

## Media Release

### Foreign exchange loss drags GHY's 6M2022 into the red

- Excluding the foreign exchange loss of \$2.7 million due to the appreciation of Singapore Dollar against Chinese Renminbi arising from the Group's significant operations in China, the Group would have posted a net profit of S\$0.9 million for 6M2022
- TV Program and Film Production business expected to ramp up in the second half of the financial year ending 31 December 2022 ("FY2022") with upcoming drama productions
  - Delay in contract signings with customers in the half year ended 30 June 2022 ("6M2022") due to tightened COVID-19 measures in China
  - Contract assets representing the Group's right to consideration for TV dramas and films production in progress but unbilled, increased by 0.6% to S\$59.7 million as at 30 June 2022
- Resumption of Concert Production business with upcoming concerts in FY2022 and FY2023
  - Sold out tickets for Jay Chou's concerts to be held in Singapore and Malaysia in FY2022 and January 2023, with ticket sales for Australia expected to commence in 3Q2022
  - Co-producer of concerts to be performed by well-known artistes, Guns N' Roses and Power Station (动力火车) to be held in FY2022, to capture the pent-up concert demand
- The Group continues to focus on monetising its portfolio of proprietary entertainment content and diversify its product offering with interactive content and multi-level entertainment, including short-form online videos, musicals and immersive live action role-playing games
- Resilient financial position with net working capital of approximately S\$130.1 million to support organic and inorganic growth initiatives

**Singapore, 11 August 2022 – 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 6M2022.

### Financial Highlights

	6M2022 (S\$ m)	6M2021 (S\$ m)	Change (%)
Revenue	20.6	43.8	(53)
Gross profit	5.0	12.3	(59)
Gross profit margin (%)	24.3	28.2	3.9 ppt <sup>1</sup>
Net (loss) profit for the period	(1.8)	3.4	(152)
Excluding the foreign exchange loss, net profit for the period would have been	0.9	3.4	(73)

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.

<sup>1</sup> "ppt" means percentage points.

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(Incorporated in the Cayman Islands on 29 May 2018)  
(Company Registration No: 337751)

### **Road to recovery disrupted by pandemic restrictions**

The challenging operating environment in PRC resulting from the COVID-19 pandemic continues to weigh on GHY's performance. For 6M2022, GHY reported revenue of approximately S\$20.6 million, as compared to S\$43.8 million for the half year ended 30 June 2021 ("6M2021").

While the Group recognised revenue contribution mainly from the completed production of three long-dramas, the tightened COVID-19 measures in China significantly delayed the Group's contract signing and production progress, resulting in a decrease in revenue contribution from the TV Program and Film Production business segment, as well as from the Others business segment mainly comprising Talent Management and Costumes, Props and Make-up Services. The continued absence of revenue contribution from the Concert Production business in 6M2022 also continued to impact the Group's financial performance.

The appreciation of Singapore Dollar against Chinese Renminbi led to a net foreign exchange loss of S\$2.7 million for 6M2022. As a result, the Group recorded a net loss for the period of S\$1.8 million for 6M2022.

Excluding the net foreign exchange loss recognised, the net profit for 6M2022 would have been S\$0.9 million.

### **Strong second half expected with an upcoming slate of drama and projects**

The Group continues to maintain a healthy pipeline of dramas and films, and demand for its high quality short-form video series continues to grow. On 12 July 2022, GHY announced that its indirect associated company had entered into a production collaboration agreement with Beijing Zitiao Network Technology Co., Ltd. (北京字跳网络技术有限公司), which is part of the ByteDance group that operates Douyin (抖音) (the Chinese version of TikTok, a short-form video platform) to collaborate and produce an online short-form drama series titled "Goddess Hotel 女神酒店". The series has received strong viewership on Douyin for the episodes released till date. Barring any unforeseen circumstances, the Group expects an increase in production activity of long-form dramas and several short-form video series in the second half of 2022.

The increased production activity resulted in a steady increase in the Group's other receivables from approximately S\$15.4 million as at 31 December 2021 to S\$17.5 million as at 30 June 2022, mainly due to prepayments made for upcoming drama productions and government grant receivables. These grant receivables are received in July 2022. Contract assets, which represent the Group's right to consideration for drama and film productions in progress but unbilled, also grew by 0.6% to approximately S\$59.7 million as at 30 June 2022.

### **Resumption of concert production business**

Following the further easing of COVID-19 measures and the resumption of live performances in the region, GHY has undertaken the production of the "Jay Chou Carnival World Tour" concerts (周杰伦《嘉年华》世界巡回会), which are slated to be held on 17 December 2022 and 18 December 2022 at the National Stadium, Singapore, as well as in Malaysia and in Australia in 2023. To capture the pent-up demand for concerts, GHY is also the co-producer of the upcoming concerts to be performed by well-known artistes, Power Station (动力火车) and Guns N' Roses, which are expected to contribute to the Group's revenue for FY2022.

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### **Multi-prong growth adjacencies supported by a robust balance sheet**

The Group intends to continue expanding its portfolio of entertainment content and products, with diversification into new growth adjacencies such as musicals and its first-ever immersive live action game based on GHY's "Horror Stories of Tang Dynasty" drama series.

Supported by a robust balance sheet with a net working capital of approximately S\$130.1 million as at 30 June 2022, the Company believes that the Group is well-positioned to capture organic and inorganic growth initiatives, to capture the recovery and bring sustainable long-term returns to shareholders.

**Mr. Guo Jingyu (郭靖宇), Executive Chairman and Group CEO**, said, "The operating environment in China remained challenging in 6M2022 with the resurgence of the COVID-19 cases adversely impacting our contract signing progress and causing the suspension of live performances in China. In the face of these headwinds, we remain steadfast on creating shareholder value by investing strategically in fast-growing adjacencies while maintaining disciplined cost management across our operations.

The collaboration and the release of the online short drama series with Douyin is a significant milestone and bears testament to GHY's established track record and strong business network as well as our ability to create more monetisation opportunities by expanding product offerings to include short-form video series, a fast-growing market segment.

With the resumption of our concert production activities, we expect this to contribute positively to our financial performance for FY2022, complementing as our second growth engine.

Shifting consumer consumption trends are transforming the applications of modern entertainment and at GHY, we are well-positioned with the right expertise, experience and relationships in the regional entertainment ecosystem to harness the emerging opportunities. Supported by a strong balance sheet, we will continue to strategically ramp-up our two core businesses and explore opportunities to diversify our portfolio of proprietary content, as we strive to be a leading media and entertainment player in the region."

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This press release should be read in conjunction with the financial statements announcement and the results presentation slides for 6M2022 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 People's Republic of China ("**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



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the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Singapore, 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, 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/>