

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

**RESPONSES TO QUERIES FROM SHAREHOLDERS IN RESPECT OF THE COMPANY'S
ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2025**

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 queries raised by shareholders of the Company ("**Shareholders**") in relation to the Company's Annual General Meeting to be held on 28 April 2025 at 3.00 p.m. at One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562.

The Company wishes to provide the following information in response to such queries:

Question 1

It is observed that the record low gross profit margin attributable to the "TV Program & Film Production" business segment, being at a single digit percentage, has been attributed to COVID-19 lockdown cost overruns. Beijing has ended its zero-COVID policies at least two years ago at the end of calendar year 2022. Please explain why the Company is only recognising such cost overruns two years later.

Company's response to Question 1:

The Group generally develops and produces dramas as standalone projects, each tailored to a specific storyline or target audience. During the COVID-19 pandemic, several drama production projects experienced delays. When such projects resumed after COVID-19, production costs increased due to additional expenses related to talent and crew labour, location shoot rentals, equipment hire, and other necessary measures to maintain production quality and consistency. While the costs overruns were incurred during or shortly after the COVID-19 period, such costs overruns were only recognised upon the sale by the Group of the completed drama(s) to the respective customers, in accordance with the Group's accounting policy.

Question 2

With the Group generating negative free cash flow and having reported losses over the past three years, please clarify the rationale for the acquisition by the Company of shares representing 95.0% of the issued and paid-up capital of Orita Sinclair School of Design and Music Pte. Ltd. ("**Orita Sinclair**"), taking into consideration that Orita Sinclair had recorded a net loss before and after tax attributable to such shares at approximately S\$255,255 for the financial year ended 31 December 2023 and its net tangible asset value of S\$50,151, at a valuation of S\$3 million. Please clarify the rationale for the amount of goodwill which the Company had paid for the acquisition of Orita Sinclair given the foregoing.

Company's response to Question 2:

The consideration amount of approximately S\$3 million was determined through arm's-length negotiations, taking into account several key factors, including potential synergies, future opportunities, the business prospects and potential of Orita Sinclair, findings from financial due diligence, and the fact that Orita Sinclair holds an ERF licence and a 4-year EduTrust Certification.

Orita Sinclair offers a range of diploma programmes tailored to equip students with industry-relevant skills in design, communication, and music, which are complementary to the Group's business of (a) TV programme and film production, (b) concert production, (c) costumes props and make-up services business and (d) talent management services business, in particular its content production and talent management services business.

The Group believes that the acquisition of Orita Sinclair, with its existing curriculum of courses focused on the media and entertainment sector, provides an opportunity for the Group to develop synergies by integrating educational expertise into the Group's talent pipeline.

Question 3

Last year was a record year for Singapore's tourism & events with Taylor Swift's Eras World Tour. Please clarify the rationale for the Company not being able to capitalise on this peak concert season?

Company's response to Question 3:

While Taylor Swift's Eras World Tour drew significant attention and attracted large audiences to Singapore, it may not necessarily be the case that all concerts will enjoy or reap the same or similar success, as it may be the case that the success of Taylor Swift's Eras World Tour is attributable primarily to the artiste's own popularity.

That being said, the Group successfully organised Jay Chou's Carnival World Tour in Australia and Japan, Power Station's "Because of Love" World Tour in Singapore and Angela Zhang's World Tour 2024 concert in Changshu (常熟), People's Republic of China ("**PRC**") during the financial year ended 31 December 2024. These events highlight the Group's ability to deliver high-quality performances and contribute to the events scene.

The Company remains committed to pursuing opportunities in its concert production business segment as and when they arise. The Group will also continue to identify and evaluate business opportunities to undertake the concert production for artistes, whether by way of concert organisation or concert management.

Question 4

The Company has been buying back its shares ("**Shares**"). Please clarify the reasons for this.

Company's response to Question 4:

The Company conducts share buybacks in accordance with all applicable laws and regulations.

To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, share buybacks will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner. Please also refer to the Appendix to the Company's Annual Report dated 9 April 2025 which sets out the rationale for the Company to undertake the purchase or acquisition of Shares in further detail.

The purchase or acquisition of Shares will only be undertaken if the Board believes it can benefit the Company and its Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the Singapore Exchange Securities Trading Limited.

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

Guo Jingyu
Executive Chairman and Group CEO
22 April 2025