



G.H.Y Culture & Media Holding Co., Limited
(Company Number: 337751)

**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023**

Singapore, 29 February 2024 – The Directors ("Directors") of G.H.Y Culture & Media Holding Co., Limited (the "Company", and together with its subsidiaries and its PRC Affiliated Entities¹, the "Group") announce the following unaudited results of the Group for the year ended 31 December 2023.

The announcement is also available at the Company's website: <https://ghyculturemedia.com>.

If you require any clarification on this announcement, please contact Ms Low Hui Min, Chief Financial Officer, at email address: huimin.low@ghyculturemedia.com.

Important Notes on Forward-Looking Statements ("Statements"):

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements involve numerous assumptions, risks or uncertainties regarding the Group's present and future business strategies and the environment in which the Group will operate in the future.

There may be additional risks not described or not presently known to the Group or that the Group currently believe to be immaterial that turn out to be material.

Actual future performance, outcomes and results may differ materially from these expressed in forward-looking statements should these assumptions, risks and uncertainties occur or turn out to be material. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Group concerning future events.

New assumptions, risks and uncertainties arise from time to time, and it is impossible for the Group to predict these events or how these events may affect the Group. Save as required by all applicable laws of applicable jurisdiction, the Company undertakes no obligation to update publicly or revise any forward-looking statements to reflect events or circumstances that occur, or that the Company becomes aware of, after the date of these Statements.

¹ Entities which the Group is conferred operational control and economic rights over, and the Group is able to exercise control over the business operations of such entities and enjoy substantially all the economic rights arising from the business of such entities. The Group regards each PRC Affiliated Entity as a controlled structured entity and consolidates the financial positions and results of operations of the PRC Affiliated Entities in the financial statements of the Group.

G.H.Y Culture & Media Holding Co., Limited
(Company Number: 337751)
(Incorporated in Cayman Islands)

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A. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group together with a comparative statement for the corresponding year of the immediately preceding financial year.

	Group			
	For the year ended			
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Revenue	73,653	45,732	27,921	61
Cost of sales	(55,069)	(31,483)	23,586	75
Gross profit	18,584	14,249	4,335	30
Other income	6,191	7,095	(904)	(13)
Share of result from associate	(39)	(50)	(11)	(22)
Share of result from joint venture	(344)	(296)	48	16
Administrative expenses	(13,074)	(13,367)	(293)	(2)
Selling and distribution expenses	(5,175)	(6,409)	(1,234)	(19)
Other expenses	(14,488)	(10,663)	3,825	36
Finance costs	(2,625)	(1,701)	924	54
Loss before income tax	(10,970)	(11,142)	(172)	(2)
Income tax credit	1,159	661	498	75
Loss for the year	(9,811)	(10,481)	(670)	(6)
Other comprehensive loss, net of income tax:				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange loss difference arising on translation of foreign operations	(696)	(3,138)	(2,442)	(78)
Total comprehensive loss for the year	(10,507)	(13,619)	(3,112)	(23)
Loss for the year attributable to:				
Owners of the Group	(9,664)	(9,382)	282	3
Non-controlling interests	(147)	(1,099)	(952)	(87)
	(9,811)	(10,481)	(670)	(6)
Total comprehensive (loss) income for the year attributable to:				
Owners of the Group	(10,622)	(12,520)	(1,898)	(15)
Non-controlling interests	115	(1,099)	(1,214)	(110)
	(10,507)	(13,619)	(3,112)	(23)
Loss per share				
Basic and diluted (cents)	(0.90)	(0.88)	0.02	2

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group together with a comparative statement for the corresponding period of the immediately preceding financial period.

	Group			
	For the six months ended			
	31 December 2023 (Unaudited)	31 December 2022 (Unaudited)	Change Increase / (Decrease)	Change Increase / (Decrease)
	\$'000	\$'000	\$'000	%
Revenue	40,976	25,107	15,869	63
Cost of sales	(32,959)	(15,878)	17,081	108
Gross profit	8,017	9,229	(1,212)	(13)
Other income	4,349	1,294	3,055	236
Share of result from associate	(35)	(58)	(23)	(40)
Share of result from joint venture	(169)	(142)	27	19
Administrative expenses	(6,995)	(7,370)	(375)	(5)
Selling and distribution expenses	(2,518)	(3,585)	(1,067)	(30)
Other expenses	(10,346)	(7,496)	2,850	38
Finance costs	(1,333)	(1,063)	270	25
Loss before income tax	(9,030)	(9,191)	(161)	(2)
Income tax credit	1,110	495	615	124
Loss for the period	(7,920)	(8,696)	(776)	(9)
Other comprehensive income (loss), net of income tax:				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange gain (loss) difference arising on translation of foreign operations	62	(1,963)	(2,025)	(103)
Total comprehensive loss for the period	(7,858)	(10,659)	(2,801)	(26)
(Loss) Income for the period attributable to:				
Owners of the Group	(7,929)	(7,971)	(42)	(1)
Non-controlling interests	9	(725)	(734)	(101)
	(7,920)	(8,696)	(776)	(9)
Total comprehensive (loss) income for the period attributable to:				
Owners of the Group	(7,945)	(9,934)	(1,989)	(20)
Non-controlling interests	87	(725)	(812)	(112)
	(7,858)	(10,659)	(2,801)	(26)
Loss per share				
Basic and diluted (cents)	(0.74)	(0.75)	(0.00)	(0)

1(a)(ii) Loss for the year has been arrived at after (crediting)/charging the following:

	Group			
	For the year ended			
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Gain on early termination of right-of-use assets	-	(22)	(22)	(100)
Gain on structured deposits	(2)	(3)	(1)	(33)
(Gain) Loss on derecognition of financial assets at fair value through profit or loss ("FVTPL")	(2,929)	200	(3,129)	(1,565)
Government grants	(1,284)	(5,658)	(4,374)	(77)
Interest income	(563)	(395)	168	43
Allowance (Reversal of allowance) for expected credit losses	6,554	(384)	(6,938)	(1,807)
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	631	2,061	(1,430)	(69)
Amortisation of intangible assets	683	701	(18)	(3)
Bad debts written-off	8	15	(7)	(47)
Cost of defined contribution plans included in employee benefits expense	626	863	(237)	(27)
Cost of television, drama and film production recognised as cost of sales	25,729	15,356	10,373	68
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	373	404	(31)	(8)
Depreciation of plant and equipment recognised in administrative expenses, selling and general expenses and other expenses	959	798	161	20
Depreciation of right-of-use assets	1,834	2,000	(166)	(8)
Employee benefits expense	9,342	11,088	(1,746)	(16)
Expenses relating to leases of low value assets	1	1	-	-
Expenses relating to short-term leases	36	130	(94)	(72)
Fair value loss on financial assets at FVTPL	126	145	(19)	(13)
Interest expense	2,625	1,701	924	54
Impairment loss of intangible assets	15	143	(128)	(90)
Impairment loss of investment in joint venture	25	-	25	100
Net foreign currency exchange loss	4,000	8,824	(4,824)	(55)
Written-off of films and drama productions in progress	1,679	181	1,498	828
Written-off of inventories	59	2	57	2,850
Written-off of plant and equipment	-	8	(8)	(100)

1(a)(ii) Loss for the period has been arrived at after (crediting)/charging the following (cont'd):

	Group			
	For the six months ended			
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Unaudited) \$'000	Change Increase / (Decrease) \$'000	Change Increase / (Decrease) %
Gain on early termination of right-of-use assets	-	(22)	(22)	(100)
Gain on structured deposits	(1)	-	1	100
(Gain) Loss on derecognition of financial assets at FVTPL	(2,929)	-	2,929	100
Government grants	(470)	(518)	(48)	(9)
Interest income	(282)	(242)	40	17
Allowance (Reversal of allowance) for expected credit losses	6,889	(84)	(6,973)	(8,301)
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	514	1,762	(1,248)	(71)
Amortisation of intangible assets	327	375	(48)	(13)
Bad debt written-off	-	8	(8)	(100)
Cost of defined contribution plans included in employee benefits expense	300	296	4	1
Cost of television, drama and film production recognised as cost of sales	14,307	3,093	11,214	363
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	183	196	(13)	(7)
Depreciation of plant and equipment recognised in administrative expenses, selling and general expenses and other expenses	486	415	71	17
Depreciation of right-of-use assets	738	965	(227)	(24)
Employee benefits expense	5,153	6,097	(944)	(15)
Expenses relating to short-term leases	16	114	(98)	(86)
Fair value loss on financial assets at FVTPL	126	145	(19)	(13)
Impairment loss of intangible assets	15	143	(128)	(90)
Impairment loss of investment in joint venture	25	-	25	100
Interest expense	1,333	1,063	270	25
Net foreign currency exchange loss	566	6,132	(5,566)	(91)
Written-off of films and drama productions in progress	1,679	181	1,498	828
Written-off of inventories	-	2	(2)	(100)
Written-off of plant and equipment	-	8	(8)	(100)

B. Condensed Statements of Financial Position

1(b) A statement of financial position (for the Company and the Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
ASSETS				
Current assets				
Cash at bank and restricted bank deposits	51,100	36,760	216	830
Trade and note receivables	33,754	46,742	-	-
Other receivables	35,946	13,742	9,319	7,871
Advances to subsidiaries	-	-	95,120	95,593
Amount due from related parties	-	920	-	-
Amount due from joint venture	29	14	-	-
Tax recoverable	71	-	-	-
Contract assets	3,264	41,027	-	-
Contract costs	1,304	574	-	-
Financial assets at FVTPL	671	2,662	-	-
Inventories	82	177	-	-
Films and drama productions in progress	27,086	23,566	-	-
Films and drama products	395	387	-	-
	<u>153,702</u>	<u>166,571</u>	<u>104,655</u>	<u>104,294</u>
Non-current assets				
Plant and equipment	4,868	5,262	-	-
Right-of-use assets	5,930	2,928	-	-
Goodwill	1,111	1,111	-	-
Intangible assets	1,856	2,580	-	-
Other receivables	73	104	-	-
Deferred tax assets	5,820	4,362	-	-
Investment in subsidiaries	-	-	8,518	8,518
Investment in associate	840	914	-	-
Investment in joint venture	-	369	-	-
	<u>20,498</u>	<u>17,630</u>	<u>8,518</u>	<u>8,518</u>
Total assets	<u>174,200</u>	<u>184,201</u>	<u>113,173</u>	<u>112,812</u>
LIABILITIES				
Current liabilities				
Trade and other payables	9,541	22,691	3,677	1,945
Investment funds from investors	4,466	-	-	-
Contract liabilities	16,586	6,279	-	-
Amount due to related parties	1,122	1,901	346	205
Lease liabilities	2,637	1,495	-	-
Borrowings	12,357	13,414	-	-
Income tax payable	539	740	18	-
	<u>47,248</u>	<u>46,520</u>	<u>4,041</u>	<u>2,150</u>
Non-current liabilities				
Lease liabilities	3,122	1,729	-	-
Borrowings	127	188	-	-
Deferred tax liabilities	-	19	-	-
	<u>3,249</u>	<u>1,936</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>50,497</u>	<u>48,456</u>	<u>4,041</u>	<u>2,150</u>
NET ASSETS	<u>123,703</u>	<u>135,745</u>	<u>109,132</u>	<u>110,662</u>

1(b) A statement of financial position (for the Company and the Group), together with a comparative statement as at the end of the immediately preceding financial year (cont'd).

	Group		Company	
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
Capital and reserves				
Share capital	14	14	14	14
Share premium	111,979	113,048	111,979	113,048
Treasury shares	(2,687)	(2,230)	(2,687)	(2,230)
Capital reserve	629	629	-	-
Statutory reserve	297	297	-	-
Retained earnings (Accumulated losses)	15,867	25,531	(174)	(170)
Translation reserves	(1,157)	(199)	-	-
Equity attributable to owners of the Company	124,942	137,090	109,132	110,662
Non-controlling interest	(1,239)	(1,345)	-	-
Total equity	123,703	135,745	109,132	110,662

1(c) Aggregate amounts of Group's borrowings and debt securities.

	Group	
	As at 31 December 2023 (Unaudited) \$'000	As at 31 December 2022 (Audited) \$'000
Total borrowings		
- Amount repayable in one year or less or on demand (secured)	12,357	13,414
- Amount repayable after one year (secured)	127	188
	12,484	13,602
Lease liabilities		
- Amount repayable in one year or less or on demand (unsecured)	2,637	1,495
- Amount repayable after one year (unsecured)	3,122	1,729
	5,759	3,224

Apart from the above, the Group does not have any borrowings and debt securities as at 31 December 2023 and 31 December 2022.

Details of any collaterals:

As at 31 December 2023, total borrowings amounting to \$12,484,000 (31 December 2022: \$13,602,000) are singly or jointly guaranteed by (i) Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder, (ii) third parties, (iii) restricted bank deposits of not less than RMB20 million, (iv) the Group's motor vehicle and (v) assignment of sales contracts and sales proceeds.

C. Condensed Consolidated Statements of Cash Flows

1(d) A statement of cash flows (for the Group), together with a comparative statement for the corresponding year of the immediately preceding financial year.

	Group	
	For the year ended	
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
Operating activities		
Loss before income tax	(10,970)	(11,142)
Adjustments for:		
Amortisation of films and drama products	631	2,061
Amortisation of intangible assets	683	701
Depreciation of plant and equipment	1,332	1,202
Depreciation of right-of-use assets	1,834	2,000
Allowance (Reversal of allowance) for expected credit losses	6,554	(384)
Written-off of plant and equipment	-	8
Bad debts written-off	8	15
(Gain) Loss on derecognition of financial assets at FVTPL	(2,929)	200
Impairment loss of intangible assets	15	143
Impairment loss of investment in joint venture	25	-
Written-off of inventories	59	2
Fair value loss on financial assets at FVTPL	126	145
Gain on early termination of right-of-use assets	-	(22)
Interest income	(563)	(395)
Interest expense	2,625	1,701
Gain on structured deposits	(2)	(3)
Share of result from associate	39	50
Share of result from joint venture	344	296
Written-off of films and drama production in progress	1,679	181
Net foreign exchange difference	951	(1,068)
Operating cash flows before movements in working capital	2,441	(4,309)
Films and drama productions in progress (Note A)	(6,844)	(8,465)
Films and drama products	79	3,328
Trade, note and other receivables	(23,762)	6,771
Amount due from related parties	911	417
Amount due from joint venture	(15)	63
Contract assets	37,975	19,248
Contract costs	(730)	89
Trade and other payables	(13,784)	(179)
Amount due to related parties	(779)	699
Inventories	36	12
Contract liabilities	10,307	(2,464)
Cash generated from operations	5,835	15,210
Interest income received	629	290
Interest paid	(2,577)	(1,810)
Income tax paid	(883)	(7,743)
Net cash generated from operating activities	3,004	5,947

1(d) A statement of cash flows (for the Group), together with a comparative statement for the corresponding year of the immediately preceding financial year (cont'd).

	Group	
	For the year ended	
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
Investing activities		
Purchase of plant and equipment (Note B)	(894)	(1,329)
Deposit paid for acquisition of shares in a subsidiary ²	(945)	-
Investments in financial assets at FVTPL	(8,795)	(820)
Purchase of intangible assets	(83)	(1,493)
Investment in structured deposits (Note C)	2	3
Proceeds from derecognition of financial assets at FVTPL	12,699	9
Net cash from (used in) investing activities	<u>1,984</u>	<u>(3,630)</u>
Financing activities		
Capital contribution from non-controlling interests	18	198
Restricted bank deposits	-	2,055
Dividends paid to shareholders	(1,069)	(1,070)
Repayment of lease liabilities	(1,935)	(1,440)
Proceeds from borrowings	12,547	14,751
Repayment of borrowings	(4,041)	(14,355)
Proceeds of investment funds from investors at FVTPL	4,466	-
Proceeds of film investment funds from an investor at amortised cost	949	-
Repayment of film investment funds to an investor at amortised cost	(949)	-
Shares buy-back	(457)	(1,863)
IPO listing expenses paid	(6)	-
Net cash from (used in) financing activities	<u>9,523</u>	<u>(1,724)</u>
Net increase in cash and cash equivalents	14,511	593
Cash and cash equivalents at beginning of year (Note D)	32,886	32,312
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(19)	(19)
Cash and cash equivalents at end of year (Note D)	<u>47,378</u>	<u>32,886</u>

² SGX announcement reference: SG2303310THR04WH.

1(d) A statement of cash flows (for the Group), together with a comparative statement for the corresponding year of the immediately preceding financial year (cont'd).

Note A:

	Group	
	For the year ended	
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
Additions of films and drama productions in progress	9,997	11,193
Sales of films and drama productions in progress	(3,153)	(2,712)
Less: Non-cash movement - Amortisation of intangible assets capitalised as films and drama productions in progress	-	(16)
	<u>6,844</u>	<u>8,465</u>

Note B:

In the financial year ended 31 December 2023, the Group acquired plant and equipment of \$1,114,000, out of which \$220,000 remains unpaid at the end of the reporting year.

In the financial year ended 31 December 2022, the Group acquired plant and equipment of \$1,579,000 out of which \$250,000 was acquired via hire purchase arrangement.

Note C:

In the financial year ended 31 December 2023, the Group entered into structured deposits which represented short-term deposits placed with financial institutions and the return of the investment is dependent on the return of the underlying investments of the structured deposits. As at 31 December 2023, gross investment and proceeds received arising from such investment upon maturity amounted to \$2,847,000 (2022: \$1,233,000) and \$2,849,000 (2022: \$1,236,000) respectively.

Note D:

As at 31 December 2023, cash and cash equivalents in the consolidated statement of cash flows exclude restricted bank deposits amounting to \$3,722,000 (31 December 2022: \$3,874,000) pledged to a bank to secure short-term borrowings granted to the Group. The Group's restricted bank deposits carry fixed interest at 2.0% (31 December 2022: 2.0%) per annum and will be released upon repayment of the short-term borrowings.

D. Statements of Changes of Equity

1(e) A statement (for the Company and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders of the Company ("Shareholders"), together with a comparative statement for the corresponding year of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP

	Share capital	Share premium	Treasury shares	Capital reserve	Statutory reserve [^]	Retained earnings	Translation reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 1 January 2023	14	113,048	(2,230)	629	297	25,531	(199)	137,090	(1,345)	135,745
<i>Total comprehensive loss for the year:</i>										
Loss for the year	-	-	-	-	-	(9,664)	-	(9,664)	(147)	(9,811)
Other comprehensive loss (income) for the year	-	-	-	-	-	-	(958)	(958)	262	(696)
	-	-	-	-	-	(9,664)	(958)	(10,622)	115	(10,507)
<i>Transactions with owners, recognised directly in equity:</i>										
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	18	18
Non-controlling interest arising from investment in a subsidiary	-	-	-	-	-	-	-	-	(27)	(27)
Shares repurchased	-	-	(457)	-	-	-	-	(457)	-	(457)
Dividends	-	(1,069)	-	-	-	-	-	(1,069)	-	(1,069)
	-	(1,069)	(457)	-	-	-	-	(1,526)	(9)	(1,535)
Balances at 31 December 2023	14	111,979	(2,687)	629	297	15,867	(1,157)	124,942	(1,239)	123,703
Balances at 1 January 2022	14	114,118	(367)	629	297	34,913	2,939	152,543	(444)	152,099
<i>Total comprehensive loss for the year:</i>										
Loss for the year	-	-	-	-	-	(9,382)	-	(9,382)	(1,099)	(10,481)
Other comprehensive loss for the year	-	-	-	-	-	-	(3,138)	(3,138)	-	(3,138)
	-	-	-	-	-	(9,382)	(3,138)	(12,520)	(1,099)	(13,619)
<i>Transactions with owners, recognised directly in equity:</i>										
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	198	198
Shares repurchased	-	-	(1,863)	-	-	-	-	(1,863)	-	(1,863)
Dividends	-	(1,070)	-	-	-	-	-	(1,070)	-	(1,070)
	-	(1,070)	(1,863)	-	-	-	-	(2,933)	198	(2,735)
Balances at 31 December 2022	14	113,048	(2,230)	629	297	25,531	(199)	137,090	(1,345)	135,745

[^] Statutory reserve pertains to appropriation from net profit after tax (based on the financial statements prepared in accordance with the generally accepted accounting principles of the People's Republic of China (the "PRC")) but before dividend distribution. The reserve fund can only be used, upon approval by the relevant authority in the PRC, to offset accumulated losses or to increase share capital.

1(e) A statement (for the Company and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders of the Company ("Shareholders"), together with a comparative statement for the corresponding year of the immediately preceding financial year (cont'd).

STATEMENTS OF CHANGES IN EQUITY FOR THE COMPANY

	Share capital \$'000	Share premium \$'000	Treasury shares \$'000	(Accumulated losses) Retained earnings \$'000	Total equity \$'000
Balances at 1 January 2023	14	113,048	(2,230)	(170)	110,662
Loss for the year, representing total comprehensive loss for the year	-	-	-	(4)	(4)
<i>Transactions with owners, recognised directly in equity:</i>					
Shares repurchased	-	-	(457)	-	(457)
Dividends	-	(1,069)	-	-	(1,069)
	-	(1,069)	(457)	-	(1,526)
Balances at 31 December 2023	14	111,979	(2,687)	(174)	109,132
Balances at 1 January 2022	14	114,118	(367)	(109)	113,656
Loss for the year, representing total comprehensive loss for the year	-	-	-	(61)	(61)
<i>Transactions with owners, recognised directly in equity:</i>					
Shares repurchased	-	-	(1,863)	-	(1,863)
Dividends	-	(1,070)	-	-	(1,070)
	-	(1,070)	(1,863)	-	(2,933)
Balances at 31 December 2022	14	113,048	(2,230)	(170)	110,662

E. Other Information required under SGX Listing Manual

- 1(f) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period.**

	Number of shares	Resultant issued and paid-up share capital
Issued and paid-up share capital as at 31 December 2022	1,069,243,200	US\$10,738
Share repurchased and held as treasury shares	1,192,000	*
Issued and paid-up share capital as at 31 December 2023	<u>1,068,051,200</u>	<u>US\$10,738</u>

* Amount less than \$1,000.

As at 31 December 2023, the Company held 5,740,800 (2022: 4,548,800) treasury shares which represented 0.54% (2022: 0.42%) of the total number of issued shares (excluding treasury shares).

Save for the above, there has been no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 31 December 2022, being the end of the preceding period reported on.

The Company did not have any outstanding convertible securities and subsidiary holdings as at 31 December 2022 and 31 December 2023.

- 1(g)(i) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding period.**

Total number of issued shares excluding treasury shares as at 31 December 2023 was 1,068,051,200 ordinary shares (31 December 2022: 1,069,243,200 ordinary shares).

- 1(g)(ii) A statement showing all sales, transfers, disposals, or cancellations and/or use of treasury shares as at the end of the current financial period reported on.**

	The Company No. of shares	Amount S\$'000
Balance of treasury shares as at 1 January 2023	4,548,800	2,230
Shares repurchased and held as treasury shares	1,192,000	457
Balance of treasury shares as at 31 December 2023	<u>5,740,800</u>	<u>2,687</u>

There were no other sales, transfers, disposals, or cancellations and/or use of treasury shares during the financial year ended 31 December 2023.

- 1(g)(iii) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any sales, transfers, disposals, cancellations and/or use of subsidiary holdings as at the end of the current financial year reported on.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3A. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited nor reviewed by the Company's auditors.

3B. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest financial statements of the Group for the financial year ended 31 December 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4a. Whether the same accounting policies and methods of computation as in the Company's most recently audited annual financial statements have been applied.

Saved as disclosed in item 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting year are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2022.

4b. Whether the financial statements are prepared in accordance with the relevant accounting standards for financial reports.

The financial statements for the current financial period are prepared in accordance with Singapore Financial Reporting Standards (International).

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") pronouncements that are effective from 1 January 2023 and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements has not resulted in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years/periods.

6. Loss per ordinary share of the Group for the current financial year/period reported on and the corresponding year of the immediately preceding financial year/period, after deducting any provision for preference dividends.

	Group			
	For the year ended 31 December 2023 (Unaudited)	For the year ended 31 December 2022 (Audited)	For the six months ended 31 December 2023 (Unaudited)	For the six months ended 31 December 2022 (Unaudited)
Loss attributable to Shareholders (\$'000)	(9,664)	(9,382)	(7,929)	(7,971)
Weighted average number of ordinary shares ('000)	1,068,742	1,070,635	1,068,401	1,069,708
Basic and fully diluted loss per share (Singapore Cents)	<u>(0.90)</u>	<u>(0.88)</u>	<u>(0.74)</u>	<u>(0.75)</u>

The diluted loss per share for the six months and full year ended 31 December 2022 and 31 December 2023 are the same as the basic loss per share as the Group does not have any dilutive instruments.

7. **Net asset value (for the Company and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Company at the end of the:-**
(a) current financial year reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 December 2023 (Unaudited)	31 December 2022 (Audited)	31 December 2023 (Unaudited)	31 December 2022 (Audited)
Net asset value* (\$'000)	124,942	137,090	109,132	110,662
No. of ordinary shares ('000)	1,068,051	1,069,243	1,068,051	1,069,243
Net asset value per ordinary share (Singapore Cents)	11.70	12.82	10.22	10.35

* Net asset value per ordinary share = Equity attributable to owners of the Company / Total number of issued shares, excluding treasury shares

- 8(a). **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: -**

- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Review of Financial Performance (Consolidated Statement of Profit or Loss and Other Comprehensive Income)

FY2023 vs FY2022

Revenue

The Group's revenue increased by approximately \$27.9 million from \$45.7 million for the financial year ended 31 December 2022 ("**FY2022**") to \$73.7 million for the financial year ended 31 December 2023 ("**FY2023**"). This was mainly due to the following factors:

- i. an increase in revenue contribution (net of inter-segment elimination) from the TV Program and Film Production business segment of approximately \$13.3 million from \$20.0 million in FY2022 to \$33.3 million in FY2023. In FY2023, the Group recognised revenue mainly in respect of one completed drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行". In FY2022, the Group recognised revenue mainly in respect of the completed production of three dramas named "Strange Tales of Tang Dynasty 唐朝诡事录", "Sisterhood 南洋女儿情" and "A Fish and A Cat 骑着鱼的猫". The Group also recognised revenue for an online short-form drama series titled "Goddess Hotel 女神酒店" which is licensed to a customer for variable fees and sale of a script titled "Misty Rain 烟雨" in FY2022;
- ii. an increase in revenue contribution from the Concert Production business segment of approximately \$13.6 million from \$20.3 million in FY2022 to \$33.8 million in FY2023, mainly in respect of four concert productions held in Malaysia, Australia and Thailand in FY2023. In FY2022, there were three concert productions held in Singapore; and
- iii. an increase in revenue contribution (net of inter-segment elimination) from the Others business segment mainly comprising Talent Management, Costumes, Props and Make-up Services and Musical Play of approximately \$1.1 million from \$5.5 million in FY2022 to \$6.5 million in FY2023, mainly due to an increase in number of projects for Talent Management, Costumes, Props and Make-up Services and Musical Play.

In FY2023, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$40.3 million (FY2022: \$25.3 million), representing 54.8% (FY2022: 55.2%) of the total revenue of the Group.

Gross profit

The Group's gross profit ("GP") increased by approximately \$4.3 million from \$14.2 million in FY2022 to \$18.6 million in FY2023. Gross profit margin ("GPM") decreased from 31.2% in FY2022 to 25.2% in FY2023. The increase in GP is mainly due to:

- i. an increase in GP contribution from the Concert Production business segment of approximately \$2.3 million from \$8.9 million in FY2022 to \$11.2 million in FY2023, in respect of three and four concert productions held in FY2022 and FY2023 respectively; and
- ii. an increase in GP contribution from the TV Program and Film Production business segment of approximately \$2.9 million from \$4.7 million in FY2022 to \$7.6 million in FY2023, mainly in respect of one drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行";

which was partially offset by:

- i. a gross loss contribution from the Others business segment mainly comprising Talent Management, Costumes, Props and Make-up Services and Musical Play of approximately \$0.2 million (net of inter-segment elimination) in FY2023 as compared to a GP contribution of approximately \$0.7 million in FY2022, mainly due to cost overruns for Costumes, Props and Make-up Services and Musical Play projects.

Other income

The Group's other income decreased by approximately \$0.9 million from \$7.1 million in FY2022 to \$6.2 million in FY2023. This was mainly due to the following:

- i. a decrease of approximately \$4.4 million from government grants. Government grants mainly comprise (a) grants in respect of certain drama and film production activities from the relevant local government authorities and (b) grants from government relief schemes; and
- ii. an absence of reversal of allowance of credit loss of approximately \$0.4 million in FY2023. In FY2022, there was a reversal of allowance of credit loss of approximately \$0.4 million as the trade receivables for the relevant projects were collected in FY2022;

which was partially offset by:

- i. a net gain of approximately \$2.9 million mainly arising from the final settlement of concert investments advanced to external parties, based on the actual ticket sales after netting against actual expenditure;
- ii. an increase in rental income of approximately \$0.2 million from the leasing of two film sets located in the PRC to third parties in FY2023;
- iii. service income of approximately \$0.3 million arising from services rendered to external parties in relation to concert productions in FY2023; and
- iv. an increase in interest income of approximately \$0.2 million mainly from cash at bank.

Share of results from associate

Share of results from associate relates to the Group's share of the profit or loss and other comprehensive income for FY2023, arising from the Group's 48.92% interest in Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership (Limited Partnership) (厦门开门见君影视产业投资合伙企业(有限合伙)).

Share of results from joint venture

Share of results from joint venture relates to the Group's share of the profit or loss and other comprehensive income for FY2023, arising from the Group's 70.0% interest in Uni-Icon Entertainment Pte. Ltd..

Administrative expenses

The Group's administrative expenses remained relatively consistent in FY2022 and FY2023.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately \$1.2 million from \$6.4 million in FY2022 to \$5.2 million in FY2023. This was mainly due to the following factors:

- i. a decrease of approximately \$0.3 million in employee benefit expenses (which includes salaries and defined contribution plans) due to a reduction in headcount arising from cost control measures put in place;
- ii. a decrease of approximately \$0.4 million for depreciation and amortisation expenses mainly arising from a six month rent-free period for a leased office in the PRC in FY2023;
- iii. a decrease of approximately \$0.2 million in advertising and promotional activities due to cost control measures put in place; and
- iv. a decrease of approximately \$0.2 million in short-term lease in FY2023. In FY2022, there was a one-off short-term lease for a working space located in PRC.

Other expenses

Other expenses increased by approximately \$3.8 million from \$10.7 million in FY2022 to \$14.5 million in FY2023. This was mainly due to the following:

- i. credit loss allowance of approximately \$6.6 million that has been measured by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables;
- ii. an increase of approximately \$0.4 million in donations made to local communities as part of the Group's corporate social responsibility activities;
- iii. full year recognition of amortisation expenses and share of joint operations' expenses of approximately \$0.2 million in FY2023 arising from the jointly-owned film sets in the PRC. The construction of these jointly-owned film sets were completed in 2022 and are held for leasing purpose and/or own use; and
- iv. a write-off of approximately \$1.7 million on films and drama productions in progress. The Group estimates the recoverable amount for such films and drama productions in progress based primarily on their target market and the business plan taking into consideration the current market conditions, the jurisdiction or region of the broadcast and/or release of the drama or film, the length of the distribution, the number of rounds of distribution, the industry practice for the credit terms extended to customers in that particular jurisdiction or region, as well as the overall number of dramas and films produced and/or co-produced by the Group which are distributed in that particular jurisdiction or region;

which was partially offset by:

- i. a decrease of approximately \$4.8 million in net foreign exchange loss from \$8.8 million in FY2022 to \$4.0 million in FY2023, primarily as the Singapore dollar appreciated less against the Chinese Renminbi in FY2023 as compared to FY2022, mostly from intercompany balances denominated in Singapore Dollar of the Group entities in the PRC of which the financial statements are prepared in Chinese Renminbi, as the Group has significant operations in the PRC; and
- ii. an absence of loss of approximately \$0.2 million arising from the derecognition of financial assets at FVTPL. In FY2022, there was a loss of approximately \$0.2 million arising from derecognition of FVTPL based on the actual box office revenue, actual fees from licensing rights and actual ticket sales.

Finance costs

Finance costs increased by approximately \$0.9 million from \$1.7 million in FY2022 to \$2.6 million in FY2023 mainly arising from short term loan drawdowns and a factoring facility entered in 2023.

Loss for the year

The Group registered a loss after tax of \$9.8 million for FY2023 (FY2022: \$10.5 million), of which the total loss for FY2023 derived from the PRC Affiliated Entities amounted to approximately \$12.7 million (FY2022: \$10.5 million), representing more than 100% (FY2022: more than 100.0%) of the Group's total loss in FY2023.

Review of Financial Performance (Consolidated Statement of Profit or Loss and Other Comprehensive Income)

2H2023 vs 2H2022

Revenue

The Group's revenue increased by approximately \$15.9 million from \$25.1 million for the six months ended 31 December 2022 ("2H2022") to \$41.0 million for the six months ended 31 December 2023 ("2H2023"). This was mainly due to the following factors:

- i. an increase in revenue contribution (net of inter-segment elimination) from the TV Program and Film Production business segment of approximately \$13.9 million from \$2.6 million in 2H2022 to \$16.5 million in 2H2023, mainly in respect of one completed drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行" in 2H2023. In 2H2022, the Group recognised revenue mainly in respect of one drama titled "Strange Tales of Tang Dynasty 唐朝诡事录" and an online short drama series titled "Goddess Hotel 女神酒店"; and
- ii. an increase in revenue contribution (net of inter-segment elimination) from the Others business segment mainly comprising Talent Management and Costumes, Props and Make-up Services and Musical Play of approximately \$2.1 million from \$2.2 million in 2H2022 to \$4.4 million in 2H2023, mainly due to an increase in number of projects for Talent Management and Costumes, Props and Make-up Services and Musical Play.

In 2H2023, the total revenue derived from the PRC Affiliated Entities amounted to approximately \$21.4 million (2H2022: \$4.8 million), which was approximately 52.3% (2H2022: 19.0%) of the total revenue of the Group.

Gross profit

The Group's GP decreased by approximately \$1.2 million from \$9.2 million in 2H2022 to \$8.0 million in 2H2023. Gross profit margin decreased from 36.8% in 2H2022 to 19.6% in 2H2023. The decrease in GP is mainly attributed to the following:

- i. a decrease of approximately \$2.7 million in GP contribution from the Concert Production business segment from \$9.1 million in 2H2022 to \$6.4 million in 2H2023 mainly due to higher costs of concert production. The concert productions in 2H2023 and 2H2022 were held in Bangkok, Thailand and in Singapore respectively; and
- ii. a gross loss contribution from the Others business segment of approximately \$0.6 million (net of inter-segment elimination) in 2H2023 as compared to a GP contribution of approximately \$0.6 million in 2H2022, mainly due to overruns for projects under Costumes, Props and Make-up Services and Musical Play;

which was partially offset by:

- i. an increase of approximately of \$2.7 million in GP contribution from the TV Program and Film Production business segment mainly in respect of one completed drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行" in 2H2023.

Other income

The Group's other income increased by approximately \$3.1 million from \$1.3 million in 2H2022 to \$4.3 million in 2H2023. This was mainly due to the following factors:

- i. a net gain of approximately \$2.9 million mainly arising from the final settlement of concert investments advanced to external parties based on the actual ticket sales after netting against actual expenditure; and

- ii. service income of \$0.3 million arising from services rendered to external parties in relation to concert productions in 2H2023;

which was partially offset by:

- i. an absence of reversal of allowance of credit loss of approximately \$0.1 million in 2H2023. In 2H2022, there was a reversal of allowance of credit loss of approximately \$0.1 million as the trade receivables for the relevant projects were collected in 2H2022.

Share of result from associate

Share of result from associate relates to the Group's share of the profit or loss and other comprehensive income for 2H2023, arising from the Group's 48.92% interest in Xiamen Kaimen Jianjun Film & Television Industry Investment Partnership (Limited Partnership) (厦门开门见君影视产业投资合伙企业(有限合伙)).

Share of result from joint venture

Share of result from joint venture relates to the Group's share of the profit or loss and other comprehensive income for 2H2023, arising from the Group's 70% interest in Uni-Icon Entertainment Pte. Ltd..

Administrative expenses

The Group's administrative expenses remained relatively consistent in 2H2022 and 2H2023.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately \$1.1 million from \$3.6 million in 2H2022 to \$2.5 million in 2H2023. This was mainly due to the following factors:

- i. a decrease of approximately \$0.3 million for depreciation and amortisation expenses mainly arising from a six month of rent-free period for a leased office in the PRC in FY2023;
- ii. a decrease of approximately \$0.4 million in advertising and promotional activities due to cost control measures put in place; and
- iii. a decrease of approximately \$0.2 million in short-term lease in FY2023. In FY2022, there was a one-off short-term lease for a working space located in the PRC.

Other expenses

Other expenses increased by approximately \$2.9 million from \$7.5 million in 2H2022 to \$10.3 million in 2H2023. This was mainly due to the following:

- i. credit loss allowance of \$6.9 million that has been measured by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables;
- ii. an increase of approximately of \$0.4 million in donations made to local communities as part of the Group's corporate social responsibility activities; and
- iii. a write-off of approximately \$1.7 million on films and drama productions in progress. The Group estimates the recoverable amount for such films and drama productions in progress based primarily on their target market and the business plan taking into consideration the current market conditions, the jurisdiction or region of the broadcast and/or release of the drama or film, the length of the distribution, the number of rounds of distribution, the industry practice for the credit terms extended to customers in that particular jurisdiction or region, as well as the overall number of dramas and films produced and/or co-produced by the Group which are distributed in that particular jurisdiction or region;

which was partially offset by:

- i. a decrease of approximately \$5.6 million in net foreign exchange loss from \$6.1 million in 2H2022 to \$0.6 million in 2H2023, primarily as the Singapore dollar appreciated less against the Chinese Renminbi in 2H2023 as compared to 2H2022, mostly from intercompany balances denominated in

Singapore Dollar of the Group entities in the PRC of which the financial statements are prepared in Chinese Renminbi, as the Group has significant operations in the PRC; and

- ii. an absence of loss of approximately \$0.2 million arising from derecognition of financial assets at FVTPL. In 2H2022, there was a loss arising from derecognition of financial assets at FVTPL based on the actual box office revenue, actual fees from licensing rights and actual ticket sales.

Finance cost

Finance cost increased by approximately \$0.3 million from \$1.1 million in 2H2022 to \$1.3 million in 2H2023, mainly arising from short term bank loan drawdowns and a factoring facility entered in FY2023.

Loss for the period

The Group registered a loss after tax of approximately \$7.9 million in 2H2023 (2H2022: \$8.7 million), of which the total loss for the period derived from the PRC Affiliated Entities amounted to approximately \$10.8 million (2H2022: \$10.2 million), representing more than 100% (2H2022: more than 100.0%) of the Group's total loss for the period.

Review of Financial Position (Consolidated Statement of Financial Position) **31 December 2023 vs 31 December 2022**

Current assets

The Group's current assets decreased by approximately \$12.9 million from \$166.6 million as at 31 December 2022 to \$153.7 million as at 31 December 2023. The decrease was mainly due to:

- i. a decrease of approximately \$13.0 million in trade and note receivables due to receipts for drama and concert productions and credit loss allowance made. Loss allowance has been measured by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The decrease is partially offset by sales billings;
- ii. a decrease of approximately \$0.9 million in amount due from related parties, mainly due to a decrease in prepayment made to an entity connected to a non-controlling shareholder and non-executive director in relation to the Concert Production business. The prepayment was recognised as cost of sales when the concerts were held during FY2023;
- iii. a decrease of approximately \$37.8 million in contract assets, mainly due to sales billing and translation loss arising from the appreciation of the Singapore Dollar against the Chinese Renminbi as the Group has significant operations in the PRC offset by ongoing drama productions to represent the Group's right to consideration for dramas and films production in progress but not billed at 31 December 2023; and
- iv. a net decrease of approximately \$2.0 million in financial assets at FVTPL, mainly due to derecognition of financial assets at FVTPL based on the actual box office revenue and actual ticket sales. Financial assets at FVTPL represent film, concert, and musical play investments advanced to external parties for the financing of production and marketing expenditure that are associated with the films, concerts, and musical plays the Group has invested in;

which was partially offset by:

- i. an increase of \$14.3 million in cash and cash equivalents, mainly due to cash generated from operating activities. Please refer to <Review of Cash Flows (Consolidated Statement of Cash Flow)> for details;
- ii. an increase of approximately \$22.2 million in other receivables mainly due to (a) the collaboration fee and service fees paid to Al Nassr Club Company³ ("**Al Nassr**") and third parties⁴ respectively for a soccer tournament titled "China Tournament January 2024". As at date of announcement, the soccer tournament on such scheduled dates, have been cancelled⁵ and the Group is in discussions with the relevant parties involved in the organisation of the soccer tournament including ongoing

³ SGX Announcement reference: SG2311080THRSLJN

⁴ SGX Announcement reference: SG2311280THRIUPO

⁵ SGX Announcement reference: SG2401240THRWPBP

discussions with Al Nassr on the terms of a supplemental agreement to the Collaboration Agreement for the envisaged postponement of the soccer tournament to the second half of 2024; (b) a deposit paid for the acquisition of shares in a subsidiary, (c) an increase in receivables from a joint operator mainly in respect of concert sponsorship income, (d) a net increase in receivables from third parties mainly due to final settlements from completed concert investments and (e) a net increase in prepayments and advances to third parties and a third-party contractor. These prepayments and advances are made for preparation work in relation to various ongoing and upcoming drama, film and concert projects, including but not limited to the artiste fees, purchase and/or development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects offset by receipts of advances paid to production crew and staff, after netting against actual expenditure and upon final settlement with crew and staff;

- iii. an increase of approximately \$0.7 million in contract costs, mainly due to costs incurred in respect of the concert productions to be held in Australia and Japan in 2024;
- iv. a net increase of approximately \$3.5 million in films and drama productions in progress and films and drama products representing production costs, costs of services, direct labour costs, facilities and raw materials consumed under ongoing drama and film productions offset by sales billing for completed film productions; and
- v. income tax recoverable of approximately \$0.1 million as the estimated prepaid tax made exceeds the actual tax liability for a given tax year.

Non-current assets

The Group's non-current assets increased by approximately \$2.9 million from \$17.6 million as at 31 December 2022 to \$20.5 million as at 31 December 2023, mainly due to the following factors:

- i. an increase of approximately \$3.0 million in right-of-use assets, arising from new leases of an office premise and a film set in Indonesia entered into in FY2023; and
- ii. an increase of approximately \$1.5 million in deferred tax assets arising from additional deductible temporary differences and unutilised tax losses in FY2023;

which was partially offset by:

- i. a decrease of approximately \$0.4 million and \$0.7 million in plant and equipment and intangible assets respectively mainly due to routine depreciation and amortisation; and
- ii. a decrease of approximately \$0.4 million and \$0.1 million for investment in joint venture and investment in associate respectively mainly due to the Group's share of the total comprehensive loss for FY2023 from the joint venture and associate.

Current liabilities

The Group's current liabilities increased by approximately \$0.7 million from \$46.5 million as at 31 December 2022 to \$47.2 million as at 31 December 2023. The increase was mainly due to the following factors:

- i. an increase of approximately \$1.1 million in lease liabilities, mainly arising from new leases of an office premise and a film set in Indonesia entered into in FY2023, which was partially offset by repayment of lease liabilities during the year;
- ii. an increase of approximately \$10.3 million in contract liabilities, mainly due to advance receipts from ticket sales for a soccer tournament titled "China Tournament January 2024". Contract liabilities relate to payment received in advance from customers and these amounts are recognised as revenue when the Group fulfilled its contractual obligations; and
- iii. investment funds of approximately \$4.5 million received from investors in FY2023 for a soccer tournament titled "China Tournament January 2024";

which was partially offset by:

- i. a net decrease of approximately \$13.2 million in trade and other payables mainly due to (a) payment for amounts due to joint operators which pertains to the proportionate share of revenue from concert production attributable to the joint operators, (b) repayment of advances received from a joint operator, an entity connected to a shareholder of the company for joint operation in a drama production, (c) payment of amounts due to vendors in the ordinary course of business for trade purchases and ongoing operating costs and (d) decrease in VAT and GST payables;

- ii. a decrease of approximately \$0.2 million in income tax payable, mainly due to payment of income tax;
- iii. a decrease in the amount due to related parties of approximately \$0.8 million, which was mainly due to payment for payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees and concert production related costs; and
- iv. a net decrease of approximately \$1.1 million in borrowings mainly due to repayment of borrowings offset by borrowings drawdown in FY2023.

Non-current liabilities

The Group's non-current liabilities increased by approximately \$1.3 million from \$1.9 million as at 31 December 2022 to \$3.2 million as at 31 December 2023. Lease liabilities increased by approximately \$1.4 million, mainly due to new leases of an office premise and a film set in Indonesia entered into in FY2023, which was partially offset by repayment of lease liabilities during the year.

Shareholders' Equity

Shareholders' equity decreased by approximately of \$12.0 million from \$135.7 million as at 31 December 2022 to \$123.7 million as at 31 December 2023 mainly due to the following:

- i. shares repurchased amounting to approximately \$0.5 million in FY2023; and
- ii. final dividends of \$1.1 million declared in respect of FY2022;
- iii. a decrease in translation reserves of approximately \$1.0 million primarily due to appreciation of the Singapore Dollar against the Chinese Renminbi in FY2023; and
- iv. loss after tax of approximately \$9.7 million recognised for FY2023.

The Group has a net working capital of \$106.5 million as at 31 December 2023 (31 December 2022: \$120.1 million).

Review of Cash Flows (Consolidated Statement of Cash Flow)

Net cash generated from operating activities

The Group generated cash inflows from operating activities before movements in working capital of approximately \$2.4 million, with net changes in working capital of approximately \$3.4 million, income tax and net interest paid of approximately \$0.9 million and \$1.9 million respectively.

The Group's net working capital inflows was mainly due to the following factors:

- i. a decrease of approximately \$38.0 million in contract assets, mainly due to sales billing and translation loss arising from the appreciation of the Singapore Dollar against the Chinese Renminbi as the Group has significant operations in the PRC partially offset by ongoing drama productions to represent the Group's right to consideration for dramas and films production in progress but not billed as at 31 December 2023;
- ii. an increase of approximately \$10.3 million in contract liabilities, mainly due to advance receipts from ticket sales for a soccer tournament titled "China Tournament January 2024. Contract liabilities relate to payment received in advance from customers and these amounts are recognised as revenue when the Group fulfils its contractual obligations; and
- iii. a decrease of approximately \$0.9 million in amount due from related parties, mainly due to a decrease in prepayment made to an entity connected to a non-controlling shareholder and non-executive director in relation to the Concert Production business segment. The prepayment was recognised as cost of sales when the concerts were held during FY2023;

which was partially offset by the following:

- i. a net increase of approximately of \$6.8 million in films and drama productions in progress and films and drama products representing production costs, costs of services, direct labour costs, facilities and raw materials consumed under ongoing drama and film productions, partially offset by sales billing for completed film productions;

- ii. an increase in trade, notes and other receivables of approximately \$23.8 million mainly due to (a) the collaboration fee and service fees paid to Al Nassr and third parties respectively for a soccer tournament titled "China Tournament January 2024". As at date of announcement, the soccer tournament on such scheduled dates, have been cancelled and the Group is in discussions with the relevant parties involved in the organisation of the soccer tournament including ongoing discussions with Al Nassr on the terms of a supplemental agreement to the Collaboration Agreement for the envisaged postponement of the soccer tournament to the second half of 2024; (b) a deposit paid for the acquisition of shares in a subsidiary, (c) a net increase in receivables from third parties mainly due to final settlements from completed concert investments, (d) an increase in receivables from a joint operator mainly in respect of concert sponsorship income and (e) a net increase in prepayments and advances to third parties and a third-party contractor. These prepayments and advances are made for preparation work in relation to various ongoing and upcoming drama, film and concert projects, including but not limited to the artiste fees, purchase and/or development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects offset by receipts of advances paid to production crew and staff, after netting against actual expenditure and upon final settlement with crew and staff. This is partially offset by receipts for drama and film productions sold;
- iii. an increase of approximately \$0.7 million in contract costs, mainly due to costs incurred in respect of the concert productions to be held in Australia and Japan in 2024;
- iv. a net decrease of approximately \$13.8 million in trade and other payables mainly due to (a) payment for amounts due to joint operators which pertains to the proportionate share of revenue from concert production attributable to the joint operators, (b) repayment of advances received from a joint operator, an entity connected to a shareholder of the company for joint operation in a drama production, (c) payment of amounts due to vendors in the ordinary course of business for trade purchases and ongoing operating costs and (d) decrease in VAT and GST payables; and
- v. a decrease in the amount due to related parties of approximately \$0.8 million which was mainly due to payment for payables due to a company associated with a non-controlling shareholder and non-executive director for artiste fees and concert production related costs.

Net cash generated from operating activities was approximately \$3.0 million.

Net cash from investing activities

Net cash from investing activities amounted to approximately \$2.0 million, mainly due to the following:

- i. proceeds of approximately \$12.7 million received from external parties in relation to investments in concert, drama and film productions upon final settlement based on the actual box office revenue, fees from licensing rights and revenue from ticket sales after netting against actual expenditure;

which was partially offset by the following:

- i. an increase of approximately \$0.9 million in plant and equipment, mainly due to renovation for a film set located in Indonesia and purchase of computer equipment, furniture and fixtures for the office and film set located in Indonesia;
- ii. a deposit of approximately \$0.9 million paid for acquisition of shares in a subsidiary; and
- iii. an increase of approximately \$8.8 million in financial assets at FVTPL, for concerts and films investments advanced to external parties for the financing of production and marketing expenditure that are associated with the specific concerts and films that the Group has invested in.

Net cash from financing activities

Net cash from financing activities amounted to \$9.5 million, mainly due to the following:

- i. a net increase of approximately \$8.5 million in borrowings mainly due to borrowings drawdown offset by repayment of borrowings in FY2023; and
- ii. investment funds of approximately \$4.5 million received from investors for a soccer tournament titled "China Tournament January 2024";

which was partially offset by the following:

- i. payment of final dividends of approximately \$1.1 million in respect of FY2022;

- ii. payment of lease liabilities of approximately \$1.9 million; and
- iii. shares repurchased of approximately \$0.5 million in FY2023.

8(b). Use of proceeds from Initial Public Offering

The Company received net proceeds amounting to approximately S\$101.0 million from the IPO, after deducting listing expenses of approximately S\$6.5 million.

The following table sets out the use of IPO proceeds as at the date of this announcement:

	Amount allocated \$'million	Amount utilised \$'million	Balance as 29 February 2024 \$'million
Expansion of the TV Program and Film Production business via investment in production ⁽¹⁾ , acquisitions, joint ventures and/or strategic alliances ⁽²⁾	64.5	(64.5)	-
Expansion of the Concert Production business via investment in production ⁽³⁾ , acquisitions, joint ventures and/or strategic alliances	21.5	(3.0)	18.5
General working capital purposes	15.0	(8.2) ⁽⁴⁾	6.8
Total	101.0	(75.7)	25.3

Notes:

- (1) Such investments have included and may include, but are not limited to, the production of dramas, films, online short film series, musicals and stage plays.
- (2) It is intended that out of the gross proceeds to be used for expansion of the TV program and film production business via investment in production, acquisitions, joint ventures and/or strategic alliances, 70.0% and 30.0% will be used for the expansion of the TV program and film production business in the PRC and other countries respectively.
- (3) Such investments may include, but are not limited to, undertaking the production of concerts for a larger number of artistes in Singapore and in the region.
- (4) Approximately \$8.2 million was used for general working capital purposes from listing to date of this announcement mainly: (a) payment for professional fees of approximately \$0.9 million, payment for employees' salaries of approximately \$5.0 million and payment for office rental expenses of approximately \$0.6 million; and (b) payment for income tax of approximately \$1.7 million.

The above utilisations of the net IPO proceeds are in accordance with the intended use of proceeds from the IPO as stated in the Prospectus dated 11 December 2020. The Company will continue to make periodic announcements on the utilisation of the balance of net proceeds from the IPO as and when such proceeds are materially disbursed.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no forecast or prospect statements previously disclosed to Shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Group is a leading diversified group within Asia's media and entertainment industry, with a focus on drama and film production as well as concert production across the Asia-Pacific region.

Television Program and Film Production

In April 2023, the Group entered into a co-production agreement ("Co-Production Agreement") with iQIYI Inc. (北京爱奇艺科技有限公司), a company listed on NASDAQ Global Select Market. Pursuant to the Co-Production Agreement, both parties have agreed to co-produce a web drama series titled "Strange Tales of Tang Dynasty 2: To the West 唐朝诡事录之西行". Filming was completed in the 2nd half of 2023 and the Group expects to complete the production for this drama series in the 1st quarter of 2024.

In July 2023, the Group signed a co-production agreement with Tencent Video to co-produce a drama series titled "Contenders 狮城山海". Production commenced in November 2023 and the Group expects to commence filming for "Contenders 狮城山海" in the 1st half of 2024.

In December 2023, the Group commenced filming for a drama series titled "Notes of DNA Appraiser 鉴定", a co-production with Youku⁶. Production is expected to be completed in the 3rd quarter of 2024.

The Group is expected to commence production for "Nanyang Transport Volunteers 南洋英雄", the third drama series of the Nanyang genre in the 3rd quarter of 2024. In addition, the Group has launched its own label "Legendary short drama" on Douyin (抖音) (also known as Tik Tok) to target a new audience base and to harness new opportunities.

A series of dramas and films of varied themes are also currently under evaluation and production. The Group continues to undertake collaborations and partnerships with various streaming platforms, online video platforms and TV networks to develop different genres of dramas and films targeting different group of audiences, thereby creating more opportunities for revenue growth.

Underpinned by its strong and talented scriptwriting team and end-to-end production capabilities, a part of the Group's competitive strengths lie in its ability to produce high-quality and well-received dramas and films. The Group believes good stories can be made anywhere and be viewed by everyone. Hence, the Group continues to strengthen its capabilities in script development and content creation by broadening the pool of creators with whom the Group can work with and expanding the genres of its dramas and films to better serve and capture the mindshare of local audiences in its target markets.

The Group believes that there will be more positive sentiments in the financial year ending 31 December 2024 ("**FY2024**"), with an expected increase in the number of long-drama productions in FY2024 as compared to FY2022 and FY2023. Barring unforeseen circumstances, the Group anticipates a stronger pipeline of content to be added in FY2024.

Concert Production

The Group's concert production business activities have rebounded strongly and continues to exhibit growth momentum. The Group completed four concert productions in Malaysia, Australia and Thailand in FY2023 and expects to complete five concert productions planned in Australia and Japan in FY2024.

The PRC's reopening has brought on new opportunities arising from the pent-up demand for concerts and live entertainment in the PRC. The Group invested in Jay Chou's Carnival World concerts in Taiyuan, Hohhot, Tianjin and Shanghai and Chris Li Yuchun's (李宇春) PRC concert tour in Beijing, Shanghai, Chengdu and Chongqing in FY2023. In addition, the Group will explore opportunities as co-producers of concerts for other popular and well-known international artistes in Asia.

Update on the "China Tournament January 2024" Soccer Tournament

The soccer tournament was scheduled to take place on 24 January 2024 and 28 January 2024 in Shenzhen, PRC. The Group was informed on 23 January 2024 that Cristiano Ronaldo, who is the registered first team player of Al Nassr in the 2023 - 2024 season, was injured and not fit to play in the soccer tournament. Accordingly, the soccer tournament, on such scheduled dates, were cancelled.

The Group is in discussions with the relevant parties involved in the organisation of the soccer tournament following the cancellation of the soccer tournament on the scheduled dates ("**Tournament Cancellation**"), including ongoing negotiations with Al Nassr on the terms of a supplemental agreement to the collaboration agreement between the Group and Al Nassr ("**Supplemental Agreement**") for the envisaged postponement of the soccer tournament to the second half of 2024 ("**Replacement Tournament**").

The Group expects estimated losses of RMB 94.0 million (approximately S\$17.9 million), being the collaboration fee paid to Al Nassr under the collaboration agreement between the Group and Al Nassr and other related costs for the financial year ending 31 December 2024 arising from the Tournament Cancellation and assuming no Replacement Tournament is held. The Group will make its best efforts to mitigate the loss through discussions with Al Nassr on the terms of the Supplemental Agreement and certain fees paid and/or

⁶ <https://movie.douban.com/review/15597877/>

costs incurred by the Group for such cancelled soccer tournament may be carried forward for set-off against the fees to be paid and/or costs to be incurred by the Group for the Replacement Tournament if any.

Overall

The Group believes that providing a good variety of high-quality media and entertainment content and adapting to evolving viewership preferences are the most effective methodologies to expand the Group's revenue streams and market share in the region. This is aligned with the Group's vision to become the leading player in the media and entertainment industry in the region.

Anchored by its two core businesses of TV Program and Film Production and Concert Production, the Group aims to develop new value propositions with a multi-pronged growth strategy and disciplined financial approach, so as to enhance the growth profile of its business model.

The Group's strategic priorities for the future include improving its content and through broadening its slate through (i) creating original and well-received drama and film productions, (ii) maximising the synergies of the Group's unique eco-system to deepen consumers' connection to the dramas and films including but not limited to characters and stories, and (iii) utilising new technologies to provide consumers with the best entertainment experience possible.

The Group will also continue to take proactive steps to scale the business for sustainable growth by strengthening its core businesses and high value end-to-end production capabilities. This includes but is not limited to strategic initiatives and increased investment in special effects and 5G content technology to meet the rising demand of high-definition visual experiences from films, dramas, advertising and other digital media applications.

The Group has leveraged on its "IP franchise" business strategy to successfully create large-scale original musical plays of "The Ferryman 灵魂摆渡" and "Strange Tales of Tang Dynasty 唐朝诡事录". These two musical plays were ranked among the top three in the PRC's original musical charts by "Damai 大麦" and Douyin (抖音) (also known as Tik Tok) in 2022. The Group has completed more than 50 shows in the PRC in FY2023 and expects to complete an estimated 50 shows in FY2024.

In addition, the Group aims to develop other revenue sources, including but not limited to e-commerce marketing and to further grow its business presence and market share in the region.

Supported by its resilient balance sheet, the Group believes it is well-positioned to execute its strategic priorities to develop new value propositions, explore new monetisation opportunities (such as immersive games, augmented realities, etc) of its growing IP portfolio and to harness new business opportunities across the region in the post-COVID era.

The Group's long-term financial objectives remain unchanged and the Group will continue to be committed in its revenue growth, enhancement of operating margins and delivery of positive free cashflows annually. The Group prioritises its cash for reinvestment in the core businesses and for funding new growth opportunities, followed by highly selective acquisitions. After satisfying those uses of cash, excess cash will be returned to Shareholders via dividends and share repurchases.

The Group will continue to keep the Shareholders informed of any material developments that may impact the Group's operations and performance as and when they arise.

11. Dividend

(a) Any dividend declared for the current financial period reported on?

Name of Dividend	Final
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	0.10 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

The Directors propose the payment of a tax-exempt final dividend of 0.10 Singapore cents per share in respect of FY2023 amounting to approximately \$1.1 million, subject to the approval of Shareholders at the forthcoming AGM and determined based on the share premium of the Company as at 31 December 2023.

(b) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)?

The proposed final dividend of 0.10 Singapore cents per share in respect of FY2023, subject to the approval of Shareholders at the forthcoming AGM, is tax exempt.

- (c) **Any dividend declared for the corresponding period of the immediately preceding financial year?**

Name of Dividend	Final
Dividend Type	Ordinary
Dividend per share (in Singapore cents)	0.10 cents per ordinary share
Tax rate	Tax-exempt (one-tier)

- (d) **The date the dividend is payable**

Subject to approval by the Shareholders at the forthcoming AGM, the payment date of the proposed final dividend will be announced at a later date.

- (e) **The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlement to the dividends are determined.**

Subject to approval by the Shareholders at the forthcoming AGM, the record date will be announced at a later date.

12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

13. **If the Group has obtained a mandate from shareholders for Interested Party Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group renewed the IPTs mandate from the Shareholders at the Annual General Meeting held on 27 April 2023:

Name of Interested Person	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920) (\$'000)	Aggregate value of all interested person transactions conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (\$'000)
Sure Legend International Limited ⁽¹⁾	-	7,536
JVR Music International Ltd ⁽²⁾	704	-
Taiho Holding Limited ⁽³⁾	76	-
Kang Ru Investments Limited ⁽⁴⁾	640	-
Mr. Guo Jingyu ^{(5) (6)}	5	-
Ms. Yue Lina ⁽⁷⁾	-	224
Mr. Yang Zhigang ⁽⁸⁾	-	1,557

Notes:

- (1) Related to grant of the rights to undertake the production of concerts by Sure Legend International Limited, which is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director and non-controlling shareholder.
- (2) Related to artiste service fees and concert production sundry expenses paid to JVR Music International Ltd. JVR Music International Ltd is 45.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.
- (3) Related to the final dividends in respect of FY2022 paid to Taiho Holding Limited, which is 50.0% owned by Mr. Yang Jun Rong, a Non-Executive Director and non-controlling shareholder.

- (4) Related to the final dividends in respect of FY2022 paid to Kang Ru Investments Limited, which is 100.0% owned by Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.
- (5) Related to the final dividends in respect of FY2022 paid to Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.
- (6) As at date of this announcement, credit line facilities of up to approximately RMB65 million and \$0.3 million are singly or jointly secured by personal guarantees provided by Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder, third parties as well as restricted bank deposits of not less than RMB20 million and assignment of sales contract and sales proceeds as well as the Group's motor vehicle.
- (7) Related to (a) amounts received by the Group for provision of talent management services to Ms. Yue Lina, an Executive Director and (b) fees for acting services paid by the Group to Ms. Yue Lina.
- (8) Related to (a) amounts received by the Group for provision of talent management services to Mr. Yang Zhigang and (b) fees for acting services paid by the Group to Mr. Yang Zhigang. Mr. Yang Zhigang is the brother of Mr. Guo Jingyu, the Executive Chairman and Group CEO and Controlling Shareholder.

14. Confirmation that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited financial statements, with comparative information for the immediately preceding period.
Reportable segments

The Group's chief operating decision-maker ("CODM") comprises the Executive Chairman and Group CEO, the Executive Directors, the Chief Financial Officer, and the heads of each business within the operating segments. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of services provided.

The Group is organised into the following main business segments:

Segment	Principal activities
Television ("TV") Program and Film Production	Production of dramas and films and script production.
Concert Production	Provision of Concert Organisation and Concert Management, sponsorship income and rental of concert equipment.
Talent Management Services	Participation and engagement of the artistes managed by the Group in the projects and events as their talent management agency on a project basis.
Costumes, Props and Makeup Services	Provision of costumes, props and make up services to artists and third-party production companies.

	Group			
	For the year ended 31 December 2023			
	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	34,504	33,841	9,676	78,021
Inter-segment elimination	(1,209)	-	(3,159)	(4,368)
	<u>33,295</u>	<u>33,841</u>	<u>6,517</u>	<u>73,653</u>
Gross profit	6,652	9,062	2,977	18,691
Inter-segment elimination	914	2,123	(3,144)	(107)
	<u>7,566</u>	<u>11,185</u>	<u>(167)</u>	<u>18,584</u>
Other income				6,191
Share of result from associate				(39)
Share of result from joint venture				(344)
Administrative expenses				(13,074)
Selling and distribution expenses				(5,175)
Other expenses				(14,488)
Finance costs				(2,625)
Loss before tax				(10,970)
Income tax credit				1,159
Loss for the year				<u>(9,811)</u>

	Group			
	For the year ended 31 December 2022			
	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	20,058	20,255	9,733	50,046
Inter-segment elimination	(34)	-	(4,280)	(4,314)
	<u>20,024</u>	<u>20,255</u>	<u>5,453</u>	<u>45,732</u>
Gross profit	4,543	8,902	3,876	17,321
Inter-segment elimination	125	-	(3,197)	(3,072)
	<u>4,668</u>	<u>8,902</u>	<u>679</u>	<u>14,249</u>
Other income				7,095
Share of result from associate				(50)
Share of result from joint venture				(296)
Administrative expenses				(13,367)
Selling and distribution expenses				(6,409)
Other expenses				(10,663)
Finance costs				(1,701)
Loss before income tax				(11,142)
Income tax credit				661
Loss for the year				<u>(10,481)</u>

Group
For the six months ended 31 December 2023

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	17,600	20,084	7,508	45,192
Inter-segment elimination	(1,075)	-	(3,141)	(4,216)
	<u>16,525</u>	<u>20,084</u>	<u>4,367</u>	<u>40,976</u>
Gross profit	1,655	6,104	2,511	10,270
Inter-segment elimination	563	317	(3,133)	(2,253)
	<u>2,218</u>	<u>6,421</u>	<u>(622)</u>	<u>8,017</u>
Other income				4,349
Share of result from associate				(35)
Share of result from joint venture				(169)
Administrative expenses				(6,995)
Selling and distribution expenses				(2,518)
Other expenses				(10,346)
Finance costs				(1,333)
Loss before tax				(9,030)
Income tax credit				1,110
Loss for the period				<u>(7,920)</u>

Group
For the six months ended 31 December 2022

	TV Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue and results</u>				
Revenue	2,656	20,255	3,793	26,704
Inter-segment elimination	(34)	-	(1,563)	(1,597)
	<u>2,622</u>	<u>20,255</u>	<u>2,230</u>	<u>25,107</u>
Gross profit	(484)	9,110	1,083	9,709
Inter-segment elimination	13	-	(493)	(480)
	<u>(471)</u>	<u>9,110</u>	<u>590</u>	<u>9,229</u>
Other income				1,294
Share of result from associate				(58)
Share of result from joint venture				(142)
Administrative expenses				(7,370)
Selling and distribution expenses				(3,585)
Other expenses				(7,496)
Finance costs				(1,063)
Loss before income tax				(9,191)
Income tax credit				495
Loss for the period				<u>(8,696)</u>

A disaggregation of the Group's revenue for the year/period is as follows:

	Group			
	For the year ended 31 December 2023			
	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	609	33,841	6,517	40,967
Over time	32,686	-	-	32,686
	<u>33,295</u>	<u>33,841</u>	<u>6,517</u>	<u>73,653</u>

Geographical information:

Singapore	-	19,714	54	19,768
Australia	-	8,279	-	8,279
China	33,295	568	6,463	40,326
Malaysia	-	5,280	-	5,280
	<u>33,295</u>	<u>33,841</u>	<u>6,517</u>	<u>73,653</u>

	Group			
	For the year ended 31 December 2022			
	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	8,644	20,255	5,453	34,352
Over time	11,380	-	-	11,380
	<u>20,024</u>	<u>20,255</u>	<u>5,453</u>	<u>45,732</u>

Geographical information:

Singapore	126	20,255	93	20,474
China	19,898	-	5,360	25,258
	<u>20,024</u>	<u>20,255</u>	<u>5,453</u>	<u>45,732</u>

	Group			
	For the six months ended 31 December 2023			
	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	510	20,084	4,367	24,961
Over time	16,015	-	-	16,015
	<u>16,525</u>	<u>20,084</u>	<u>4,367</u>	<u>40,976</u>

Geographical information:

Singapore	-	19,516	46	19,562
China	16,525	568	4,321	21,414
	<u>16,525</u>	<u>20,084</u>	<u>4,367</u>	<u>40,976</u>

Group
For the six months ended 31 December 2022

	Television Program and Film Production	Concert Production	Others	Total
	\$'000	\$'000	\$'000	\$'000
<i>Timing of revenue recognition:</i>				
At a point in time	1,820	20,255	2,230	24,305
Over time	802	-	-	802
	<u>2,622</u>	<u>20,255</u>	<u>2,230</u>	<u>25,107</u>
<i>Geographical information:</i>				
Singapore	46	20,255	45	20,346
China	2,576	-	2,185	4,761
	<u>2,622</u>	<u>20,255</u>	<u>2,230</u>	<u>25,107</u>

Revenue contribution from a single region is disclosed separately when it exceeds 10% of the Group's revenue, respectively.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

The Group's revenue is based on geographical locations of its external customers' operations which the revenue is derived from.

FY2023 vs FY2022

The Group's revenue from customers located outside Singapore accounted for 73.2% (FY2022: 55.2%) of the Group's total revenue in FY2023. The copyright and ancillary rights to the completed and ongoing film and drama productions under the TV Program and Film Production business segment and projects for Talent Management and Costume, Props and Make-up Services were sold or licensed to customers located outside of Singapore.

2H2023 vs 2H2022

The Group's revenue from customers located outside Singapore accounted for 52.3% (2H2022: 19.0%) of the Group's total revenue in 2H2023. The copyright and ancillary rights to the completed and ongoing film and drama productions under the TV Program and Film Production business segment and projects for Talent Management and Costume, Props and Make-up Services were sold or licensed to customers located outside of Singapore.

17. Additional information required pursuant to Rule 706A of the Listing Manual

Save as disclosed below, there was no acquisition or sale of shares resulting in a company becoming a subsidiary or an associated company of the Group or any change of the Group's shareholding percentage in a subsidiary or an associated company in FY2023:

Investment/ acquisition of shares in a subsidiary

Investment in a subsidiary, representing 80% equity interest in Studio Management Services Sdn. Bhd.

On 18 April 2023, the Company through its indirect wholly-owned subsidiary, GHY Culture & Media (Malaysia) Sdn. Bhd. acquired 80% of the issued shares in the capital of Studio Management Services Sdn. Bhd., a company incorporated in Malaysia for a total consideration of MYR8,840,000⁷.

⁷ SGX Announcement reference: SG230331OTHR04WH.

Incorporation of indirect wholly owned subsidiary

Incorporation of a wholly owned subsidiary, G.H.Y. Culture & Media Japan Co., Ltd.

On 2 August 2023, G.H.Y Culture & Media (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company, incorporated a subsidiary, G.H.Y. Culture & Media Japan Co., Ltd., with an initial issued share capital of JPY1,000,000.

None of the directors or controlling shareholder of the Company has any interest, direct or indirect, in the above investment / acquisition of shares in the subsidiary and incorporation of an indirect wholly owned subsidiary. The above investment / acquisition of shares in the subsidiary and incorporation of an indirect wholly owned subsidiary are not expected to have any material effect on the net tangible assets or earnings per share of the Company for FY2023.

18. A breakdown of Sales

		Group		
		FY2023	FY2022	Change Increase / (Decrease)
		\$'000	\$'000	%
i.	Sales reported for first half year	32,677	20,625	58
ii.	Operating loss after tax before deducting non-controlling interests for first half year	(1,891)	(1,785)	6
iii.	Sales reported for second half year	40,976	25,107	63
iv.	Operating loss after tax before deducting non-controlling interests for second half year	(7,920)	(8,696)	(9)

19. A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year.

	FY2023	FY2022
Annual Dividend	\$'000	\$'000
Ordinary Dividend		
- Interim	-	-
- Final (proposed)	1,068	1,069

The proposed final one-tier tax exempt dividends in respect of FY2023 is subject to Shareholders' approval at the forthcoming AGM.

20. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704 (13).

Mr. Guo Jingyu, the Executive Chairman and Group CEO, is also a substantial shareholder of the Company.

Ms. Yue Lina, an Executive Director, is the spouse of Mr. Guo Jingyu.

Ms. Venessa Lian, the Group Deputy Chief Executive Officer, is the spouse of Mr. John Ho, a substantial shareholder of the Company.

Except for Mr. Guo Jingyu, Ms. Yue Lina and Ms. Venessa Lian, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

F. Other Notes to the Condensed Consolidated Financial Statements

21. Corporate Incorporation

G.H.Y Culture & Media Holding Co., Limited (the "Company") is incorporated in Cayman Islands with its principal place of business at 988 Toa Payoh North, #07-08, Singapore 319002 and registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. These condensed consolidated financial statements as at and for the second half and full year ended 31 December 2022 comprise the Company, its subsidiaries, joint venture, associate and PRC Affiliated Entities (collectively, the "Group").

The principal activities of the Group are (a) TV program and film production, (b) concert production, (c) talent management services, (d) costumes, props and makeup services, (e) consultancy services, (f) renting and leasing of concert equipment, and (g) investment holding.

22. Basis of Preparation

The condensed consolidated financial statements for the second half and full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s except for the adoption of new and amended standards as set out in Note 22.1.

The condensed financial statements are presented in Singapore dollar and all values are rounded to the nearest thousand (\$'000).

22.1 New and Amended Standards adopted by the Group

The adoption of the various new/revised SFRS(I) effective for the financial year beginning on 1 January 2023 does not have a material financial effect on the Group and the Company.

22.2 Uses of judgement and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant areas of estimation, uncertainty, and critical judgements in applying accounting policies disclosed in Annual Report 2022 remain relevant.

22.3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

23. Related Parties Transactions

There are no material related party transactions apart those disclosed elsewhere in the financial statements and other information required under the listing manual.

24(a). Financial assets and financial liabilities

Below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2023 and 31 December 2022:

	Group		Company	
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
Financial Assets				
Financial assets at amortised cost	91,140	87,316	104,616	104,255
Financial assets at FVTPL	671	2,662	-	-
	<u>91,811</u>	<u>89,978</u>	<u>104,616</u>	<u>104,255</u>
Financial liabilities				
Financial liabilities at amortised cost	19,678	31,831	3,962	2,126
Financial liabilities at FVTPL	4,466	-	-	-
Lease liabilities	5,759	3,224	-	-
	<u>29,903</u>	<u>35,055</u>	<u>3,962</u>	<u>2,126</u>

24(b). Financial assets at FVTPL

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

	Group	
	31 December 2023 (Unaudited) \$'000	31 December 2022 (Audited) \$'000
At the beginning of the year	2,662	3,029
Additions:		
- Cash	8,795	820
- Non-cash ⁽ⁱ⁾	155	397
Changes in fair value		
- Fair value loss	(126)	(145)
Gain (Loss) on derecognition	2,929	(200)
Settlement:		
- Cash	(11,899)	(9)
- Non-cash ⁽ⁱⁱ⁾	(1,795)	(972)
Exchange differences	(50)	(258)
At the end of the year	<u>671</u>	<u>2,662</u>

⁽ⁱ⁾ In 2023, an amount of \$155,000 due from an external party was converted into an investment in a film to be produced and distributed by the external party.

In 2022, an amount of \$397,000 due from an external party was converted into investments in films to be distributed by the external party.

⁽ⁱⁱ⁾ In 2023, the Group was entitled to proceeds of \$13,694,000 from completed films, out of which \$28,000 was converted into an investment in film to be produced and distributed by the external party. As at 31 December 2023, \$11,899,000 has been collected and the remaining amount of \$1,767,000 remained uncollected.

In 2022, the Group was entitled to proceeds of \$981,000 from completed film and concert investments, out of which \$972,000 remained uncollected as at 31 December 2022. In 2023, an amount of \$800,000 was collected and an amount of \$50,000 was converted into an investment in film to be produced and distributed by the external party. The remaining amount of \$122,000 remained uncollected.

The financial assets at FVTPL represent drama, film and concert investments advanced to external parties for the financing of production and marketing expenditures that are associated with specific drama, film and concert productions that the Group invested in.

At the reporting date, the fair value of investment is determined based on the estimation of box office revenue, fees from licensing rights and revenue from ticket sales and sponsorship revenue.

The fair value measurement is categorised in Level 3 of the fair value hierarchy.

24(c). Intangible assets

	Group				
	Film and drama adaptation licenses \$'000	Rights to the film set \$'000	Computer software \$'000	Software royalty \$'000	Total \$'000
<u>For the year ended</u>					
<u>31 December 2023 (Unaudited)</u>					
Cost:					
At 1 January 2023	146	3,582	119	80	3,927
Additions	-	16	-	67	83
Exchange difference	-	(172)	-	(4)	(176)
At 31 December 2023	<u>146</u>	<u>3,426</u>	<u>119</u>	<u>143</u>	<u>3,834</u>
Accumulated amortisation:					
At 1 January 2023	143	927	91	48	1,209
Amortisation charge	3	629	28	23	683
Exchange difference	-	(56)	-	(3)	(59)
At 31 December 2023	<u>146</u>	<u>1,500</u>	<u>119</u>	<u>68</u>	<u>1,833</u>
Accumulated impairment:					
At 1 January 2023	-	138	-	-	138
Impairment charge	-	15	-	-	15
Exchange differences	-	(8)	-	-	(8)
At 31 December 2023	<u>-</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>145</u>
Carrying amount:					
At 31 December 2023	<u>-</u>	<u>1,781</u>	<u>-</u>	<u>75</u>	<u>1,856</u>
At 31 December 2022	<u>3</u>	<u>2,517</u>	<u>28</u>	<u>32</u>	<u>2,580</u>

24(c). Intangible assets (Con't)

	Group				
	Film and drama adaptation licenses	Rights to the film set	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>For the six months ended 31 December 2023 (Unaudited)</u>					
Cost:					
At 1 July 2023	146	3,435	119	133	3,833
Additions	-	16	-	9	25
Exchange difference	-	(25)	-	1	(24)
At 31 December 2023	<u>146</u>	<u>3,426</u>	<u>119</u>	<u>143</u>	<u>3,834</u>
Accumulated amortisation:					
At 1 July 2023	146	1,199	111	60	1,516
Amortisation charge	-	310	8	9	327
Exchange difference	-	(9)	-	(1)	(10)
At 31 December 2023	<u>146</u>	<u>1,500</u>	<u>119</u>	<u>68</u>	<u>1,833</u>
Accumulated impairment:					
At 1 July 2023	-	131	-	-	131
Impairment charge	-	15	-	-	15
Exchange differences	-	(1)	-	-	(1)
At 31 December 2023	<u>-</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>145</u>
Carrying amount:					
At 31 December 2023	<u>-</u>	<u>1,781</u>	<u>-</u>	<u>75</u>	<u>1,856</u>
At 30 June 2023	<u>-</u>	<u>2,105</u>	<u>8</u>	<u>73</u>	<u>2,186</u>
	Group				
	Film and drama adaptation licenses	Rights to the film sets	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>For the year ended 31 December 2022 (Audited)</u>					
Cost:					
At 1 January 2022	146	2,330	119	88	2,683
Additions	-	1,493	-	-	1,493
Exchange difference	-	(241)	-	(8)	(249)
At 31 December 2022	<u>146</u>	<u>3,582</u>	<u>119</u>	<u>80</u>	<u>3,927</u>
Accumulated amortisation:					
At 1 January 2022	122	359	51	20	552
Amortisation charge	21	625	40	31	717
Exchange difference	-	(57)	-	(3)	(60)
At 31 December 2022	<u>143</u>	<u>927</u>	<u>91</u>	<u>48</u>	<u>1,209</u>
Accumulated impairment:					
At 1 January 2022	-	-	-	-	-
Impairment charge	-	143	-	-	143
Exchange difference	-	(5)	-	-	(5)
At 31 December 2022	<u>-</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>138</u>
Carrying amount:					
At 31 December 2022	<u>3</u>	<u>2,517</u>	<u>28</u>	<u>32</u>	<u>2,580</u>
At 31 December 2021	<u>24</u>	<u>1,971</u>	<u>68</u>	<u>68</u>	<u>2,131</u>

24(c). Intangible assets (Con't)

	Group				
	Film and drama adaptation licenses	Rights to the film set	Computer software	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>For the six months ended 31 December 2022 (Unaudited)</u>					
Cost:					
At 1 July 2022	146	3,753	119	85	4,103
Additions	-	(31)	-	-	(31)
Exchange difference	-	(140)	-	(5)	(145)
At 31 December 2022	<u>146</u>	<u>3,582</u>	<u>119</u>	<u>80</u>	<u>3,927</u>
Accumulated amortisation:					
At 1 July 2022	137	631	71	34	873
Amortisation charge	6	337	20	16	379
Exchange difference	-	(41)	-	(2)	(43)
At 31 December 2022	<u>143</u>	<u>927</u>	<u>91</u>	<u>48</u>	<u>1,209</u>
Accumulated impairment					
At 1 July 2022	-	-	-	-	-
Impairment charge	-	143	-	-	143
Exchange difference	-	(5)	-	-	(5)
At 31 December 2022	<u>-</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>138</u>
Carrying amount:					
At 31 December 2022	<u>3</u>	<u>2,517</u>	<u>28</u>	<u>32</u>	<u>2,580</u>
At 30 June 2022	<u>9</u>	<u>3,122</u>	<u>48</u>	<u>51</u>	<u>3,230</u>

24(c). Intangible assets (Con't)

In FY2023, there is nil (FY2022: \$16,000) amortisation expenses capitalised in the line item 'films and drama productions in progress' in the condensed consolidated statements of financial position as at 31 December 2023.

In 2H2023, there is nil (2H2022: \$4,000) amortisation expenses capitalised in the line item 'films and drama productions in progress' in statements of financial position as at 31 December 2023.

24(d). Goodwill and Goodwill impairment

	Group
	\$'000
<u>As at 31 December 2022 (audited) and 31 December 2023 (unaudited)</u>	
Cost	1,111
Accumulated impairment	-
Carrying amount	<u>1,111</u>

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the cash generating units ("CGUs") is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the future contract revenue, discount rate, EBITDA and terminal growth rate. Management estimates discount rate using pre-tax rate

that reflect current market assessment of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next 3 years and thereafter budget a perpetual growth of 1.00% (FY2022 : 1.00%). This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows is 14.3% (FY2022 : 14.3%).

As at 31 December 2023 and 31 December 2022, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

24(e). Plant and equipment

During FY2023, the Group acquired plant and equipment of cost amounting to \$1,114,000 (FY2022: \$1,579,000) and there was no disposal of plant and equipment in FY2023 (FY2022: \$8,000).

During 2H2023, the Group acquired plant and equipment of cost amounting to \$937,000 (2H2022: \$1,543,000) and there was no disposal of plant and equipment in 2H2023 (2H2022: \$8,000).

24(f). Right-of-use assets

During FY2023, the Group acquired right-of-use assets of net cost amounting to \$4,989,000 (FY2022: \$179,000) and there was no disposal of right-of-use assets in FY2023 (FY2022: \$80,000).

During 2H2023, the Group acquired right-of-use assets of cost amounting to \$1,367,000 (2H2022: \$131,000) and there was no disposal of right-of-use assets in 2H2023 (2H2022: \$80,000).

25. Taxation

	Group	
	For the year ended	
	31 December 2023 (Unaudited)	31 December 2022 (Audited)
	\$'000	\$'000
Tax (credit) expense comprises:		
Current tax:		
- Current year	561	151
- (Over) Underprovision of prior year tax	(93)	30
Deferred tax:		
- Current year	(1,571)	(864)
- Overprovision of prior year tax	(108)	(74)
Withholding tax	52	96
	<u>(1,159)</u>	<u>(661)</u>

	Group	
	For the six months ended	
	31 December 2023 (Unaudited)	31 December 2022 (Unaudited)
	\$'000	\$'000
Tax (credit) expense comprises:		
Current tax:		
- Current year	357	(75)
- (Over) Underprovision of prior year tax	(16)	17
Deferred tax		
- Current year	(1,457)	(449)
- Under (Over)provision of prior year tax	3	(84)
Withholding tax	3	96
	<u>(1,110)</u>	<u>(495)</u>

26. Other receivables

	Group		Company	
	For the year ended		For the year ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Other receivables (current portion):				
Outside parties*	3,639	1,580	-	-
Subsidiaries	-	-	9,280	7,832
Joint operator	652	-	-	-
Film investment funds advanced to outside parties**	1,371	1,247	-	-
Advances to staff	27	132	-	-
Advances to a third-party contractor	1,211	818	-	-
Director of a subsidiary	298	310	-	-
Refundable security deposits	590	163	-	-
Deposit paid for acquisition of shares in a subsidiary	918	-	-	-
Prepayments***	27,682	8,454	17	39
Interest receivables	72	138	-	-
Value-added tax receivable	869	880	22	-
Grant receivables	-	20	-	-
	<u>37,329</u>	<u>13,742</u>	<u>9,319</u>	<u>7,871</u>
Less: Loss allowance	(1,383)	-	-	-
	<u>35,946</u>	<u>13,742</u>	<u>9,319</u>	<u>7,871</u>
Other receivables (non-current portion):				
Refundable security deposits	73	104	-	-
Total	<u>36,019</u>	<u>13,846</u>	<u>9,319</u>	<u>7,871</u>

* These amounts are mainly in relation to final settlements from completed concert investments and advances paid to third-party production crews and staff in respect of the expenditure for various ongoing drama and film projects and concert production including but not limited to expenditure for food, accommodation, artiste fees, costumes, and props in accordance with the planned production schedule. Such advances paid to third-party production crews and staff are recoverable at the end of the production, after netting against actual expenditure and upon final settlement with the third-party production crews and staff.

** Film investment funds advanced to outside parties represented the financial instruments in two movie productions provided to third parties for the financing of production and marketing expenditures that are associated with the movies that the third party produces.

As at 31 December 2022, the film investment funds advanced to two investors for two drama and film productions were carried at amortised cost, bore interest at 15.0% - 16.0% and is repayable within 12 months. As at 31 December 2023, a credit loss allowance of approximately \$1.4 million was made by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

*** These amounts are paid in advance mainly in relation to (i) the collaboration fee and service fees paid to Al Nassr and third parties respectively for a soccer tournament titled "China Tournament January 2024". As at date of announcement, the soccer tournament on such scheduled dates, have been cancelled and the Group is in discussions with the relevant parties involved in the organisation of the soccer tournament including ongoing discussions with Al Nassr on the terms of a supplemental agreement to the Collaboration Agreement for the envisaged postponement of the soccer tournament to the second half of 2024; and (ii) preparation work for various ongoing and upcoming drama and film projects of the Group, including but not limited to the purchase and development of scripts, research and preparation of filming sites, costumes and props for such drama and film projects and concert production. Such amounts are paid in accordance with the contractual obligations and/or planned production schedule.

27. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.

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

Guo Jingyu
Executive Chairman and Group CEO
29 February 2024