

Media Release

GHY posts 17.9% year-on-year revenue growth to S\$43.8 million for 6M2021

- Achieved profit before tax of approximately S\$6.5 million largely due to absence of contribution from the Concert Production business
- TV Program and Film Production business is expected to ramp up in the second half of 2021 with upcoming drama and film projects
 - Other receivables of approximately S\$17.0 million as at 30 June 2021, an increase of 64.1% from 31 December 2020, mainly due to prepayments made for upcoming drama productions
 - Contract assets representing the Group's right to consideration for dramas and films production in progress but unbilled, grew by 36.5% to approximately S\$72.6 million during 6M2021
- Maintains a robust balance sheet with net cash position of approximately S\$69.1 million to support planned growth initiatives
- Continues to expand portfolio of entertainment content and products, with diversification into new growth adjacencies, including but not limited to musicals and short-form online videos

Singapore, 11 August 2021 – G.H.Y Culture & Media Holding Co., Limited ("GHY", and together with its subsidiaries and its PRC Affiliated Entities, the **"Group"**), a leading player in the media and entertainment industry, reports its unaudited results for the half year financial period ended 30 June 2021 (**"6M2021"**).

Financial Highlights

| | 6M2021 (S\$ m) | 6M2020 (S\$ m) | Change (%) |
|---|----------------|----------------|-----------------------|
| Revenue | 43.8 | 37.2 | 17.9 |
| Gross profit | 12.3 | 19.6 | (36.9) |
| Gross profit margin (%) | 28.2 | 52.6 | 24.4 ppt ¹ |
| Profit before tax | 6.5 | 14.7 | (56.1) |
| Earnings per Share (Singapore cents) | 0.32 | 1.43 | (77.6) |

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 media release.

¹ "ppt" means percentage points.



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GHY's revenue increased by 17.9% to approximately S\$43.8 million in 6M2021, as compared to the half year ended 30 June 2020 ("6M2020"), mainly from the TV Program and Film Production business which revenue has almost doubled as compared to 6M2020. Despite the ongoing impact of COVID-19, the Group was able to complete filming of a drama and has released two films, with several productions (including one drama and one online short-form series) in progress. In addition, the increase in the number of projects undertaken by the Group has resulted in higher revenue contributions from the Group's Talent Management Services and Costumes, Props and Make-up Services business segments, which correspondingly rose by S\$2.7 million from 6M2020, to S\$3.2 million in 6M2021.

Given the current COVID-19 situation in Malaysia and taking into consideration the health and safety of the employees, the Group progressively relocated certain filming and production activities for one drama from Malaysia to China, which affected margins as certain set-up costs had to be incurred again in China². Nonetheless, the affected drama remains profitable as the Group's end-to-end capabilities across the production value chain enable it to have full oversight of production and cost controls.

The absence of revenue contribution from the Concert Production business due to the COVID-19 pandemic also impacted the Group's financial performance in 6M2021. This business segment had recorded approximately S\$14.8 million in revenue and S\$8.0 million gross profit in 6M2020. Comparatively, a loss of approximately S\$0.2 million was recorded in 6M2021 as the Group continued to undertake preparation work for future concerts, whilst exercising strict cost management.

The Group's diversified business model enables it to minimise the pandemic impact amidst the challenging industry landscape. The profit before tax for 6M2021 was S\$6.5 million, mainly due to the absence of contribution from the Concert Production business in 6M2021 (compared to the profit contribution of S\$8.0 million in 6M2020), and one-off item on gain of S\$3.1 million from disposal of an associate in 6M2020.

Stronger second half expected with upcoming drama and projects

The Group has undertaken planning and preparation work for various drama and film projects during 6M2021. Barring unforeseen circumstances, the Group expects to commence production for at least another five dramas in the second half of 2021. The Group has developed a robust pipeline of dramas and films, in addition to various new initiatives for content acquisition and investments in post-production visual effects, and is on track to deliver a strong financial performance in the year ending 31 December 2021.

² Please refer to the announcement on the "Business Update on COVID-19 Impact" dated 13 July, 2021 ([Link](#))



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This is demonstrated by the increase of 64.1% in other receivables from approximately S\$10.4 million as at 31 December 2020 to approximately S\$17.0 million as at 30 June 2021, mainly due to prepayments made for upcoming drama productions. Contract assets, which represent the Group's right to consideration for drama and film productions in progress but unbilled, also grew by 36.5% to approximately S\$72.6 million during 6M2021.

Supported by its strong balance sheet and a net cash position of S\$69.1 million, the Group believes that it is well-placed within the industry value chain to strategically pursue organic and inorganic growth.

Mr. Guo Jingyu (郭靖宇), Executive Chairman and Group CEO, said, "While circumstances outside our operational control weighed on our financial performance in 6M2021, the Group delivered a resilient set of financial performance by exercising cost discipline in our operations.

Being close to the ground, we stay vigilant to changes and have the agility to ramp-up productions across our two growth engines of TV Program and Film Production and Concert Production when the COVID-19 situation improves. Our growth rate will also be accelerated by our successful diversification into fast-growing adjacencies such as musicals and short-form online videos.

We continue to adopt a dynamic approach to continuously evolve our business and stay focused on executing our long-term growth strategies to enhance value for all our stakeholders. This includes expanding our regional presence, diversifying our pipeline portfolio of entertainment content and driving synergies across existing core businesses and beyond."

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This press release should be read in conjunction with the financial statements announcement for 6M2021 and the presentation slides uploaded on SGXNet.



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About G.H.Y Culture & Media Holding Co. Ltd.

G.H.Y Culture & Media Holding Co., Limited (“GHY” or the “Group”) is an entertainment business that focuses on the production and promotion of dramas, films and concerts in the Asia-Pacific region. GHY has produced several dramas and films in the PRC, Singapore and Malaysia that have been broadcasted and/or distributed on major TV networks and leading video streaming platforms in the PRC. The Group has also undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Malaysia and Australia.

GHY has strong in-house production teams, with scriptwriters, directors and producers who have been involved in various notable dramas and films. The production teams have consistently produced quality dramas and films and the Group also possesses expertise and capabilities across the business value chain.

Currently headquartered in Singapore and the PRC, with over 170 employees across Singapore, Malaysia, the PRC and Australia, the Group also engages in concert production, talent management services, and costumes, props and make-up services.

GHY is listed on the Mainboard of the Singapore Exchange (SGX: XJB; Bloomberg: GHY:SP).

For more information, please visit <https://ghyculturemedia.com/>