

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

RESPONSES TO QUERIES RECEIVED FROM SIAS IN RELATION TO THE COMPANY'S ANNUAL REPORT FOR FY2025

The Board of Directors (the "**Board**") of G.H.Y Culture & Media Holding Co., Limited ("**Company**" and together with its subsidiaries and associated companies, "**Group**") refers to the queries received from the Securities Investors Association (Singapore) ("**SIAS**") in relation to the Company's annual report for the financial year ended 31 December 2025 ("**FY2025**").

The Company sets out below the responses to all substantial and relevant questions below.

In principle, the Company does not elaborate on matters that are deemed commercially sensitive. Please note that this set of responses is also on a voluntary disclosure basis.

	SIAS' Queries	Company's Responses
1(i)	How does management provide visibility on the group's production pipeline, including the number of projects in development, production and distribution, and the expected timing and monetisation profile of these projects?	<p>Management provides visibility on the Group's production pipeline through announcements on SGXNet on major production agreements and key milestones, where applicable. Key projects that have cleared regulatory review include "The Ferry Man: 10th Anniversary 灵魂摆渡·十年" and "Notes of DNA Appraiser 鉴定".</p> <p>A cornerstone for our 2026 growth strategy is to accelerate the scale and monetisation of our leading IPs and the launch of major new productions. This includes "Beautiful Fairytale 烟雨神游记", a primary production for FY2026 based on classical mythology, which is currently in production for a 2026 release.</p> <p>Building on the strong success of the "Strange Tales of Tang Dynasty" IP franchise, the Group is preparing to further expand the series, with additional instalments slated in 2H2026. This includes the planned autumn filming of "Strange Tales of Tang Dynasty 5", which will be announced on SGXNet upon the signing of the contract.</p> <p>Furthermore, we are actively expanding our pipeline with AI-driven microdramas, such as the recently completed "Strange Chronicles of Tang 唐诡奇谭" to capture high-growth digital segments.</p> <p>The Group's "Online-to-Offline" strategy is also coming to fruition. Following the grand opening of the iQIYI LAND Yangzhou, our involvement in iQIYI LAND Kaifeng and Beijing are progressing as</p>

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		<p>planned, with both scheduled to open in 2026. These physical destinations are anchored by our "Strange Tales of Tang Dynasty 唐朝诡事录", and "The Ferry Man 灵魂摆渡" IPs.</p> <p>The theme parks have already allocated exclusive space and dedicated attractions for our unreleased drama "Beautiful Fairytale 烟雨神游记", bridging digital storytelling and physical experiences to realise world-class theme park ambitions.</p> <p>As disclosed on page 65 of the Annual Report for the financial year ended 31 December 2025 (the "Annual Report"), the revenue models for the Group's TV program and film production business are:</p> <ul style="list-style-type: none"> a. Revenue from production of dramas and films as engaged by the customer where the Group undertook the role of producer for fixed fees; b. Revenue from content production which is developed by the Group and licensed or sold to the customer(s) for fixed fees; c. Revenue from content production which is developed by the Group and licensed to the customer(s) for variable fees based on viewership. <p>Where the arrangement of the relevant drama or film with the customer is under revenue model (c) above, the fees will be based on viewership. Accordingly, under this revenue model, the Group will earn higher fees if there is higher viewership for such drama or film.</p>
1(ii)	What is management's estimate of the total addressable market for short-form and microdrama content?	<p>The short-form and microdrama market is a rapidly growing segment within the digital media industry, driven by evolving consumer preferences and mobile platform adoption. The Group has established itself as a pioneer in this space, delivering strong performance and results.</p> <p>A notable example is "Contenders 狮城山海", which made history as the first mid-length drama series broadcasted on China Central Television (CCTV) 8 on 30 April 2025, demonstrating the high commercial viability and mainstream appeal of our shorter-format content.</p>

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		<p>In addition, our micodramas, “The Chang ' an Detective 长安县尉” and “The Nine-Tiered Labyrinth 九重楼”, broke records on iQIYI's platform, earning both significant commercial revenue and prestigious iQIYI's accolades.</p> <p>On market size, the industry has seen explosive growth. In China alone, the microdrama market valuation exceeded RMB50 billion in 2024⁽¹⁾. This scale underscores the potential for monetisation through social feeds and streaming platforms.</p> <p>While the Group does not disclose a specific internal estimate of the total addressable market, we view this segment as a core strategic opportunity to capture the growing demand of high-quality online entertainment and will continue to scale our business presence in this segment with our IP franchise business model.</p>
1(iii)	How is the group integrating AI-driven tools into its production processes, and what measurable impact does management expect on production timelines, cost structures and margins?	<p>The Group is actively integrating AI to drive operational excellence through two dedicated specialised teams. One AI team focused on supporting long-form dramas and another AI team is dedicated to AI-driven short-form dramas. This dual-team structure ensures that AI tools are tailored to the unique technical and creative requirements of each format to maximise efficiency.</p> <p>Such AI-driven tools can support areas such as editing, visual effects, and workflow automation, which can help reduce manual effort and improve turnaround times. GHY has taken a pioneering stance in developing “AI-manga” and AI-driven commercial dramas.</p> <p>In addition, GHY is currently piloting the integration of AI production workflows into the filming of “Beautiful Fairytale 烟雨神游记”.</p> <p>The Group is actively adopting AI technology to enhance production efficiency and reduce costs, specifically to address complex film scenes that were previously constrained by high costs or extended production timelines. While specific quantitative targets are not yet disclosable, management expects AI integration to contribute to shorter production</p>

¹ CNBC, “Why China's \$7B micro drama industry is taking over social feeds” (22 July 2025), available at <https://www.cnbc.com/2025/07/22/why-chinas-7b-micro-drama-industry-is-taking-over-social-feeds.html>.

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		<p>timelines, improved cost efficiency, and potential margin enhancement over time.</p> <p>As implementation of AI-driven technology progresses, the Group will continue to monitor industry developments, adhering to a strategy that integrates original IP creation and AI-driven technology applications to create high-quality, innovative content and solutions.</p>
2(i)	<p>Can management confirm whether the elevated trade receivables balance as at 31 December is a primarily due to year-end cut-off timing, and whether the outstanding amounts have since been substantially collected subsequent to year-end?</p>	<p>The increase in trade receivables from FY2024 to FY2025 was mainly attributable to higher revenue and number of projects from Drama segment being completed towards the end of FY2025, resulting in a larger outstanding balance as at year ended 31 December 2025. It is to be noted that trade receivables amounting to RMB188,547,000 (98%) are past due by not more than 60 days.</p> <p>Subsequent to 31 December 2025, regular collections have been received in line with the agreed collection schedule. The Group continues to actively follow up on the remaining balances. Barring unforeseen circumstances, the provision made for the expected credit losses is adequate.</p> <p>With respect to the concentration of credit risk arising from a major customer, the Group mitigates this risk through ongoing credit monitoring and structured contractual arrangements. The major customer is a reputable counterparty with an established track record of timely settlements with the Group. Credit exposure to this customer is closely monitored by management, including periodic review of the payment history and project-specific collection milestones. Payments are typically structured based on contractual billing schedules linked to project progress and delivery milestones, which reduces the risk of significant overdue balances.</p> <p>In addition, the Group maintains regular engagement with the customer to track payment status and resolve any collection matters promptly. Based on historical collection experience and subsequent receipts after year-end, management is of the view that the credit risk associated with this customer remains manageable.</p> <p>As disclosed on page 72 of the Annual Report, in estimating the expected credit losses, the Group takes into account qualitative and quantitative information like geographical location, profile of the customers (including parent company), historical repayment trend, probability of default or credit rating (if any) from external credit rating agencies.</p>

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2(ii)	For receivables outstanding for more than one year, including those dating back to 2022, what specific recovery actions have been taken over the past year?	<p>For receivables outstanding for more than one year, the Group continue to undertake a series of recovery actions in FY2025, including active and ongoing follow-ups with customers, issuance of repeated payment reminders and formal demand notices, and engagement with counterparties to agree on repayment schedules where appropriate.</p> <p>Overall, management remains focused on recovery efforts and does not expect material additional credit loss beyond the current provisioned amounts.</p>
3(i)	Can the audit committee (AC) provide a detailed overview of the scope of the internal audit for FY2025, along with the key findings and specific recommendations made by the internal auditor?	<p>The Group has appointed PricewaterhouseCoopers Risk Services Pte. Ltd. ("PWC" or "Internal Auditors") as its internal auditors who is independent of the Company's business activities.</p> <p>For FY2025, the internal audit scope covered key business process cycles, sustainability reporting processes, investment management, and interested person transactions.</p> <p>Internal auditor's findings and recommendations generally relate to strengthening internal controls, enhancing process efficiencies, and ensuring consistent execution of controls. Management has developed action plans to address the recommendations, and the implementation status is being monitored and reported to the AC on a timely basis.</p> <p>The AC reviews all internal audit reports, discusses key findings with management and the internal auditor, and ensures that appropriate corrective actions are taken.</p> <p>Please refer to pages 147, 148 and 154 of the Company's latest annual report (announced on 7 April 2026) for more details of the Company's internal audit function.</p>
3(ii)	Did the internal audit cover all material subsidiaries and affiliated entities, across key jurisdictions, including China, Australia and Malaysia? How were these audits conducted in practice, particularly for overseas operations?	<p>The internal audit function adopts a risk-based approach in determining the audit scope and coverage. All material subsidiaries and key affiliated entities across the different jurisdictions are considered as part of the annual audit planning process. Entities are prioritised based on risk assessment factors such as financial materiality, operational significance, and risk profile.</p> <p>Internal audits are conducted through a combination of on-site visits and remote audit procedures. For overseas entities, internal auditors conduct physical on-site audit, complemented by virtual reviews, and discussions with local management.</p>

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		<p>The AC reviews and approves the internal audit plan and is kept informed of the audit findings, ensuring that significant risks and control issues are appropriately addressed.</p> <p>Please refer to page 147 and 148 of the Company's latest annual report (announced on 7 April 2026) for more details of the Company's internal audit function.</p>
3(iii)	<p>What is the level of oversight by the AC on the actions taken by management to follow up on the recommendations?</p>	<p>The AC maintains close oversight of management's follow-up on audit recommendations. Management will provide update on the status of remediation actions and implementation timelines. The internal auditors independently track and validate the implementation of agreed actions and report any outstanding matters directly to the AC.</p> <p>The AC reviews these updates at each meeting and ensures that all significant findings are addressed in a timely manner. Any outstanding or high-risk items are escalated and closely monitored by the AC until satisfactory resolution.</p> <p>Please refer to pages 147, 148 and 154 of the Company's latest annual report (announced on 7 April 2026) for more details of the Company's internal audit function.</p>

**BY ORDER OF THE BOARD
G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED**

Guo Jingyu
Executive Chairman and Group CEO
24 April 2026