

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED
(Company Registration No. 337751)
(Incorporated in the Cayman Islands on 29 May 2018)

ENTRY INTO JOINT VENTURE AGREEMENT WITH IQIYI INTERNATIONAL

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.

1. INTRODUCTION

The Board of Directors (the "**Board**") of G.H.Y Culture & Media Holding Co., Limited (the "**Company**") and together with its subsidiaries and associated companies, the "**Group**") refers to the announcement dated 17 March 2021 (the "**MOU Announcement**") in relation to the entry into a non-binding memorandum of understanding with iQIYI International Singapore Pte. Ltd. ("**iQIYI**") to establish a talent management agency to be based in Singapore.

The Board wishes to announce that G.H.Y Culture & Media (Singapore) Pte. Ltd. ("**GHY Singapore**", and together with iQIYI, the "**Parties**"), a wholly-owned subsidiary of the Company, has entered into a joint venture agreement with iQIYI (the "**JV Agreement**") in respect of their shareholdings in a joint venture company to be incorporated in Singapore, which shall be called "Uni-Icon Entertainment Pte. Ltd." (the "**JV Company**").

2. INFORMATION ON IQIYI

iQIYI is a subsidiary of iQIYI Inc. (愛奇藝), a company listed on the NASDAQ Global Select Market, which is a leading online streaming service provider and an existing customer of the Group. iQIYI is also a shareholder of the Company.

Save as disclosed above, to the best of the knowledge of the Directors, iQIYI is independent of the directors and the controlling shareholder of the Company and their respective associates.

3. INFORMATION ON THE JV COMPANY AND SALIENT TERMS OF THE JV AGREEMENT

3.1. The business of the JV Company will be talent management services in Southeast Asia, including the management of artistes managed by the JV Company who are primarily based, or whose projects and engagements are primarily based, in Southeast Asia, and any other business to be agreed among the Parties in writing (the "**Business**").

3.2. Pursuant to the Joint Venture Agreement, the Parties have agreed that GHY Singapore shall hold 70% of the shareholding interest in the JV Company and iQIYI shall hold 30% of the shareholding interest in the JV Company. The aggregate consideration payable by GHY Singapore for the subscription of shares in the JV Company (the "**Subscription Shares**") shall be US\$700,000, to be satisfied fully in cash and will be funded by the internal resources of the Group. The consideration was arrived at after arm's length negotiations and on a willing-buyer willing-seller basis, after taking into consideration the nominal value per share in the capital of the JV Company, and is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the financial year ending 31 December 2021.

- 3.3. As at the date of this Announcement, the JV Company has not yet been incorporated and as such, has not commenced operations nor own any assets. Accordingly, the book value and net tangible asset value of the Subscription Shares would be zero and no valuation of the Subscription Shares has been commissioned by the Company.
- 3.4. The board of directors of the JV Company shall consist of three (3) directors, of which GHY Singapore shall have the right to appoint two (2) directors and iQIYI shall have the right to appoint one (1) director. The chairman of the board of directors shall be nominated by GHY Singapore.

4. RATIONALE FOR THE JOINT VENTURE

The JV Company aims to identify and promote talent across Southeast Asia. The Group's entry into the JV Agreement is part of the Group's business strategy and growth plans to expand its regional reach and strengthen its presence in the Asia-Pacific region, particularly in Southeast Asia, from Singapore. The Group believes that the establishment of a talent management agency that focuses on artistes who are primarily based, or whose projects and engagements are primarily based, in Southeast Asia, will facilitate the Group gaining access to wider audiences and exposure in new markets, and will benefit the Group's overseas expansion.

The Group has an established business relationship with iQIYI, with several of the dramas produced or co-produced by the Group having been or will be distributed on iQIYI's video streaming platform. By leveraging on this relationship with iQIYI and their vast network and expertise, the Group's entry into the JV Agreement would provide a strategic platform for the Group to execute its expansion plans in the talent management services business. This could further encourage potential co-production ventures with iQIYI and other collaborations in the media and entertainment industry in Singapore, the PRC and overseas.

By building on the talent management services business segment, the Group ensures that it has a growing talent pool to feature in the drama and film projects produced or co-produced by the Group. When the Group's productions that feature its artistes are well-received by fans and audiences, the Group could further capitalise on the popularity of the artistes to boost its reputation as a talent management company, thus leveraging on the synergies created across its core businesses to accelerate its growth trajectory.

5. NON-DISCLOSEABLE TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

None of the relative figures for the Joint Venture computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST ("**Listing Manual**") exceeds 5% and accordingly, the Joint Venture constitutes a non-discloseable transaction within the meaning of Chapter 10 of the Listing Manual.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the incorporation of the JV Company, other than through their respective shareholding interests in the Company.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities due to the current COVID-19 restriction orders

in Singapore, a copy of the JV Agreement is available for inspection during the normal business hours at the principal place of business in Singapore at 988 Toa Payoh North, #07-08 Singapore 319002 for a period of three (3) months from the date of this Announcement.

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

Guo Jingyu
Executive Chairman and Group CEO
14 June 2021