of the Company and amounts due to vendors in the ordinary course of business for trade purchases and ongoing cost and decrease in VAT payables.

Net cash generated from operating activities was approximately \$5.9 million in FY2022.

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

Net cash used in investing activities amounted to approximately \$3.6 million mainly due to the following:

- i. an increase of approximately \$1.3 million and \$1.5 million in plant and equipment and intangible assets respectively, mainly due to the addition of two film sets located in the PRC and a motor vehicle; and
- ii. an increase of approximately \$0.8 million in financial assets at FVTPL, representing mainly a concert investment advanced to an external party for the financing of production and marketing expenditure that are associated with the concert that the Group has invested in.

#### **Net cash used in financing activities**

Net cash used in financing activities amounted to \$1.7 million mainly due to the following factors:

- i. payment of final dividends of approximately \$1.1 million in respect of FY2021;
- ii. payment of lease liabilities of approximately \$1.4 million; and
- iii. shares repurchased of approximately \$1.9 million in FY2022; partially offset by:
- iv. net increase in borrowings of approximately \$0.4 million mainly due to proceeds from borrowings offset by repayment of bank borrowings;
- v. proceeds of approximately \$2.1 million from restricted bank deposits; and
- vi. capital contribution of approximately \$0.2 million from non-controlling interests.



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

The Company received net proceeds amounting to approximately S\$101.0 million from the IPO, after deducting listing expenses of approximately S\$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 28 February 2023 \$'million
Expansion of the TV Program and Film Production business via investment in production <sup>(1)</sup> , acquisitions, joint ventures and/or strategic alliances <sup>(2)</sup>	64.5	(64.5)	-
Expansion of the Concert Production business via investment in production <sup>(3)</sup> , acquisitions, joint ventures and/or strategic alliances	21.5	(3.0)	18.5
General working capital purposes	15.0	(8.2) <sup>(4)</sup>	6.8
Total	101.0	(75.7)	25.3

### Notes:

- (1) Such investments have included and may include, but are not limited to, the production of dramas, films, online short film 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 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 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.

We are a leading diversified group within Asia's media and entertainment industry, with a focus on the drama and film production as well as concert production across the Asia-Pacific region.

### Television Program and Film Production

In FY2022, the COVID-19 measures in the PRC delayed our contract signings with certain customers and hence fewer titles were sold in the current period under review.

With China easing its COVID-19 restrictions, the Group believes that there are more positive sentiments in the financial year ending 31 December 2023 ("FY2023"), with an expected increase in the number of short-drama productions in FY2023 as compared to FY2022.

The Group's high-quality drama and film productions have once again captured the attention and mindshare of audiences. In July 2022, the Group's latest short drama series named "Goddess Hotel 女神酒店", the first short-film production produced by the Group with Douyin (抖音) was a popular hit, topping the search list of Douyin (also known as TikTok), the PRC's most influential short-video platform. In October 2022, the Group's latest drama production named "Strange Tales of Tang Dynasty 唐朝诡事录" achieved strong ratings and

viewership, and the Group is in discussion with the streaming platform to commence production for the second season of “Strange Tales of Tang Dynasty 唐朝诡事录”.

A series of dramas and films of varied themes are also currently under evaluation and production. The Group plans to collaborate with various online video platforms to further develop different genres of dramas and films targeting different group of audiences, thereby creating more opportunities for revenue growth. Leveraging on the Group’s high-quality entertainment content, the Group aims to attract other sources of revenue, including but not limited to advertisements and e-commerce marketing and to further grow our market share in the region.

The Group’s competitive strength lies in our ability to produce high-quality and well-received dramas and films underpinned by our strong and talented scriptwriting team and end-to-end production capabilities. The Group believes good stories can be made anywhere and be viewed by everyone. Hence, the Group strives to continue to strengthen our capabilities in script development, content creation and short-form drama production by broadening the pool of creators with whom the Group can work with, and expanding the genres of our dramas and films to better serve and capture the mindshare of local audiences.

The Group will also continue to take strategic and innovative steps to scale the business for sustainable growth by strengthening our core businesses and high value end-to-end production capabilities. This includes but is not limited to increased investment in special effects and 5G content technology to meet the strong demand of high-definition visual experiences from films, dramas, advertising and other digital media applications.

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

#### Concert Production

The Group’s concert production business activities have rebounded strongly. As at the date of this announcement, the Group had completed various concert productions in Singapore and Malaysia in 2H2022 and in January 2023 respectively. Preparations are underway for a concert production in Australia in March 2023 and the tickets for this concert are fully sold out.

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

#### Overall

The Group believes that providing a good variety of high-quality content and adapting evolving viewership preferences are the most effective methodologies to expand the Group’s revenue streams and market share. The Group’s strategic priorities for the future include improving our content and through broadening our slate through 1) creating original and well-received drama and film productions; 2) maximising the synergies of the Group’s unique eco-system to deepen consumers’ connection to the dramas and films including but not limited to characters and stories; and 3) utilising new technologies to provide consumers with the best entertainment experience possible.

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

The Group’s long term financial objectives remain unchanged and we continue to be committed in the Group’s revenue growth, enhance operating margins and deliver positive free cashflow annually. The Group prioritises our cash to reinvest in the core businesses and to fund 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 our 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?**

<b>Name of Dividend</b>	<b>Final</b>
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	0.10 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

The Directors propose the payment of a tax-exempt final dividend of 0.10 Singapore cents per share in respect of FY2022 amounting to approximately \$1.1 million, subject to the approval of Shareholders at the forthcoming AGM and determined based on the share premium of the Company as at 31 December 2022.

- (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)?**

The proposed final dividend of 0.10 Singapore cents per share in respect of FY2022, subject to the approval of Shareholders at the forthcoming AGM, is tax exempt.

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

<b>Name of Dividend</b>	<b>Final</b>
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	0.10 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

- (d) **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.

- (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.**

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 renewed the IPTs mandate from the Shareholders at the Annual General Meeting held on 28 April 2022:

<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>	-	1,931
JVR Music International Ltd <sup>(2)</sup>	770	-
Taiho Holding Limited <sup>(3)</sup>	76	-
Kang Ru Investments Limited <sup>(4)</sup>	640	-
Mr. Guo Jingyu <sup>(5) (6)</sup>	5	-
Ms. Yue Lina <sup>(7)</sup>	-	705
Mr. Yang Zhigang <sup>(8)</sup>	-	115

**Notes:**

- (1) Related to grant of the rights to undertake the production of concerts by Sure Legend International Limited, which is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director and non-controlling shareholder.
- (2) Related to artiste service fees and concert production sundry expenses paid to JVR Music International Ltd. JVR Music International Ltd is 45.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.
- (3) Related to the final dividends in respect of FY2021 paid to Taiho Holding Limited, which is 50.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.
- (4) Related to the final dividends in respect of FY2021 paid to Kang Ru Investments Limited, which is 100.0% owned by Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.
- (5) Related to the final dividends in respect of FY2021 paid to Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.
- (6) As at date of this announcement, credit line facilities of up to approximately RMB111 million and \$0.3 million are singly or jointly secured by personal guarantees provided by Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder, third parties as well as restricted bank deposits of not less than RMB20 million and assignment of sales contract and sales proceeds as well as the Group's motor vehicle.
- (7) Related to (a) amounts received by the Group for provision of talent management services to Ms. Yue Lina, an Executive Director and (b) fees for acting services paid by the Group to Ms. Yue Lina.
- (8) Related to (a) amounts received by the Group for provision of talent management services to Mr. Yang Zhigang and (b) 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.**

**Reportable segments**

The Group's chief operating decision-maker ("CODM") comprises the Executive Chairman and Group CEO, the Executive Directors, the Chief Financial Officer, and the heads of each business within the operating segments. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of services provided.

The Group is organised into the following main business segments:

<b>Segment</b>	<b>Principal activities</b>
Television Program and Film Production	Production of dramas and films and script production.
Concert Production	Provision of Concert Organisation and Concert Management, sponsorship income and rental of concert equipment.
Talent Management Services	Participation and engagement of the artistes managed by the Group in the projects and events 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 year ended 31 December 2022**

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	20,058	20,255	9,733	50,046
Inter-segment elimination	(34)	-	(4,280)	(4,314)
	20,024	20,255	5,453	45,732
Gross profit	4,543	8,902	3,876	17,321
Inter-segment elimination	125	-	(3,197)	(3,072)
	4,668	8,902	679	14,249
Other income				7,095
Share of result from associate				(50)
Share of result from joint venture				(296)
Administrative expenses				(13,367)
Selling and distribution expenses				(6,409)
Other expenses				(10,663)
Finance costs				(1,701)
Loss before income tax				(11,142)
Income tax credit				661
Loss for the year				(10,481)

**Group**  
**For the year ended 31 December 2021**

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	84,651	-	11,361	96,012
Inter-segment elimination	(8,921)	-	(3,772)	(12,693)
	75,730	-	7,589	83,319
Gross profit	20,205	(408)	4,200	23,997
Inter-segment elimination	174	-	(2,416)	(2,242)
	20,379	(408)	1,784	21,755
Other income				5,961
Share of result from associate				(8)
Share of result from joint venture				(285)
Administrative expenses				(11,514)
Selling and distribution expenses				(5,957)
Other expenses				(2,263)
Finance costs				(1,048)
Profit before income tax				6,641
Income tax expense				(3,173)
Profit for the year				3,468

**Group**  
**For the six months ended 31 December 2022**

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	2,656	20,255	3,793	26,704
Inter-segment elimination	(34)	-	(1,563)	(1,597)
	2,622	20,255	2,230	25,107
Gross profit	(484)	9,110	1,083	9,709
Inter-segment elimination	13	-	(493)	(480)
	(471)	9,110	590	9,229
Other income				1,294
Share of result from associate				(58)
Share of result from joint venture				(142)
Administrative expenses				(7,370)
Selling and distribution expenses				(3,585)
Other expenses				(7,496)
Finance costs				(1,063)
Loss before income tax				(9,191)
Income tax credit				495
Loss for the period				(8,696)

**Group**  
**For the six months ended 31 December 2021**

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	44,053	-	4,123	48,176
Inter-segment elimination	(7,634)	-	(1,008)	(8,642)
	36,419	-	3,115	39,534
Gross profit	9,508	(206)	187	9,489
Inter-segment elimination	(414)	-	347	(67)
	9,094	(206)	534	9,422
Other income				3,564
Share of result from associate				(8)
Share of result from joint venture				(218)
Administrative expenses				(6,432)
Selling and distribution expenses				(3,618)
Other expenses				(1,960)
Finance costs				(573)
Profit before income tax				177
Income tax expense				(135)
Profit for the period				42

A disaggregation of the Group's revenue for the year/period is as follows:

	<b>Group</b>			
	<b>For the year ended 31 December 2022</b>			
	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	8,644	20,255	5,453	34,352
Over time	11,380	-	-	11,380
	<u>20,024</u>	<u>20,255</u>	<u>5,453</u>	<u>45,732</u>
<i>Geographical information:</i>				
Singapore	126	20,255	93	20,474
China	19,898	-	5,360	25,258
	<u>20,024</u>	<u>20,255</u>	<u>5,453</u>	<u>45,732</u>

	<b>Group</b>			
	<b>For the year ended 31 December 2021</b>			
	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	36,285	-	7,373	43,658
Over time	39,445	-	216	39,661
	<u>75,730</u>	<u>-</u>	<u>7,589</u>	<u>83,319</u>
<i>Geographical information:</i>				
Singapore	4	-	-	4
China	75,726	-	7,589	83,315
	<u>75,730</u>	<u>-</u>	<u>7,589</u>	<u>83,319</u>

	<b>Group</b>			
	<b>For the six months ended 31 December 2022</b>			
	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	1,820	20,255	2,230	24,305
Over time	802	-	-	802
	<u>2,622</u>	<u>20,255</u>	<u>2,230</u>	<u>25,107</u>
<i>Geographical information:</i>				
Singapore	46	20,255	45	20,346
China	2,576	-	2,185	4,761
	<u>2,622</u>	<u>20,255</u>	<u>2,230</u>	<u>25,107</u>

	<b>Group</b>			
	<b>For the six months ended 31 December 2021</b>			
	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	29,099	-	2,969	32,068
Over time	7,320	-	146	7,466
	<u>36,419</u>	<u>-</u>	<u>3,115</u>	<u>39,534</u>
<i>Geographical information:</i>				
Singapore	4	-	-	4
China	36,415	-	3,115	39,530
	<u>36,419</u>	<u>-</u>	<u>3,115</u>	<u>39,534</u>

Revenue contribution from a single region is disclosed separately when it exceeds 10% 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**

**FY2022 vs FY2021**

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 55.2% (FY2021: 100.0%) of the Group's total revenue. The copyright and ancillary rights to the completed and ongoing film and drama productions under the TV Program and Film Production business segment and projects for Talent Management and Costume, Props and Make-up Services were sold or licensed to customers located outside of Singapore.

**2H2022 vs 2H2021**

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 19.0% (2H2021: 100.0%) the Group's total revenue. The copyright and ancillary rights to the completed and ongoing film and drama productions under the TV Program and Film Production business segment and projects for Talent Management and Costume, Props and Make-up Services were sold or licensed to customers located outside of Singapore.

**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 FY2022:

**Incorporation of structured entities controlled via contractual arrangement ("PRC Affiliated Entities")**

Incorporation of Beijing Haifan Interactive Entertainment Management Consulting Co., Ltd. (北京嗨泛互娱管理咨询有限公司) and Shanghai Haifan Interactive Entertainment Culture & Media Co., Ltd. (上海嗨泛互娱文化传媒有限公司)

On 1 March 2022, Tianjin Changxin Film & Media Co., Ltd. ("**Tianjin Changxin**"), a PRC Affiliated Entity, incorporated the subsidiary, Beijing Haifan Interactive Entertainment Management Consulting Co., Ltd. ("**Beijing Haifan**"), with a registered capital of RMB10,000,000. On 24 March 2022, Beijing Haifan, a wholly-owned subsidiary Tianjin Changxin, incorporated a wholly-owned subsidiary, Shanghai Haifan Interactive Entertainment Culture & Media Co., Ltd. ("**Shanghai Haifan**"), with a registered capital of RMB3,000,000.



The Group intends to expand into the business of large-scale live action role-playing games under its TV Program and Film Production business segment, such as an immersive live action game based on the drama named "Strange Tales of Tang Dynasty 唐朝诡事录". Shanghai Haifan was incorporated as the operating entity that will undertake this business of large-scale live action role playing games. Under the Special Administrative Measures for Access of Foreign Investment (Negative List) (2021 version) (外商投资准入特别管理措施(负面清单)(2021年版)) (the "**Negative List**"), foreign ownership is prohibited in certain industries, including internet cultural business (except music), and for which the internet cultural business licence is required to undertake such business. Shanghai Haifan is required to obtain the internet cultural business licence in order to undertake the business of large-scale live action role playing games. As at the date of this announcement, Beijing Haifan and Shanghai Haifan have not yet undertaken the business of large-scale live action role playing games. Shanghai Haifan will apply for and obtain the internet cultural business licence prior to commencement of operations.

Incorporation of a PRC Affiliated Entity, Beijing N'Cubic LIVE Management Consulting Co., Ltd. (北京立立方管理咨询有限公司) and N'Cubic LIVE (Shanghai) Culture & Media Co., Ltd (立立方(上海)文化传媒有限公司)

On 1 March 2022, Tianjin Changxin incorporated the subsidiary, Beijing N'Cubic LIVE Management Consulting Co., Ltd. ("**Beijing N'Cubic**") with a registered capital of RMB10,000,000. On 20 September 2022, Beijing N'Cubic LIVE Management Consulting Co., Ltd., incorporated a wholly-owned subsidiary, N'Cubic LIVE (Shanghai) Culture & Media Co., Ltd. ("**Shanghai N'Cubic**") with a registered capital of RMB3,000,000. As at the date of this announcement, Beijing N'Cubic and Shanghai N'Cubic have not commenced operations. It is intended that Beijing N'Cubic and Shanghai N'Cubic will undertake the TV Program and Film Production business and/or businesses in industries where foreign investment is prohibited or restricted under the Negative List.

Incorporation of a PRC Affiliated Entity, Shijiazhuang Changxin Film & Media Co., Ltd (石家庄长信影视传媒有限公司)

On 26 August 2022, Beijing Changxin Film & Media Co., Ltd. ("**Beijing Changxin**"), a PRC Affiliated Entity, incorporated a wholly-owned subsidiary, Shijiazhuang Changxin Film & Media Co., Ltd. ("**Shijiazhuang Changxin**") with a registered capital of RMB3,000,000. As at the date of this announcement, Shijiazhuang Changxin has not yet undertaken the TV Program and Film Production business and has only invested in one film. The Group will apply for the requisite permit for TV program and film production and operations (including distribution of TV programs and films produced overseas (海外引进)) in the PRC at such time when Shijiazhuang Changxin engages in the TV Program and Film Production business.

**Incorporation of indirect wholly-owned subsidiary**

Incorporation of a wholly owned subsidiary, G.H.Y Talent Pte. Ltd.

On 10 November 2022, G.H.Y Culture & Media (Singapore) Pte. Ltd., a wholly owned subsidiary of the Company, incorporated the subsidiary, G.H.Y Talent Pte., Ltd., with an initial issued share capital of \$1,000.

None of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the above investment / acquisition of shares in subsidiaries or associated entities and incorporation of indirect wholly-owned subsidiaries.

**18. A breakdown of Sales**

		<b>Group</b>		
		FY2022	FY2021	Change Increase / (Decrease)
		\$'000	\$'000	%
i.	Sales reported for first half year	20,625	43,785	(53)
ii.	Operating (loss) profit after tax before deducting non-controlling interests for first half year	(1,785)	3,426	(152)
iii.	Sales reported for second half year	25,107	39,534	(36)
iv.	Operating profit after tax before deducting non-controlling interests for second half year	(8,696)	42	(20,805)

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

Annual Dividend	FY2022 \$'000	FY2021 \$'000
Ordinary Dividend		
- Interim	-	-
- Final (proposed)	1,070	1,070

The proposed final one-tier tax exempt dividends in respect of FY2022 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).**

Mr. Guo Jingyu, the Executive Chairman and Group CEO, is also a substantial shareholder of the Company.

Ms. Yue Lina, an Executive Director, is the spouse of Mr. Guo Jingyu.

Ms. Venessa Lian, the Group Deputy Chief Executive Officer, is the spouse of Mr. John Ho, a substantial shareholder of the Company

Except for Mr. Guo Jingyu, Ms. Yue Lina and Ms. Venessa Lian, 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.

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

**21. Corporate Incorporation**

G.H.Y Culture & Media Holding Co., Limited (the "Company") is incorporated in Cayman Islands with its principal place of business at 988 Toa Payoh North, #07-08, Singapore 319002 and registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. These condensed consolidated financial statements as at and for the second half and full year ended 31 December 2022 comprise the Company, its subsidiaries, joint venture, associate and PRC Affiliated Entities (collectively, the "Group").

The principal activities of the Group are TV program and film production, concert production, talent management services, costumes, props and makeup services, consultancy services and the renting and leasing of concert equipment, and investment holding.

**22. Basis of Preparation**

The condensed consolidated financial statements for the second half and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed consolidated 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 SFRS(I)s except for the adoption of new and amended standards as set out in Note 22.1.

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

**22.1 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 2022 does not have a material financial effect on the Group and the Company.

## 22.2 Uses of judgement and estimates

In preparing the condensed 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 2021 remain relevant.

## 22.3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

## 23. Related Parties Transactions

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

## 24(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 31 December 2022 and 31 December 2021:

	Group		Company	
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000
<b>Financial Assets</b>				
Financial assets at amortised cost	87,316	90,445	104,255	110,949
Financial assets at fair value through profit or loss	2,662	3,029	-	-
	<u>89,978</u>	<u>93,474</u>	<u>104,255</u>	<u>110,949</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	31,831	23,797	2,127	6,264
Lease liabilities	3,224	4,924	-	-
	<u>35,055</u>	<u>28,721</u>	<u>2,127</u>	<u>6,264</u>

## 24(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).

**24(b). Financial assets at fair value through profit or loss (Cont'd)**

	<b>Group</b>	
	31 December 2022 (Unaudited) \$'000	31 December 2021 (Audited) \$'000
At the beginning of the year	3,029	215
Additions	1,217	2,719
Derecognition	(1,181)	-
Changes in fair value	(145)	95
Exchange difference	(258)	-
At the end of the year	<u>2,662</u>	<u>3,029</u>

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

At the reporting date, the fair value of investment is determined based on the estimated box office revenue and fees from licensing rights. For the six months and full year ended 31 December 2022, a fair value loss of \$145,000 (2H2021 and FY2021: gain of \$95,000) is recognised. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

**24(c). Intangible assets**

	<b>Group</b>					
	Film and drama adaptation licenses \$'000	Rights to the film set under construction \$'000	Rights to the film sets \$'000	Computer software \$'000	Software royalty \$'000	Total \$'000
<b><u>For the year ended 31 December 2022 (Unaudited)</u></b>						
Cost:						
At 1 January 2022	146	-	2,330	119	88	2,683
Additions	-	-	1,493	-	-	1,493
Exchange difference	-	-	(241)	-	(8)	(249)
At 31 December 2022	<u>146</u>	<u>-</u>	<u>3,582</u>	<u>119</u>	<u>80</u>	<u>3,927</u>
Accumulated amortisation:						
At 1 January 2022	122	-	359	51	20	552
Amortisation charge	21	-	626	40	30	717
Exchange difference	-	-	(55)	-	(5)	(60)
At 31 December 2022	<u>143</u>	<u>-</u>	<u>930</u>	<u>91</u>	<u>45</u>	<u>1,209</u>
Accumulated impairment:						
At 1 January 2022	-	-	-	-	-	-
Impairment charge	-	-	143	-	-	143
Exchange difference	-	-	(5)	-	-	(5)
At 31 December 2022	<u>-</u>	<u>-</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>138</u>
Carrying amount:						
At 31 December 2022	<u>3</u>	<u>-</u>	<u>2,514</u>	<u>28</u>	<u>35</u>	<u>2,580</u>
At 31 December 2021	<u>24</u>	<u>-</u>	<u>1,971</u>	<u>68</u>	<u>68</u>	<u>2,131</u>

**24(c). Intangible assets (Con't)**

	<b>Group</b>					
	Film and drama adaptation licenses	Rights to the film set under construction	Rights to the film sets	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>For the 6 months ended</u></b>						
<b><u>31 December 2022</u></b>						
<b><u>(Unaudited)</u></b>						
Cost:						
At 1 July 2022	146	-	3,753	119	85	4,103
Additions	-	-	(31)	-	-	(31)
Exchange difference	-	-	(140)	-	(5)	(145)
At 31 December 2022	<u>146</u>	<u>-</u>	<u>3,582</u>	<u>119</u>	<u>80</u>	<u>3,927</u>
Accumulated amortisation:						
At 1 July 2022	137	-	631	71	34	873
Amortisation charge	6	-	338	20	15	379
Exchange difference	-	-	(39)	-	(4)	(43)
At 31 December 2022	<u>143</u>	<u>-</u>	<u>930</u>	<u>91</u>	<u>45</u>	<u>1,209</u>
Accumulated impairment						
At 1 July 2022	-	-	-	-	-	-
Impairment charge	-	-	143	-	-	143
Exchange difference	-	-	(5)	-	-	(5)
At 31 December 2022	<u>-</u>	<u>-</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>138</u>
Carrying amount:						
At 31 December 2022	<u>3</u>	<u>-</u>	<u>2,514</u>	<u>28</u>	<u>35</u>	<u>2,580</u>
At 30 June 2022	<u>9</u>	<u>-</u>	<u>3,122</u>	<u>48</u>	<u>51</u>	<u>3,230</u>

**24(c). Intangible assets (Con't)**

	<b>Group</b>					
	Film and drama adaptation licenses	Rights to the film set under construction	Rights to the film sets	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>For the year ended</u></b>						
<b><u>31 December 2021</u></b>						
<b><u>(Audited)</u></b>						
Cost:						
At 1 January 2021	146	-	1,958	97	8	2,209
Additions	-	-	387	22	77	486
Exchange difference	-	-	(15)	-	3	(12)
At 31 December 2021	<u>146</u>	<u>-</u>	<u>2,330</u>	<u>119</u>	<u>88</u>	<u>2,683</u>
Accumulated amortisation:						
At 1 January 2021	93	-	45	12	3	153
Amortisation charge	29	-	311	39	16	395
Exchange difference	-	-	3	-	1	4
At 31 December 2021	<u>122</u>	<u>-</u>	<u>359</u>	<u>51</u>	<u>20</u>	<u>552</u>
Carrying amount:						
At 31 December 2021	<u>24</u>	<u>-</u>	<u>1,971</u>	<u>68</u>	<u>68</u>	<u>2,131</u>
At 31 December 2020	<u>53</u>	<u>-</u>	<u>1,913</u>	<u>85</u>	<u>5</u>	<u>2,056</u>
<b><u>For the 6 months ended</u></b>						
<b><u>31 December 2021</u></b>						
<b><u>(Unaudited)</u></b>						
Cost:						
At 1 July 2021	146	-	1,910	118	56	2,230
Additions	-	-	387	1	29	417
Exchange difference	-	-	33	-	3	36
At 31 December 2021	<u>146</u>	<u>-</u>	<u>2,330</u>	<u>119</u>	<u>88</u>	<u>2,683</u>
Accumulated amortisation:						
At 1 July 2021	105	-	142	31	5	283
Amortisation charge	17	-	214	20	14	265
Exchange difference	-	-	2	-	2	4
At 31 December 2021	<u>122</u>	<u>-</u>	<u>358</u>	<u>51</u>	<u>21</u>	<u>552</u>
Carrying amount:						
At 31 December 2021	<u>24</u>	<u>-</u>	<u>1,972</u>	<u>68</u>	<u>67</u>	<u>2,131</u>
At 30 June 2021	<u>41</u>	<u>-</u>	<u>1,768</u>	<u>87</u>	<u>51</u>	<u>1,947</u>

\* Amount less than \$1,000.

For FY2022, the amortisation expenses of \$16,000 (FY2021: \$22,000) have been capitalised in the line item 'films and drama productions in progress' in condensed consolidated statements of financial position as at 31 December 2022.

For 2H2022, the amortisation expenses of \$4,000 (2H2021: \$13,000) have been capitalised in the line item 'films and drama productions in progress' in statement of financial position as at 31 December 2022.

**24(d). Goodwill and Goodwill impairment**

	<b>Group</b>
	\$'000
<u>At 31 December 2021 (audited) and 31 December 2022 (unaudited)</u>	
Cost	1,111
Accumulated impairment	-
Carrying amount	<u>1,111</u>

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGUs is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the 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 1.00% (2021 : 1.00%). 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 15.0% (2021 : 10.5%).

As at 31 December 2022 and 31 December 2021, 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.

**24(e). Plant and equipment**

During FY2022, the Group acquired plant and equipment of cost amounting to \$1,579,000 (FY2021: \$2,189,000) and written off plant and equipment at net book value of \$8,000 (FY2021: \$18,000).

During 2H2022, the Group acquired plant and equipment of cost amounting to \$1,543,000 (2H2021: \$1,658,000) and written off plant and equipment at net book value of \$8,000 (2H2021: \$18,000).

**24(f). Right-of-use assets**

During FY2022, the Group acquired right-of-use assets of net cost amounting to \$179,000 (FY2021: \$2,633,000) and written off right-of-use assets at net book value of \$80,000 (FY2021: \$500,000).

During 2H2022, the Group acquired right-of-use assets of cost amounting to \$131,000 (2H2021: \$240,000) and written off right-of-use assets at net book value of \$80,000 (2H2021: \$51,000).

**25. Taxation**

	<b>Group</b>	
	<b>For the year ended</b>	
	31 December 2022	31 December 2021
	\$'000	\$'000
<b>Tax (credit) expense comprises:</b>		
Current tax:		
- Current year	236	9,785
- Overprovision of prior year tax	(55)	(58)
Deferred tax	(938)	(6,554)
Withholding tax	96	-
	<u>(661)</u>	<u>3,173</u>

**25. Taxation (cont'd)**

	<b>Group</b>	
	<b>For the six months ended</b>	
	31 December 2022	31 December 2021
	\$'000	\$'000
<b>Tax (credit) expense comprises:</b>		
Current tax:		
- Current year	10	6,866
- Overprovision of prior year tax	(68)	(58)
Deferred tax	(533)	(6,673)
Withholding tax	96	-
	(495)	135

**26. Other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'000	\$'000	\$'000	\$'000
Other receivables (current portion):				
Outside parties*	1,578	2,352	-	-
With an entity connected to a shareholder of the Company	2	-	-	-
Subsidiaries	-	-	7,832	2,710
Advances to a third-party contractor	818	711	-	-
Advances to staff	132	97	-	-
Director of a subsidiary	310	343	-	-
Loan receivables***	1,247	-	-	-
Refundable security deposits	163	535	-	-
Prepayments**	8,454	8,182	39	453
Interest receivables	138	33	-	-
Value-added tax receivable	880	3,082	-	-
Grant receivables	20	-	-	-
	13,742	15,335	7,871	3,163
Other receivables (non-current portion):				
Refundable security deposits	104	104	-	-
Prepayments	-	4	-	-
<b>Total</b>	13,846	15,443	7,871	3,163

\* The amounts were mainly 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 amounts 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.

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

\*\*\* Loan receivables represent the financial instruments in a movie provided to third party for the financing of production and marketing expenditures that are associated with the movies that the third party produces. The Group is entitled to a fixed investment return based on the principal investment amount, the agreed rate of return and investment period ranging from 6 to 12 months.



**27. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.

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

Guo Jingyu  
Executive Chairman and Group CEO  
28 February 2023