



长信传媒

G.H.Y Culture & Media

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

(Company Number: 337751)

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## FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2021

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Singapore, 11 August 2021 – The directors ("Directors") of G.H.Y Culture & Media Holding Co., Limited (the "Company", and together with its subsidiaries and its PRC Affiliated Entities<sup>1</sup>, the "Group") announce the following unaudited results of the Group for the half year ended 30 June 2021.

The announcement is also available at the Company's website: <https://ghyculturemedia.com>.

If you require any clarification on this announcement, please contact Ms Low Hui Min, Chief Financial Officer, at email address: [huimin.low@ghyculturemedia.com](mailto:huimin.low@ghyculturemedia.com).

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

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

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

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

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

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

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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)

Contents

A.	Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	3
B.	Condensed Interim Statements of Financial Position.....	5
C.	Condensed Interim Consolidated Statements of Cash Flows .....	7
D.	Condensed Interim Statements of Changes of Equity .....	9
E.	Other Information required under SGX Listing Manual .....	11
F.	Other Notes to the Condensed Interim Consolidated Financial Statements .....	25

# **A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group together with a comparative statement for the corresponding period of the immediately preceding financial period.**

	<b>Group</b>			
	<b>For the half year ended</b>			
	30 June 2021 (Unaudited) \$'000	30 June 2020 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
<b>Revenue</b>	43,785	37,152	6,633	18
Cost of sales	(31,452)	(17,594)	13,858	79
<b>Gross profit</b>	12,333	19,558	(7,225)	(37)
Other income	2,397	4,178	(1,781)	(43)
Share of result from associate	-	(11)	(11)	(100)
Share of result from joint ventures	(67)	-	67	100
Administrative expenses	(5,082)	(5,000)	82	2
Selling and distribution expenses	(2,339)	(2,859)	(520)	(18)
Other expenses	(303)	(518)	(215)	(42)
Finance costs	(475)	(606)	(131)	(22)
<b>Profit before income tax</b>	6,464	14,742	(8,278)	(56)
Income tax expense	(3,038)	(1,732)	1,306	75
<b>Profit for the period</b>	3,426	13,010	(9,584)	(74)
<b>Other comprehensive income, net of income tax:</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange gain difference arising on translation of foreign operations	581	139	442	318
<b>Total comprehensive income for the period</b>	4,007	13,149	(9,142)	(70)
<b>Profit for the period attributable to:</b>				
Owners of the Group	3,480	13,010	(9,530)	(73)
Non-controlling interests	(54)	-	54	100
	3,426	13,010	(9,584)	(74)
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Group	4,061	13,149	(9,088)	(69)
Non-controlling interests	(54)	-	54	100
	4,007	13,149	(9,142)	(70)
<b>Earnings per share</b>				
Basic and diluted (cents)	0.32	1.43	(1.11)	(78)

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

	<b>Group</b>			
	<b>For the half year ended</b>			
	30 June 2021 (Unaudited) \$'000	30 June 2020 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Fair value gain on previously held interest in associate	-	(61)	(61)	(100)
Gain from bargain purchase of investment in subsidiary	-	(155)	(155)	(100)
Gain on disposal of right-of-use assets	-	(35)	(35)	(100)
Gain on disposal of investment in associate	-	(3,135)	(3,135)	(100)
Government grants	(2,220)	(386)	1,834	475
Interest income	(130)	(45)	85	189
Net foreign currency exchange gain	(21)	(324)	(303)	(94)
Allowance (Net reversal of allowance) for expected credit losses	85	(18)	(103)	(572)
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	5,021	2,473	2,548	103
Amortisation of intangible assets	121	3	118	3,933
Cost of defined contribution plans included in employee benefits expense	474	132	342	259
Cost of television, drama and film production recognised as cost of sales	28,007	10,670	17,337	162
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	202	195	7	4
Depreciation of plant and equipment recognised in administrative expenses	178	165	13	8
Depreciation of right-of-use assets	964	825	139	17
Employee benefits expense	4,127	2,573	1,554	60
Expenses relating to leases of low value assets	-	1	(1)	(100)
Expenses relating to short-term leases	126	148	(22)	(15)
Fair value gain in amount due to an external investor	-	297	(297)	(100)
Impairment loss of contract costs	-	716	(716)	(100)
Interest expense	475	606	(131)	(22)
Written-off of inventories	-	14	(14)	(100)
Written-off of plant and equipment	-	8	(8)	(100)

## B. Condensed Interim Statements of Financial Position

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

	<b>Group</b>		<b>Company</b>	
	30 June 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000	30 June 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	76,067	111,931	53,416	101,648
Trade receivables	22,908	27,474	-	-
Other receivables	16,996	10,357	690	18,006
Advances to a subsidiary	-	-	55,574	7,450
Amount due from related parties	1,254	1,257	-	-
Contract assets	72,588	53,191	-	-
Contract costs	884	869	-	-
Financial assets at fair value through profit or loss	216	215	-	-
Inventories	186	179	-	-
Films and drama productions in progress	9,207	8,920	-	-
Films and drama products	1,469	5,296	-	-
	<u>201,775</u>	<u>219,689</u>	<u>109,680</u>	<u>127,104</u>
<b>Non-current assets</b>				
Plant and equipment	4,105	3,899	-	-
Right-of-use assets	5,900	4,845	-	-
Goodwill	1,111	1,111	-	-
Intangible assets	1,947	2,056	-	-
Other receivables	104	104	-	-
Deferred tax assets	989	1,042	-	-
Investment in subsidiaries	-	-	8,518	8,518
Investment in joint ventures	1,036	-	-	-
	<u>15,192</u>	<u>13,057</u>	<u>8,518</u>	<u>8,518</u>
<b>Total assets</b>	<u>216,967</u>	<u>232,746</u>	<u>118,198</u>	<u>135,622</u>
<b><u>LIABILITIES</u></b>				
<b>Current liabilities</b>				
Trade and other payables	38,634	37,628	5,409	4,989
Dividend payable	-	5,000	-	5,000
Film investment funds from investors	1,035	4,072	-	-
Contract liabilities	5,196	6,894	-	-
Amount due to related parties	739	1,058	-	11
Lease liabilities	1,889	1,469	-	-
Borrowings	6,990	7,125	-	-
Income tax payable	3,725	3,807	-	-
	<u>58,208</u>	<u>67,053</u>	<u>5,409</u>	<u>10,000</u>
<b>Non-current liabilities</b>				
Lease liabilities	3,715	3,221	-	-
Deferred tax liabilities	3,912	3,846	-	-
	<u>7,627</u>	<u>7,067</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>65,835</u>	<u>74,120</u>	<u>5,409</u>	<u>10,000</u>
<b>NET ASSETS</b>	<u>151,132</u>	<u>158,626</u>	<u>112,789</u>	<u>125,622</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>	
	30 June 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000	30 June 2021 (Unaudited) \$'000	31 December 2020 (Audited) \$'000
<b>Equity</b>				
Share capital	14	14	14	14
Share premium	114,118	117,889	114,118	117,889
Capital reserve	629	629	-	-
Statutory reserve	297	297	-	-
Retained earnings (Accumulated losses)	34,492	38,731	(1,343)	7,719
Translation reserves	1,647	1,066	-	-
Equity attributable to owners of the Company	151,197	158,626	112,789	125,622
Non-controlling interest	(65)	-	-	-
<b>Total equity</b>	<b>151,132</b>	<b>158,626</b>	<b>112,789</b>	<b>125,622</b>

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

	<b>Group</b>	
	As at 30 June 2021 (Unaudited) \$'000	As at 31 December 2020 (Audited) \$'000
<b>Total borrowings</b>		
- Amount repayable in one year or less or on demand (secured)	6,990	7,125
<b>Lease liabilities</b>		
- Amount repayable in one year or less or on demand (unsecured)	1,889	1,469
- Amount repayable after one year (unsecured)	3,715	3,221
	<b>5,604</b>	<b>4,690</b>

Apart from the above, the Group does not have any unsecured borrowings and debt securities as at 30 June 2021 and 31 December 2020.

**Details of any collaterals:**

As at 30 June 2021, short-term bank loans amounting to \$6,990,000 (31 December 2020: \$7,125,000) are jointly guaranteed by Mr. Guo Jingyu, the ultimate controlling shareholder and Executive Chairman and Group CEO, a director, PRC Affiliated Entities and third parties.

### C. Condensed Interim Consolidated Statements of Cash Flows

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

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2021 (Unaudited)	30 June 2020 (Audited)
	\$'000	\$'000
<b>Operating activities</b>		
Profit before income tax	6,464	14,742
Adjustments for:		
Amortisation of films and drama products	5,021	2,473
Amortisation of intangible assets	121	3
Depreciation of plant and equipment	380	360
Depreciation of right-of-use assets	964	825
Allowance (Net reversal of allowance) for expected credit losses	85	(18)
Written-off of inventories	-	14
Written-off of plant and equipment	-	8
Impairment loss of contract costs	-	716
Gain on disposal of right-of-use assets	-	(35)
Gain on disposal of investment in associate	-	(3,135)
Fair value gain on previously held interest in associate	-	(61)
Gain from bargain purchase of investment in subsidiary	-	(155)
Interest income	(130)	(45)
Interest expense	475	606
Gain on structured deposits	-	(18)
Share of result from associate	-	11
Share of result from joint ventures	67	-
Fair value gain in amount due to an external investor	-	297
Net foreign exchange difference	245	162
Operating cash flows before movements in working capital	13,692	16,750
Films and drama productions in progress	(1,231)	(3,976)
Trade and other receivables	(2,111)	29,410
Amount due from related parties	-	7,847
Contract assets	(19,516)	(16,409)
Contract costs	-	(986)
Trade and other payables	4,113	1,894
Amount due to related parties	(328)	(6,931)
Inventories	-	(173)
Contract liabilities	(1,698)	(14,093)
Cash (used in) generated from operations	(7,079)	13,333
Interest received	130	44
Interest paid	(428)	(548)
Income tax paid	(3,071)	(3,377)
Net cash (used in) generated from operating activities	(10,448)	9,452

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

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2021 (Unaudited) \$'000	30 June 2020 (Audited) \$'000
<b>Investing activities</b>		
Purchase of plant and equipment (Note A)	(513)	(1,040)
Purchase of intangible assets	(69)	(483)
Investment in structured deposits	-	18
Advance to a related party	-	(1,772)
Additions to investment in joint ventures	(1,036)	-
Acquisition of a subsidiary	-	3,270
Net cash used in investing activities	(1,618)	(7)
<b>Financing activities</b>		
Dividends paid	(16,490)	-
Repayment of lease liabilities	(1,017)	(730)
Proceeds from borrowings	-	247
(Repayment) Proceeds of film investment funds from investors at amortised cost	(3,078)	1,386
IPO listing expenses paid	(3,220)	-
Repayment of amount due to related parties	-	(11,041)
Repayment of loan due to director of a subsidiary	-	(1,631)
Shares buy-back	-	(800)
Net cash used in financing activities	(23,805)	(12,569)
Net decrease in cash and cash equivalents	(35,871)	(3,124)
Cash and cash equivalents at beginning of period	111,931	17,356
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	7	1
Cash and cash equivalents at end of period	76,067	14,233

**Note A:**

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2021 (Unaudited) \$'000	30 June 2020 (Audited) \$'000
Purchase of plant and equipment (Note 22(d))	531	650
Add: Settlement on prior period purchase of plant and equipment unpaid as at the opening of the current period	-	535
Less: Non-cash movement for		
i) Trade-in with right-of-use assets	-	(145)
ii) Current period purchase of plant and equipment unpaid as at the end of the current period	(18)	-
	513	1,040



## D. Condensed Interim Statements of Changes of Equity

1(e) A statement (for the Company and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders of the Company ("Shareholders"), together with a comparative statement for the corresponding period of the immediately preceding financial period.

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

	Share capital	Share premium	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
<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 period:</i>									
Profit for the period	-	-	-	-	3,480	-	3,480	(54)	3,426
Other comprehensive income for the period	-	-	-	-	-	581	581	-	581
	-	-	-	-	3,480	581	4,061	(54)	4,007
<i>Transactions with owners, recognised directly in equity:</i>									
Non-controlling interest arising from investment in a subsidiary	-	-	-	-	-	-	-	(11)	(11)
Dividends	-	(3,771)	-	-	(7,719)	-	(11,490)	-	(11,490)
	-	(3,771)	-	-	(7,719)	-	(11,490)	(11)	(11,501)
<b>Balances at 30 June 2021</b>	14	114,118	629	297	34,492	1,647	151,197	(65)	151,132
<b>Balances at 1 January 2020</b>	641	5,713	-	297	10,665	102	17,418	-	17,418
<i>Total comprehensive income for the period:</i>									
Profit for the period	-	-	-	-	13,010	-	13,010	-	13,010
Other comprehensive income for the period	-	-	-	-	-	139	139	-	139
	-	-	-	-	13,010	139	13,149	-	13,149
<i>Transactions with owners, recognised directly in equity:</i>									
Conversion of loan to share capital	*	7,736	-	-	-	-	7,736	-	7,736
<b>Balances at 30 June 2020</b>	641	13,449	-	297	23,675	241	38,303	-	38,303

\* Amount less than \$1,000.

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

**1(e) A statement (for the Company and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders of the Company ("Shareholders"), together with a comparative statement for the corresponding period of the immediately preceding financial period (cont'd).**

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

	<b>Share capital \$'000</b>	<b>Share premium \$'000</b>	<b>Retained earnings (Accumulated losses) \$'000</b>	<b>Total equity \$'000</b>
<b>Balances at 1 January 2021</b>	14	117,889	7,719	125,622
<i>Total comprehensive loss for the period:</i>				
Loss for the period	-	-	(1,343)	(1,343)
<i>Transactions with owners, recognised directly in equity:</i>				
Dividends	-	(3,771)	(7,719)	(11,490)
<b>Balances at 30 June 2021</b>	<b>14</b>	<b>114,118</b>	<b>(1,343)</b>	<b>112,789</b>
<b>Balances at 1 January 2020</b>	12	5,713	(142)	5,583
<i>Total comprehensive loss for the period:</i>				
Loss for the period	-	-	(141)	(141)
<i>Transactions with owners, recognised directly in equity:</i>				
Conversion of loan to share capital	*	7,736	-	7,736
<b>Balances at 30 June 2020</b>	<b>12</b>	<b>13,449</b>	<b>(283)</b>	<b>13,178</b>

\* Amount less than \$1,000.

## E. Other Information required under SGX Listing Manual

- 1(f) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period.**

	Number of shares	Resultant issued and paid-up share capital
Issued and paid-up share capital as at 31 December 2020 and 30 June 2021	1,073,792,000	US\$10,738

The Company did not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2021, 31 December 2020 and 30 June 2020.

- 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.**

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Total number of issued shares	1,073,792,000	1,073,792,000

The Company did not have any treasury shares as at 30 June 2021 and 31 December 2020.

- 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.**

Not applicable.

- 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.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

- 3A. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable. The figures have not been audited nor reviewed by the Company's auditors.

- 3B. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**  
**(a) Updates on the efforts taken to resolve each outstanding audit issue.**  
**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The latest financial statements of the Group is not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Saved as disclosed in item 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2020.

- 4b. Whether the financial statements are prepared in accordance with the relevant accounting standards for interim financial reports.**

The financial statements for the current financial period are prepared in accordance with SFRS (I) 1-34 Interim Financial Reporting ("SFRS (I) 1-34").

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") pronouncements that are effective from that date and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements 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 periods.

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

	Group	
	For the half year ended 30 June 2021 (Unaudited)	For the half year ended 30 June 2020 (Audited)
Profit attributable to Shareholders (\$'000)	3,480	13,010
Weighted average number of ordinary shares ('000)	1,073,792	910,930
Basic and fully diluted EPS (Singapore Cents)	0.32	1.43

For the six months ended 30 June 2020, for illustrative purposes, the earnings per share had been computed based on profit attributable to owners of the Company and the Company's enlarged share capital of 910,930,000 shares, assuming the share split of 91,093,000 shares into 910,930,000 shares had been completed as at 30 June 2020.

The diluted earnings per share for the half year ended 30 June 2020 and 30 June 2021 are the same as the basic earnings per share as the Group does not have any dilutive instruments.

7. **Net asset value (for the Company and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Company at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Net asset value* (\$'000)	151,197	158,626	112,789	125,622
No. of ordinary shares ('000)	1,073,792	1,073,792	1,073,792	1,073,792
Net asset value per ordinary share (Singapore Cents)	14.08	14.77	10.50	11.70

\* Net asset value per ordinary share = Equity attributable to owners of the Company / Total number of issued 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)**

**6M2021 vs 6M2020**

**Revenue**

The Group's revenue increased by \$6.6 million from \$37.2 million for the half year ended 30 June 2020 ("6M2020") to \$43.8 million for the half year ended 30 June 2021 ("6M2021"). This was mainly due to the following factors:

- i. increase in revenue contribution from the TV Program and Film Production business segment of approximately \$18.7 million from \$21.9 million in 6M2020 to \$40.6 million in 6M2021.

Revenue was recognised in 6M2021 mainly in respect of (i) completed filming of a drama "Horror Stories of Dynasty Tang 唐朝诡事录", (ii) ongoing production for a drama "Sisterhood 南洋女儿情", (iii) ongoing production of online short-form video series "Whimsical World 异想世界", and (iv) two films of the film series "I Come From Beijing 我来自北京".

In 6M2020, revenue was mainly recognised for an ongoing production of (i) "The Ferryman – Legends of Nanyang 灵魂摆渡" and (ii) three films of the film series "I Come From Beijing 我来自北京".

- ii. increase in revenue contribution from the Others business segment mainly comprising Talent Management and Costumes, Props and Make-up Services (net of inter-segment elimination) approximately \$2.7 million from \$0.5 million in 6M2020 to \$3.2 million in 6M2021 mainly due to an increase in the number of projects for costumes, props and make-up services.

The increase was partially offset by the absence of revenue contribution from the Concert Production business segment in 6M2021 as compared to revenue of \$14.8 million mainly from two concerts held in 6M2020.

In 6M2021, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$43.8 million (6M2020: \$7.9 million), which is 100% (6M2020: 21.4%) of the total revenue of the Group.

**Gross profit**

The Group's gross profit ("GP") decreased by approximately \$7.2 million from \$19.6 million in 6M2020 to \$12.3 million in 6M2021. Gross profit margin ("GPM") decreased from 52.6% in 6M2020 to 28.2% in 6M2021. The decrease in GP is mainly contributed by:

- i. the lower GP in the TV Program and Film Production business segment of approximately \$0.5 million with GPM of 26.3% (6M2020: 51.0%). Certain filming and production activities for the drama series, "Sisterhood 南洋女儿情" were shifted from Malaysia to China which affected margins as certain set-up costs had to be incurred again in China, resulting in duplicate costs; and
- ii. absence of profit contribution from the Concert Production business segment in 6M2021 compared to a profit contribution of approximately \$8.0 million from this business segment in 6M2020.

The abovementioned decrease in GP was partially offset by an increase in GP of approximately \$1.5 million (net of inter-segment elimination) from the Others business segment, mainly comprising Talent Management and Costumes, Props and Make-up Services.

### **Other income**

The Group's other income decreased by approximately \$1.8 million from \$4.2 million in 6M2020 to \$2.4 million in 6M2021. This was mainly due to the following factors:

- i. absence of an one-time gain in 6M2021 of \$3.1 million from the disposal of the associate, Beijing Honghaier Film & Culture Co., Limited in 6M2020; and
- ii. lower net foreign exchange gain of approximately \$0.3 million in 6M2021.

This was offset by an increase in government grants of approximately \$1.8 million from \$0.4 million in 6M2020 to \$2.2 million in 6M2021. Government grants mainly comprise (a) grants in respect of certain drama and film production activities from the relevant local governmental authorities and (b) grants from government relief schemes.

### **Administrative expenses**

The Group's administrative expenses remained fairly consistent over the relevant periods, considering the below:

- i. \$2.1 million incurred for listing expenses in 6M2020. There are no listing expenses incurred in 6M2021, offset by;
- ii. an increase of approximately \$0.9 million for employee benefit expenses (which includes salaries and defined contribution plans) due to additional headcount for planned business activities from second half of 2021;
- iii. an increase of approximately \$0.2 million for directors' fees in 6M2021 subsequent to listing on 18 December 2020;
- iv. an increase of approximately \$0.7 million for professional fees and listing compliance costs; and
- v. an increase of approximately \$0.2 million for depreciation and amortisation expenses.

### **Selling and distribution expenses**

The Group's selling and distribution expenses decreased by approximately \$0.5 million from \$2.9 million in 6M2020 to \$2.3 million in 6M2021. This is mainly due to the following factors:

- i. there was no impairment loss of contract costs in 6M2021. In 6M2020, there were costs of approximately \$0.6 million mainly arising from the postponement and rescheduling of the concerts to be held in Malaysia and Australia; and
- ii. a decrease of approximately \$0.5 million in advertising and promotional activities due to cost control measures put in place.

This was offset by an increase of approximately \$0.5 million in employee benefit expenses (which includes salaries and defined contribution plans) due to an increase in headcount for the business development, branding and marketing team for planned business activities from second half of 2021.

**Other expenses**

Other expenses decreased by \$0.2 million from \$0.5 million in 6M2020 to \$0.3 million in 6M2021. This was mainly due to an absence of profit on film distribution to external investors of approximately \$0.3 million in 6M2021.

**Finance cost**

Finance cost remained fairly consistent over the periods, comprising mainly interest expense on bank borrowings, lease liabilities and film investment funds from external investors.

**Profit for the period**

The profit for the period declined from \$13.0 million in 6M2020 to \$3.4 million in 6M2021 mainly due to the absence of contribution from 1) the Concert Production business segment in 6M2021 compared to the profit contribution of \$8.0 million in 6M2020 and 2) one-time gain on disposal of an associate, being Beijing Honghaier Film & Culture Co., Limited in 6M2020 of approximately \$3.1 million, which were offset by the absence of one-time IPO expenses of \$2.1 million incurred in 6M2020.

Please see summary as below:

	<b>\$'000</b>
Profit for 6M2020	13,010
Less: Gross profit from Concert Production segment	(8,024)
Less: Gain on disposal of an associate, Beijing Honghaier Film & Culture Co., Limited	(3,135)
Add: One-time IPO expenses	<u>2,137</u>
	3,988
Profit for 6M2021	<u>3,426</u>
6M2020 vs 6M2021	<u>562</u>

In 6M2021, the total profit for the period derived from the PRC Affiliated Entities amounted to approximately \$3.4 million (6M2020: \$2.6 million), which comprised 100% (6M2020: 20.0%) of the Group's total profit for the period.

**Review of Financial Position (Consolidated Statement of Financial Position)*****30 June 2021 vs 31 December 2020*****Current assets**

The Group's current assets decreased by approximately \$17.9 million from \$219.7 million as at 31 December 2020 to \$201.8 million as at 30 June 2021. The decrease was mainly due to:

- i. the decrease of approximately \$35.9 million in cash and cash equivalents, mainly for payment of a total of \$16.5 million for the interim and final dividends for the financial year ended 31 December 2020 ("FY2020") using internally generated funds, payment of \$3.2 million for listing expenses, ongoing dramas and film productions and working capital purposes;
- ii. the decrease in trade receivable of approximately \$4.6 million, which was mainly due to faster receipts for ongoing drama productions; and
- iii. decrease in films and drama products of approximately \$3.8 million due to sale of drama productions.

The decrease was partially offset by the following:

- i. the increase in other receivables of approximately \$6.6 million mainly due to prepayments made for drama productions;
- ii. the increase in contract assets of approximately \$19.4 million, mainly due to ongoing drama productions which represents the Group's right to consideration for dramas and films production in progress but not billed at 30 June 2021; and
- iii. the increase in films and drama productions in progress by approximately of \$0.3 million mainly due to ongoing drama and film productions, representing production costs, costs of services, direct labour costs, facilities and raw materials consumed.

### **Non-current assets**

The Group's non-current assets increased by approximately \$2.1 million from \$13.1 million as at 31 December 2020 to \$15.2 million as at 30 June 2021. The increase was mainly due to the following factors:

- i. the increase of approximately \$1.1 million in right-of-use assets mainly due to the renewal and addition of leased assets during the period, offset by depreciation; and
- ii. investment of approximately \$1.0 million in joint ventures, representing a) 48.92% equity 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 b) 70% equity interest in Uni-Icon Entertainment Pte. Ltd.

### **Current liabilities**

The Group's current liabilities decreased by approximately \$8.8 million from \$67.1 million as at 31 December 2020 to \$58.2 million as at 30 June 2021. The decrease was mainly due to the following factors:

- i. payment of FY2020 interim dividend of \$5.0 million to Shareholders. The Company had declared interim dividends of \$10.0 million in respect of FY2020 on 18 November 2020 to be paid to persons who were registered Shareholders as at 30 September 2020;
- ii. repayment of \$3.0 million in film investment funds from investors;
- iii. a decrease in contract liabilities of approximately \$1.7 million as these amounts are recognised as revenue when the Group fulfilled its performance obligations; and
- iv. a decrease in the amount due to related parties of approximately \$0.3 million which was mainly due to payment of artiste fees to an entity controlled by a family member of ultimate controlling shareholder and director offset by payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees.

The above was partially offset by:

- i. net increase of approximately \$1.0 million in trade and other payables mainly due to higher payables due to vendors and joint investors for drama productions offset by payment of listing expenses and a decrease of deferred income representing government grants received for drama productions and government reliefs. The deferred income is recognised in profit or loss when the Group recognises as expenses the related costs for which the grants are intended to compensate; and
- ii. increase of \$0.4 million in lease liabilities due to the addition of leased assets and repayment of lease liabilities.

### **Non-current liabilities**

The Group's non-current liabilities increased by approximately \$0.6 million from \$7.1 million as at 31 December 2020 to \$7.6 million as at 30 June 2021 due to increase in lease liabilities.

### **Shareholders' Equity**

Shareholders' equity decreased by approximately \$7.5 million from \$158.6 million as at 31 December 2020 to \$151.1 million as at 30 June 2021 mainly due to net profit after tax of \$3.4 million recognised for 6M2021 and increase of \$0.6 million in translation reserves offset by final dividends of \$11.5 million declared in respect of FY2020.

The Group has working capital of \$143.6 million as at 30 June 2021 (31 December 2020: \$152.6 million).



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

### **Net cash used in operating activities**

The Group generated cash inflows from operating activities before movements in working capital of approximately \$13.7 million, with net changes in working capital of approximately \$20.8 million, income tax and net interest paid of approximately \$3.1 million and approximately \$0.3 million respectively.

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

- i. an increase in films and drama productions in progress by approximately \$1.2 million which was mainly due to ongoing drama and film productions, representing production costs, costs of services, direct labour costs, facilities and raw materials consumed;
- ii. an increase in trade and other receivables of \$2.1 million mainly due to prepayments made for drama productions offset by receipts for ongoing drama productions;
- iii. an increase in contract assets of approximately \$19.5 million mainly due to ongoing drama productions to represent the Group's right to consideration for dramas and films production in progress but not billed as at 30 June 2021;
- iv. net repayment in the amount due to related parties of approximately \$0.3 million which was mainly due to repayment of artiste fees to an entity controlled by a family member of ultimate controlling shareholder and director, which was offset by payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees; and
- v. a decrease in contract liabilities of approximately \$1.7 million as these amounts are recognised as revenue when the Group fulfilled its performance obligation.

This was offset by the net increase of approximately \$4.1 million in trade and other payables mainly due to higher payables to vendors for drama productions, which was offset by a decrease in deferred income representing the government grants received for drama productions and government reliefs. The deferred income is recognised in profit or loss when the Group recognises as expenses the related costs for which the grants are intended to compensate.

Net cash used in operating activities is \$10.4 million.

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

Net cash used in investing activities amounted to approximately \$1.6 million which was mainly due to:

- i. purchase of plant and equipment of approximately \$0.5 million, mainly for expansion of post-production visual effects activities to strengthen the Group's end-to-end production capabilities; and
- ii. investment in joint ventures of approximately \$1.0 million, representing a) 48.92% equity 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 b) 70% equity interest in Uni-Icon Entertainment Pte. Ltd.

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

Net cash used in financing activities amounted to \$23.8 million which was mainly due to:

- i. payment of interim dividend of \$5.0 million in respect of FY2020 to Shareholders using internal generated funds. The Company had declared interim dividends of \$10.0 million in respect of FY2020 on 18 November 2020 to be paid to persons who were registered Shareholders as at 30 September 2020; and
- ii. payment of final dividend in respect of FY2020 of \$11.5 million to registered Shareholders as at 1 June 2021;
- iii. repayment of film investment funds from investors of \$3.1 million;
- iv. payment of listing expenses of \$3.2 million; and
- v. repayment of lease liabilities of \$1.0 million.

**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 at 11 August 2021 \$'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>(3)</sup>	64.5	(26.5)	38.0
Expansion of the Concert Production business via investment in production <sup>(2)</sup> , acquisitions, joint ventures and/or strategic alliances	21.5	-	21.5
General working capital purposes	15.0	(8.2) <sup>(4)</sup>	6.8
Total	101.0	(34.7)	66.3

**Notes:**

- (1) Such investments have included and may include, but are not limited to, the production of dramas, films, online video series, musicals and stage plays.
- (2) Such investments may include, but are not limited to, undertaking the production of concerts for a larger number of artistes in Singapore and in the region.
- (3) It is intended that out of the gross proceeds to be used for expansion of the TV program and film production business via investment in production, acquisitions, joint ventures and/or strategic alliances, 70.0% will be used for the expansion of the TV program and film production business in the PRC and 30.0% will be used for the expansion of the TV program and film production business in other countries.
- (4) The amount of approximately S\$8.2 million for general working capital purposes was used for the following: (a) payment for professional fees of approximately S\$0.9 million, payment for employees' salaries of approximately S\$5.0 million and payment for office rental expenses of approximately S\$0.6 million for the six months ended 30 June 2021; and (b) payment for income tax of approximately S\$1.7 million.

The above utilisations of the net IPO proceeds is in accordance with the intended use of proceeds from the IPO as stated in the Prospectus dated 11 December 2020. The Company will continue to make periodic announcements on the utilisation of the balance of the net proceeds from the IPO as and when such proceeds are materially disbursed.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

There is no forecast or prospect statements previously disclosed to Shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

The Group has two main business segments, namely television program and film production and concert production.

**Television Program and Film Production**

The Group expects to commence production for at least another five dramas in the second half of 2021. The second half of the financial year will normally see a higher level of drama production which is similar to that experienced in FY 2020 which will boost revenue and profits. These dramas are planned to be produced in China given the current COVID-19 situation in Malaysia.

In China, the COVID-19 pandemic is largely under control and most businesses have returned to normalcy. This ensures minimal disruption to the production timelines, whilst ensuring production quality in a safe workplace environment.

In the event that the COVID-19 situation in Malaysia improves, the Group will consider moving some of the drama production back to Malaysia. The health and safety of the employees is paramount. The Group had progressively relocated certain filming and production activities for the drama series, "Sisterhood 南洋女儿情" from Malaysia to China which affected margins as certain set-up costs had to be incurred again in China, resulting in duplicate costs being incurred. Despite the increase in production costs expected, "Sisterhood 南洋女儿情" (which was the only affected drama production) remains profitable.

Given the Group's strong relationship with the relevant customer, the parties have agreed on the revised production and release timeline for "Sisterhood 南洋女儿情" at no additional cost, and the Group continues to be able to fulfil its contractual obligations under the relevant production contract.

#### Concert Production

In China, the live music scene has been gradually recovering with limited capacity events held.

The Group plans to undertake the production of concerts when the travel restrictions, closure of public venues and safe-distancing measures imposed by the respective governments have been eased and/or lifted and alongside confidence by the general public to resume such activities.

The Group expects a phased reopening of economies in Malaysia, Singapore and Australia after the COVID-19 outbreak will boost the second growth engine, the concert production business. Accordingly, the Group expects to hold previously postponed concerts and the Group will also be able to undertake more concert productions.

As part of the Group's overall disciplined approach to cost management, a relatively small team of staff manages its concert production business. Therefore, the Group only incurs a relatively small amount of fixed cost in the concert production business.

#### Overall

The ongoing pandemic has created uncertainty for all businesses and impacted the Group's financial performance in 6M2021. The Group however adopts a dynamic approach to continuously evolve its business, exercising flexibility to adapt to the fast-changing circumstances in the geographies that it operates in. The Group is well-prepared and has the agility to respond promptly, and to ramp up productions across its two engines in the TV program and film production business segments and the concert production business segment, to resume its planned growth trajectory.

Supported by its resilient balance sheet and a strong net cash position, the Group continues to expand and diversify its portfolio of proprietary entertainment content, explore potential partnerships and collaborations as well as inorganic growth through acquisitions in the Group's journey to become the leading player in the media and entertainment industry in the Asia-Pacific region.

The Group will keep Shareholders informed of any material developments that may impact the Group's operations and performance as and when they arise.

## **11. Dividend**

### **(a) Any dividend declared for the current financial period reported on?**

No dividend has been recommended or declared for 6M2021.

### **(b) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)?**

Not applicable.

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

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

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

Not applicable.

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

Not applicable.

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

No interim dividend has been declared in 6M2021. The Company pays a final dividend as recommended by the Board and approved by shareholders at the Annual General Meeting.

**13. If the Group has obtained a mandate from shareholders for Interested Party Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group renewed the IPTs mandate from the shareholders at the Annual General Meeting held on 29 April 2021:

<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>
JVR Music International Ltd <sup>(1)</sup>	580	-
Taiho Holding Limited <sup>(2)</sup>	1,255	-
Kang Ru Investments Limited <sup>(3)</sup>	10,361	-
Mr. Guo Jingyu <sup>(4)</sup>	20	-
Ms. Yue Lina <sup>(5)</sup>	-	21
Mr. Yang Zhigang <sup>(6)</sup>	-	1,436

**Notes:**

- (1) Related to artiste service fees 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.
- (2) Related to the outstanding amount of 50% of the interim dividends and the final dividends in respect of FY2020 paid to Taiho Holding Limited, which is 50.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.
- (3) Related to the outstanding amount of 50% of the interim dividends and the final dividends in respect of FY2020 paid to Kang Ru Investments Limited, which is 100% owned by Mr Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.
- (4) Related to the final dividends in respect of FY2020 paid to Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.
- (5) Related to amounts received by the Group for provision of talent management services to Ms. Yue Lina, an Executive Director.
- (6) 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. In relation to the fees for acting services paid by the Group to Mr. Yang Zhigang, payment of such fees was made to Xiamen Lubing Film and Television Culture Studio as directed by Mr. Yang Zhigang for his tax planning reasons. As at date of this announcement, Xiamen Lubing Film and Television Culture Studio has no active business operations and is held entirely by Mr Yang Zhigang. Mr Yang Zhigang is the brother of Mr. Guo Jingyu, the Executive Chairman and Group CEO.

**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 Group CEO, Executive Directors, Chief Financial Officer, and the heads of each business within the operating segment. 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 which are produced by the Group as their talent management agency on a project basis.
Costumes, Props and Makeup Services	Provision of costumes, props and make up services to artists and third-party production companies.

**Group**  
**For the half year ended 30 June 2021**

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<b><u>Segment revenue and results</u></b>				
Revenue	40,598	-	7,238	47,836
Inter-segment elimination				(4,051)
				<u>43,785</u>
Gross profit	10,697	(202)	4,013	14,508
Inter-segment elimination				(2,175)
				<u>12,333</u>
Other income				2,397
Share of result from joint ventures				(67)
Administrative expenses				(5,082)
Selling and distribution expenses				(2,339)
Other expenses				(303)
Finance costs				(475)
Profit before tax				<u>6,464</u>
Income tax expense				(3,038)
Profit for the period				<u>3,426</u>

<b>Group</b>				
<b>For the half year ended 30 June 2020</b>				
	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<b><u>Segment revenue and results</u></b>				
Revenue	21,884	14,780	598	37,262
Inter-segment elimination				(110)
				<u>37,152</u>
Gross profit	11,171	8,024	359	19,554
Inter-segment elimination				4
				<u>19,558</u>
Other income				4,178
Share of result from associate				(11)
Administrative expenses				(5,000)
Selling and distribution expenses				(2,859)
Other expenses				(518)
Finance costs				(606)
Profit before tax				<u>14,742</u>
Income tax expense				(1,732)
Profit for the period				<u>13,010</u>

#### **Disaggregation of Revenue**

<b>Group</b>				
<b>For the half year ended 30 June 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	7,186	-	4,404	11,590
Over time	32,125	-	70	32,195
	<u>39,311</u>	<u>-</u>	<u>4,474</u>	<u>43,785</u>
<i>Geographical information:</i>				
China	39,311	-	4,474	43,785

<b>Group</b>				
<b>For the half year ended 30 June 2020</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	5,571	14,780	488	20,839
Over time	16,313	-	-	16,313
	<u>21,884</u>	<u>14,780</u>	<u>488</u>	<u>37,152</u>
<i>Geographical information:</i>				
Singapore	14,376	14,780	-	29,156
China	7,508	-	488	7,996
	<u>21,884</u>	<u>14,780</u>	<u>488</u>	<u>37,152</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**

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 100% (6M2020: 21.5%) the Group's total revenue.

In 6M2021, the copyright and ancillary rights to the completed and ongoing film and drama productions under the TV Program and Film Production business segment are sold to customers located outside of Singapore.

In 6M2020, this was mainly due to the two concert productions which were held in Singapore under the Concert Production business segment in 6M2020 and ongoing filming and production of one drama under the TV Program and Film Production business segment in 6M2020, for which the copyright and ancillary rights to this drama were sold to a customer located in Singapore.

**17. Additional information required pursuant to Rule 706A of the Listing Manual**

Save as disclosed below, there were no acquisition or sale of shares resulting in a company becoming a subsidiary or an associated company of the Group and shares resulting in the Group increasing its shareholding percentage in a subsidiary or an associated company 6M2021:

Investment / acquisition of shares in subsidiaries or associated entities

1. Investment in joint venture, representing 48.92% equity interest in Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership 厦门开门见君影视产业投资合伙企业 (有限合伙)

On 19 January 2021, Tianjin Changxin Film & Media Co., Ltd (天津长信影视传媒有限公司) ("Tianjin Changxin"), a PRC Affiliated Entity, had incorporated the joint venture limited partnership, Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership 厦门开门见君影视产业投资合伙企业 (有限合伙), in China, with a registered capital of RMB 10.22 million. An announcement on the incorporation of the joint venture limited partnership was made on 20 January 2021 (announcement reference: SG2101200THRQD6).

2. Investment in joint venture, representing 70% equity interest in Uni-Icon Entertainment Pte. Ltd.

On 30 June 2021, G.H.Y Culture & Media (Singapore) Pte. Ltd., an indirect wholly-owned subsidiary of the Company, had incorporated the joint venture company, Uni-Icon Entertainment Pte. Ltd. in Singapore, with an issued and paid-up share capital of US\$1,000. The issued capital was increased to US\$1,000,000 in August 2021. An announcement on the memorandum of understanding in respect of the joint venture was made on 17 March 2021 (announcement reference: SG2103170THERXKG1) and an announcement on the entry into the joint venture agreement was made on 14 June 2021 (announcement reference: SG2106140THRVU8).

3. Investment in subsidiary, representing 51% equity interest in Xiamen Jinzhao Film Culture & Media Co., Ltd. (厦门金朝映画文化传媒有限公司)

On 6 May 2021, Tianjin Changxin had together with the other shareholder, Liu Shizhao established the joint venture company, Xiamen Jinzhao Film Culture & Media Co., Ltd. (厦门金朝映画文化传媒有限公司) ("Xiamen Jinzhao") in China. Xiamen Jinzhao has a registered capital of RMB 10,205,000. An announcement on the establishment of joint venture company in the People's Republic of China was made on 3 August 2021 (announcement reference: SG2108030THR4VN8).

Incorporation of indirect wholly-owned subsidiaries

1. Investment in a wholly owned subsidiary, GHY Culture & Media (IMS) Sdn Bhd

On 10 March 2021, GHY Culture & Media (Malaysia) Sdn Bhd, an indirect wholly-owned subsidiary of the Company, had incorporated the subsidiary, GHY Culture & Media (IMS) Sdn Bhd with an initial issued and paid-up share capital of MYR\$1 comprising 1 ordinary share. The principal business activities of GHY Culture & Media (IMS) Sdn Bhd is production and distribution of television program and films.

2. Investment in a wholly owned subsidiary, GHY Culture & Media (ISK) Sdn Bhd

On 10 March 2021, GHY Culture & Media (Malaysia) Sdn Bhd, an indirect wholly-owned subsidiary of the Company, had incorporated the subsidiary, GHY Culture & Media (ISK) Sdn Bhd with an initial issued and paid-up share capital of MYR\$1 comprising 1 ordinary share. The principal business activities of GHY Culture & Media (ISK) Sdn Bhd is production and distribution of television program and films.

The above investment / acquisition of shares in subsidiaries or associated entities and incorporation of indirect wholly-owned subsidiaries are not expected to have any material effect on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2021. None of the directors or controlling shareholders of the Company has 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. Negative confirmation pursuant to Rule 705(5).**

The Board of Directors hereby confirms, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half year ended 30 June 2021 to be false or misleading in any material aspect.



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

### **19. Corporate Incorporation**

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

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

### **20. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 20.1.

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

#### **20.1 New and Amended Standards adopted by the Group**

The adoption of the various new/revised SFRS(I) effective for the financial year beginning on 1 January 2021 does not have a material financial effect on the Group and the Company.

#### **20.2 Uses of judgement and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant areas of estimation, uncertainty and critical judgements in applying accounting policies disclosed in Annual Report 2020 remain relevant.

### **21. Related Parties Transactions**

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

## 22(a). Financial assets and financial liabilities

Below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2021 (Unaudited)	31 December 2020 (Audited)
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Financial assets at amortised cost	101,020	144,188	108,990	127,104
Financial assets at fair value through profit or loss	216	215	-	-
	<u>101,236</u>	<u>144,403</u>	<u>108,990</u>	<u>127,104</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	33,507	40,343	5,409	10,000
Lease liabilities	5,604	4,690	-	-
	<u>39,111</u>	<u>45,033</u>	<u>5,409</u>	<u>10,000</u>

## 22(b). Intangible assets

	Group					
	Film and drama adaptation licenses	Rights to the film set under construction	Rights to the film set	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Half year ended 30 June 2021 (Unaudited)</b>						
Cost:						
At 1 January 2021	146	-	1,958	97	8	2,209
Additions	-	-	-	21	48	69
Exchange difference	-	-	(48)	-	-	(48)
At 30 June 2021	<u>146</u>	<u>-</u>	<u>1,910</u>	<u>118</u>	<u>56</u>	<u>2,230</u>
Accumulated amortisation:						
At 1 January 2021	93	-	45	12	3	153
Amortisation charge	12	-	97	19	2	130
Exchange difference	-	-	-	-	*	*
At 30 June 2021	<u>105</u>	<u>-</u>	<u>142</u>	<u>31</u>	<u>5</u>	<u>283</u>
Carrying amount:						
At 30 June 2021	<u>41</u>	<u>-</u>	<u>1,768</u>	<u>87</u>	<u>51</u>	<u>1,947</u>
At 1 January 2021	<u>53</u>	<u>-</u>	<u>1,913</u>	<u>85</u>	<u>5</u>	<u>2,056</u>

	<b>Group</b>					
	Film and drama adaptation licenses	Rights to the film set under construction	Rights to the film set	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>31 December 2020</u></b>						
<b><u>(Audited)</u></b>						
Cost:						
At 1 January 2020	147	238	-	-	8	393
Additions	-	1,720	-	97	-	1,817
Transfer upon completion	-	(1,958)	1,958	-	-	-
Exchange difference	(1)	*	*	-	*	(1)
At 31 December 2020	146	-	1,958	97	8	2,209
Accumulated amortisation:						
At 1 January 2020	64	-	-	-	2	66
Amortisation charge	29	-	45	12	1	87
Exchange difference	-	-	*	-	*	*
At 31 December 2020	93	-	45	12	3	153
Carrying amount:						
At 31 December 2020	53	-	1,913	85	5	2,056
At 1 January 2020	83	238	-	-	6	327
* Amount less than \$1,000.						

The amortisation expenses of \$9,000 have been capitalised in the line item 'films and drama productions in progress' in statement of financial position as at 30 June 2021.

## 22(c). Goodwill and Goodwill impairment

	<b>Group</b>
	\$'000
<b><u>At 31 December 2020 (audited) and 30 June 2021 (unaudited)</u></b>	
Cost	1,111
Accumulated impairment	-
Carrying amount	1,111

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

The recoverable amount of the CGUs is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the 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% (2020 : 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 12.05% (2020 : 12.05%).

As at 30 June 2021 and 31 December 2020, 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.

**22(d). Plant and equipment**

In 6M2021, the Group acquired plant and equipment amounting to \$531,000 (6M2020: \$650,000) and there was no disposal of plant and equipment during the period (6M2020: \$Nil).

**22(e). Right-of-use assets**

In 6M2021, the Group acquired and disposed right-of-use assets approximately amounting to \$2,393,000 (6M2020: 4,359,000) and \$1,400,000 (6M2020: \$1,050,000) respectively.

**23. Taxation**

	<b>Group</b>	
	<b>For the half year ended</b>	
	30 June 2021 (Unaudited)	30 June 2020 (Audited)
	\$'000	\$'000
<b>Tax expense comprises:</b>		
Current tax	2,919	1,701
Deferred tax	119	(14)
Withholding tax	-	45
	<u>3,038</u>	<u>1,732</u>

**24. Subsequent events**

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

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

Guo Jingyu  
 Executive Chairman and Group CEO  
 11 August 2021

Wang Qing  
 Executive Director