

Media Release

GHY more than tripled net profit year-on-year to S\$42.7 million in FY2020

- TV program and film production business led year-on-year (“yoy”) growth of 92.6% in revenue to approximately S\$127.1 million
- Revenue models with positive working capital cycles underpin strong cash flow generation despite COVID-19 impact
- Balance sheet with net cash of approximately S\$104.8 million positions the Group for sustainable growth
- Proposed final dividend of 1.07 Singapore cent per ordinary share, representing 30% payout ratio¹

Singapore, 26 February 2021 – G.H.Y Culture & Media Holding Co., Limited (“GHY”, and together with its subsidiaries and affiliated entities, the “Group”), a leading player in the media and entertainment industry, reports its results for the financial year ended 31 December 2020 (“FY2020”).

Financial Highlights

	FY2019 (S\$ m)	FY2020 (S\$ m)	Change (%)
Revenue	66.0	127.1	92.6
Gross profit	18.8	55.7	195.9
Gross profit margin (%)	28.5	43.8	15.3 ppt ²
Net profit after tax	12.4	42.7 ³	243.7
Earnings per Share (Singapore cents)	1.36	4.15	205.1
Dividends per Share (Singapore cents) ¹	N.A.	1.07	N.A.

Amid challenges from the COVID-19 pandemic, GHY grew its revenue by 92.6% yoy to approximately S\$127.1 million in FY2020, led by its core TV program and film production business. In line with the Group’s track record of commercial success, there was a strong demand for its drama series, with six drama series sold and completed in FY2020, alongside two dramas and one online short drama series in progress as at year end, as compared to the two dramas series sold and completed in FY2019. The Group also continued its revenue diversification strategy, with revenue from customers in Singapore contributing more than 30% of the Group’s revenue in FY2020, up from 1.4% in FY2019.

¹ As per the dividend policy in the IPO prospectus dated 11 December 2020, the board of directors of GHY intends to recommend dividends of at least 30% of the net profit after tax in FY2020 (excluding the interim dividends of S\$10.0 million declared in FY2020) and FY2021.

² “ppt” means percentage points.

³ Excluding one-off IPO listing expenses of approximately S\$4.7 million.

Capitalising on its competitive strength of end-to-end production capabilities, GHY has oversight and control over the entire production process and can maximise operational efficiencies across its entire business value chain. This has translated into overall cost savings and an enhanced gross profit margin, with a yoy 15.3 ppt improvement to 43.8% in FY2020. Through production set-ups in Singapore, Malaysia and the People's Republic of China ("PRC") which comply with the COVID-19 measures implemented in the respective countries, GHY was able to continue filming within the stipulated parameters despite the COVID-19 pandemic.

GHY seeks to strategically develop and curate scripts with an emphasis on trending themes and content that resonate with consumers to capture market demand. Anchored by a strong industry network of business relationships and partnerships, GHY has established downstream distribution channels which contribute to sustained demand and uptake of the entertainment content created. The proven revenue models with GHY's partners support positive working capital cycles to sustain strong cash flow generation.

The emergence of online video platforms and the proliferation of the internet and mobile-related intelligence devices continues to support the growth of China's web series market, which is expected to record an 11.1% compounded annual growth rate ("CAGR") to RMB30.5 billion from 2019 to 2024⁴. Together with increased innovation and monetisation opportunities, investment into drama series on online video platforms is expected to increase at 9.1% CAGR to RMB43.5 billion from 2019 to 2024⁴.

The Group maintains a balance sheet with net cash position of approximately S\$104.8 million and will be focusing its expansion plans on its core TV program and film production business. There was a delay in filming for two dramas and online short form video series as at 31 December 2020, which have since resumed and will be completed in FY2021. In addition, there are another 13 dramas and one film series to be produced and released progressively through FY2021 to FY2022. Depending on the developments of the COVID-19 situation, the potential resumption of concert production activities may also be the next growth driver for the Group.

Mr. Guo Jingyu (郭靖宇), Executive Chairman and Group CEO, said, "Content innovation remains our core foundation and the reason for our successful commercial track record. This positive financial performance is a testament to the strong management bench strength and experienced talent across our production teams. Together, we will be able to leverage on our expertise and capabilities across the business value chain to capture the growth opportunities in the Asia Pacific region. With our proven revenue models across the business segments, we are encouraged by our pipeline of upcoming dramas and films to sustain our growth trajectory and create long-term stakeholder value."

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⁴ Frost & Sullivan, Independent Market Research on Video Content Market and Concert Market in China, Singapore and Malaysia.



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

This press release should be read in conjunction with the FY2020 unaudited financial statements and 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 120 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.

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

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