



长信传媒

G.H.Y Culture & Media

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

(Company Registration No: 337751)

(Incorporated in the Cayman Islands on 29 May 2018)

Offering in respect of 21,696,000 Offering Shares comprising:

- (i) 18,696,000 shares in the Placement ("Placement Shares")**
- (ii) 3,000,000 shares in the Public Offer ("Public Offer Shares")**

payable in full on application

Offering Price of S\$0.66 per Offering Share



An entertainment business that focuses on the production and promotion of dramas, films and concerts in the Asia-Pacific region

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.

This is the initial public offering of the ordinary shares (the "Shares") of G.H.Y Culture & Media Holding Co., Limited (the "Company"), and together with our subsidiaries and PRC Affiliated Entities (as defined herein), the "Group". Our Company is issuing and making an offering of an aggregate of 21,696,000 Shares (the "Offering Shares") for subscription at the Offering Price (as defined herein) (the "Offering"). The Offering consists of (i) an international placement of 18,696,000 Offering Shares to investors, including institutional and other investors in Singapore (the "Placement"), and (ii) a public offer of 3,000,000 Offering Shares in Singapore (the "Public Offer"). The Offering Shares offered may be re-allocated between the Placement and the Public Offer, at the discretion of the Joint Underwriters and Bookrunners (as defined herein) in consultation with our Company, subject to any applicable law. See the section entitled "Plan of Distribution" of this Prospectus.

Concurrent with but separate from the Offering, each of Epical Entertainment Limited, Hong Kong Chixin Investment Co., Limited, ICH Capital Pte Ltd, IQIYI International Singapore Pte. Ltd., King Kong Media Production Pte. Ltd., Mr. Ron Sim Chye Hock, Qilin Asset Management Pte. Ltd., Songful Global Investment Ltd, V3 Brands Pte. Ltd. and Yinson Capital Pte Ltd (collectively, the "Cornerstone Investors") has entered into separate cornerstone agreements (collectively, the "Cornerstone Subscription Agreements"), with our Company to subscribe for, or our Company and the Vendors to subscribe for and purchase, at the Offering Price, an aggregate of 162,706,000 Shares at the Offering Price (the "Cornerstone Shares"), of which 141,166,000 Shares (the "New Cornerstone Shares") will be new Shares issued by our Company and 21,540,000 Shares (the "Vendor Cornerstone Shares") will be Shares sold by Taiho Holding Ltd and Mr. John Ho (collectively, the "Vendors") conditional upon the Underwriting Agreement (as defined herein) having been entered into and not having been terminated pursuant to its terms on or prior to the Listing Date (as defined herein).

DBS Bank Ltd. and UOB Kay Hian Private Limited are the joint issue managers and global coordinators for the Offering (the "Joint Issue Managers and Global Coordinators") and DBS Bank Ltd., UOB Kay Hian Private Limited and Bank of China Limited, Singapore Branch are the joint underwriters and bookrunners for the Offering (collectively, the "Joint Underwriters and Bookrunners").

Prior to the Offering, there has been no public market for our Shares. An application has been made to the SGX-ST for permission to list for quotation on the Main Board of the SGX-ST all of our issued Shares (including the Vendor Cornerstone Shares), the Offering Shares, the New Cornerstone Shares, the Award Shares and the Option Shares (each as defined herein) and our Company has received a letter of eligibility-to-list from the SGX-ST for permission to list all our issued Shares (including the Vendor Cornerstone Shares), the Offering Shares, the New Cornerstone Shares, the Award Shares and the Option Shares on the Main Board of the SGX-ST. Acceptance of applications for the Offering Shares will be conditional upon, among others, permission being granted by the SGX-ST to deal in and for quotation of all of our issued Shares (including the Vendor Cornerstone Shares), the Offering Shares, the New Cornerstone Shares, the Award Shares and the Option Shares on the Official List of the SGX-ST. Such permission will be granted when we have been admitted to the Official List of the SGX-ST. Monies paid in respect of any application accepted will be returned to each investor at his own risk, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners, if the Offering is not completed because this permission is not granted or for any other reason. The dealing in and quotation of our Shares will be in Singapore dollars. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports

contained in this Prospectus. Our eligibility-to-list and our admission to the Official List of the SGX-ST is not an indication of the merits of the Offering, our Company, our Group or our Shares (including the Offering Shares, the Cornerstone Shares, the Award Shares and the Option Shares).

Our Company, as a foreign investor under the current PRC regulatory regime, has (through our indirectly wholly-owned subsidiaries) entered into the Contractual Arrangements (as defined herein) in respect of our PRC Affiliated Entities, being Beijing Changxin, Beijing Yizhongdao, Tianjin Changxin and Tianjin Ruyang (each as defined herein), each of which holds the requisite permits for television program and film production and operation in the PRC. The Contractual Arrangements confer operational control and economic rights over our PRC Affiliated Entities to our Group, which allow our Group to exercise control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities. See the section entitled "Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities" of this Prospectus for further details of the Contractual Arrangements. See also the section entitled "Risk Factors – Risks Relating to our Corporate Structure" of this Prospectus for further details of the associated risks arising from the use of the Contractual Arrangements. Our PRC Affiliated Entities commenced operations in FY2019. In FY2019 and 6M2020, the total revenue derived from our PRC Affiliated Entities amounted to approximately S\$62.5 million and S\$7.9 million respectively, which comprised approximately 94.7% and 21.4% of the total revenue of our Group, respectively. To the best of our Board's (as defined herein) knowledge and belief, there are no available insurance policies to cover risks relating to the Contractual Arrangements and as such, we do not maintain any such insurance policy to cover the risks relating to the Contractual Arrangements.

Investing in our Shares involves certain risks. See "Risk Factors" beginning on page 20 of this Prospectus. As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.

The Offering Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and they may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, our Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S") or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

A copy of this Prospectus was lodged on 2 December 2020 with the Monetary Authority of Singapore (the "Authority") and registered by the Authority on 11 December 2020. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the "SFA"), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of our Shares being offered for investment.

No Shares will be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority. Prospective investors applying for Offering Shares by way of Application Forms or Electronic Applications in the Public Offer will pay the Offering Price on application, subject to the refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) where (i) an application is rejected or accepted in part only; or (ii) the Offering does not proceed for any reason.

Joint Issue Managers and Global Coordinators



Joint Underwriters and Bookrunners



ABOUT G.H.Y CULTURE & MEDIA

Our Group is an entertainment business that focuses on the production and promotion of dramas, films and concerts in the Asia-Pacific region.

Our Group has produced several dramas and films in the PRC, Singapore and Malaysia that have been broadcasted and/or distributed on major TV networks and leading video streaming platforms in the PRC. We have also undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Singapore, Malaysia and Australia. Our Group also provides talent management services and costumes, props and make-up services in the PRC and Singapore.

TV Program and Film Production

- Production and co-production of dramas and films for TV networks and video streaming platforms in the PRC
- Diversified online content product offerings with production of first online short drama series
- Established production teams of experienced directors, producers and scriptwriters in the PRC and Singapore

Concert Production

- Production of concerts for well-known international artistes in Singapore, with upcoming concerts in Singapore, Malaysia and Australia
- Granted the rights to undertake the production of concerts for Jay Chou (周杰伦) in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau) either on a long-term basis or without any expiry in time
- Established concert production teams based in the PRC and Singapore

Talent Management Services

- Provision of talent management services for actors and actresses who are primarily based, or whose projects and engagements are primarily based, in the PRC and/or Singapore

Costumes, Props and Make-up Services

- Provision of costumes, props and make-up services for artistes and third party production companies



郭靖宇
GUO JINGYU

Executive Chairman
and Group CEO

- Notable producer, director and scriptwriter in the PRC with more than 25 years of experience, and is known as the "King of Legendary Drama 传奇剧王"¹
- Chairman of the Youth Committee of China Television Drama Production Industry Association
中国电视剧制作产业协会青年工作委员会主任
- Produced and directed numerous highly successful dramas, including "The Hero During the Anti-Japanese War 打狗棍", "Brave Heart 勇敢的心", "The Legend of the Condor Heroes (2017) 射雕英雄传(2017版)", "Perfect Youth 最美的青春", "Handsome Siblings (2020) 绝代双骄(2020版)" and "The Little Nyonya 小娘惹"
- Accolades include:
 - Best Script for "Perfect Youth 最美的青春" in the "Five One Projects" category of the Organisational Work Award granted by the Beijing Municipal Committee 第十五届精神文明建设"五个一工程"优秀作品奖 in 2019
 - Golden Angel Award for Best Director of Chinese Television Series 中国电视剧最佳导演金天使奖 granted by the Chinese American Film Festival in 2014
 - Top 10 Most Influential Directors in the 10th National TV Film Industry 第十届全国电视剧片业十佳电视剧最具影响力导演 granted by the Chinese Radio and Television Association in 2014

¹ According to Frost & Sullivan



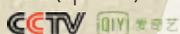
PAST PRODUCTIONS & RELEASES

UPCOMING PRODUCTIONS,



The Little Nyonya
小娘惹
(Drama)

Viewership ratings²:
- 1st (eps 18-45)
- 3rd (ep 1-17)



Dance of the Sky Empire
天舞纪
(Drama)



Perfect Village
最美的乡村
(Drama)

Viewership ratings²: 1st



Frontliners
最美逆行者
(Drama)

Average Viewership ratings³:
- 1st (eps 5-13)
- 2nd (eps 1-4)
- 3rd (ep 14)



Jay Chou 周杰伦
"Carnival" World Tour – Australia, Malaysia and Singapore
(Concert)



I Come From Beijing - Braised Goose in Iron Pan
我来自北京之铁锅炖大鹅
(Film Series)



I Come From Beijing - Helping Brothers
我来自北京之扶兄弟一把
(Film Series)



I Come From Beijing - Happy New Year
我来自北京之过年好
(Film Series)



I Come From Beijing - My Father
我来自北京之我爸是警察
(Film Series)



I Come From Beijing - Heavenly Blessings
我来自北京之福从天降
(Film Series)



I Come From Beijing - Tibetan Mani Stone
我来自北京之玛尼堆的秋天
(Film Series)



I Come From Beijing - The Rise of the Pear Village
我来自北京之按下葫芦起来梨
(Film Series)



Jay Chou 周杰伦
"Carnival" World Tour – Singapore
(Concert)

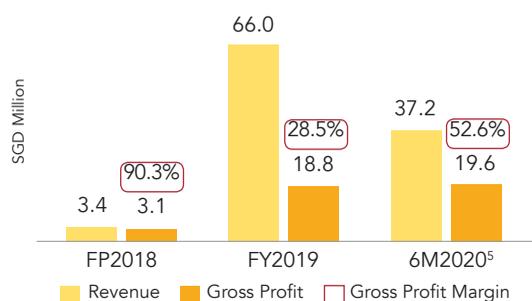


Li Ronghao 李荣浩
"If I Were Young" World Tour – Singapore
(Concert)

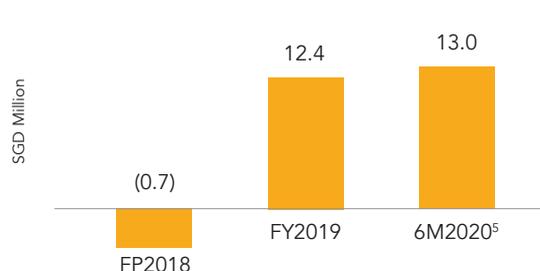
² Among all TV series broadcasted on TV channels during the same time slot when it was aired.
³ Among other TV series broadcasted during the same time slot.

FINANCIAL HIGHLIGHTS

Revenue, Gross Profit and Gross Profit Margin



Profit After Tax



⁵ "FP2018" refers to financial period from 22 March 2018 to 31 December 2018
"FY2019" refers to financial year from 1 January 2019 to 31 December 2019
"6M2020" refers to six-month financial period ended 30 June 2020

RELEASES & CONCERTS⁴



To Be With You
约定之青春永驻
(Drama)



Make a Wish
Miss Xianqi
仙琦小姐许愿吧
(Drama)



The Ferryman
- Legends of Nanyang
灵魂摆渡 - 南洋传说
(Drama)



Sisterhood
南洋女儿情
(Drama)



Horror Stories of Tang Dynasty
唐朝诡事录
(Drama)



Nanyang Transport Volunteers
南洋英雄泪
(Drama)



The 10th Regiment
第十团
(Drama)



Whimsical World
异想世界
(Drama)



Legend of the Sabre Master
天下刀宗
(Drama)



Perfect Promise
最美的诺言
(Drama)



The Hou Mansion
侯门
(Drama)



For the Motherland
隐藏的英雄
(Drama)



The Angry Ladies
女神饭店
(Drama)



The Truth of Marriage
结婚的理由
(Drama)



Sealing Knife
封刀
(Drama)



Age of Innocence
逆流纯真年代
(Drama)



Misty Rain - Dreams of Jiangnan
烟雨 - 梦过江南
(Drama)



Da Ming and the Maidservant
大明小婢
(Drama)



Contact Person
接头
(Drama)

⁴ May be subject to changes, including changes to the name of the drama or film, the number of episodes or films, the distributor and the expected production date and/or release date, depending on the production schedule of our Group and several other factors. These factors include, but are not limited to, changes in consumer preferences and market demand, release of dramas and films with similar names and/or genres, and our customers' requirements and specifications.



COMPETITIVE STRENGTHS

1. Ability to produce high-quality and well-received dramas and films underpinned by our strong and talented scriptwriting team and end-to-end production capabilities

- Commercial success of the dramas and films produced by our Group, which were well-received and garnered positive reception, high viewership ratings and strong public interest in the PRC
- Strong in-house script production team led by Mr Guo Jingyu (郭靖宇), and Mr Xiao Ji Xiang Tian (小吉祥天), who have written scripts for several award-winning dramas and films
- Curate script ideas and develop a repertoire of scripts for potential drama or film projects across varying genres
- Able to strategically generate and select scripts with themes and content that resonate with consumers and capture market demand
- Able to seamlessly combine scriptwriting and production capabilities to produce well-received dramas and films

2. Strong network of business relationships and lasting partnerships with distributors and other working partners in the media and entertainment industry

TV Networks and Video Streaming Platforms



No. 1 TV network in the PRC ⁶



Total PRC market share ⁷



51.7%

⁶ Source: Frost & Sullivan. Ranking among provincial satellite & non-satellite TV, municipal and other channels in the PRC

⁷ Source: Frost & Sullivan. Based on percentage of total market revenue in the PRC for video streaming platforms in 2019

Established a strong network of business relationships with key industry players:

- The licensing rights to our Group's dramas and films were typically purchased by working partners prior to commencement of production in the past
- Working partners have expressed agreements for the broadcast and/or release of the dramas and films currently in production

Production Partners



At least 2 drama or film projects to be co-produced in a three-year period from March 2020



"Perfect Village 最美的乡村"

"Dance of the Sky Empire 天舞纪"

"Make a Wish Miss Xianqi 仙琦小姐许愿吧" (upcoming)

"The 10th Regiment 第十团" (upcoming)

Co-production of dramas and films with working partners allows our Group to:

- Undertake more projects and further develop our Group's capabilities
- Further strengthen our Group's market position and gain access to new markets and audiences

3. The management bench strength is anchored by our Group's visionary founder and experienced key management, many of whom with experience and capabilities spanning the whole of our Group's business value chain

- Executive Chairman and Group CEO, Mr Guo Jingyu is a notable producer, director and scriptwriter in the PRC with over 25 years of experience
- Key management supported by Singapore and PRC production teams comprising industry veterans with unique knowledge and extensive expertise in the production of dramas and films

Capabilities across entire production value chain:

Talent Management Services	Costumes, Props and Makeup Services
✓ Pool of close to 50 artistes primarily based, or whose projects and engagements are primarily based, in the PRC and/or Singapore	✓ Exclusive agreement with Golden Horse Award-winning costumes designer, Mr Chen Minzheng
Production	Post-Production
✓ In-house production teams in Singapore and the PRC	✓ In-house editing team based in the PRC and special effects team based in Singapore

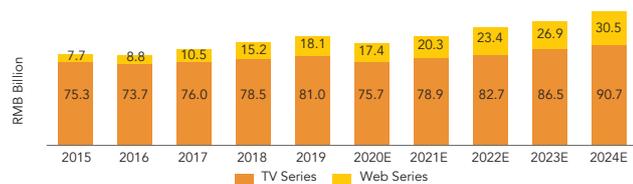
4. Growing portfolio of artistes contribute to the success of our concert production business

- Staged three successful concerts in Singapore since 2018, including sold-out concerts for popular and well-known Taiwanese singer-songwriter, Jay Chou (周杰伦)
- Secured rights to undertake concert productions for Jay Chou in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau) either on a long-term basis or without any expiry in time
- Upcoming concerts for Jay Chou in Singapore, Malaysia and Australia



MARKET PROSPECTS⁸

PRC Drama Series Market Size

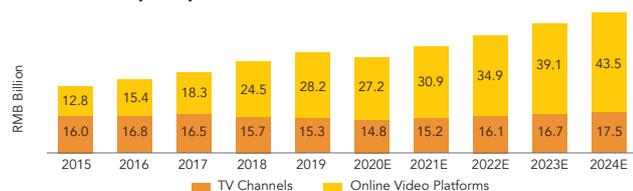


CAGR	2015-2019	2019-2024E
PRC TV Series Market	1.8%	2.3%
PRC Web Series Market	23.9%	11.1%

Demand drivers:

- Emergence of online video platforms along with the proliferation of the Internet effectively diversified the broadcasting channels for TV series
- Accelerated export of PRC drama series
- Accumulated experiences about content operation and audience analysis of Internet media allow production of quality dramas series to directly target audiences in order to satisfy their ever-changing preferences
- Apart from advertising income, Internet media companies are able to generate profit from subscription fees and on-demand cuts

TV Channels and Online Video Platforms on Drama Series Investment (PRC)

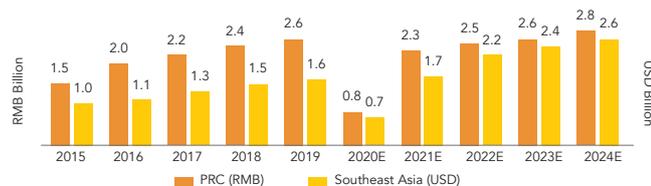


CAGR	2015-2019	2019-2024E
Online Video Platforms	21.8%	9.1%
TV Channels	-1.1%	2.8%

Growth drivers:

- Proliferation of Internet and development of mobile-related intelligent devices
- Increasing Internet penetration in the PRC
- Continuous innovation by introducing new initiatives (e.g. interactive dramas and vertical screen dramas)
- Shift in business models, and monetisation opportunities (e.g. membership and advertising services)
- Online video platforms have accumulated massive end-user data for analysis of viewership and audience preferences

PRC and Southeast Asia Concert Market Sizes



CAGR	2015-2019	2019-2024E
PRC Concert Market	14.6%	2.0%
Southeast Asia Concert Market	13.9%	10.1%

Demand drivers:

- Favourable PRC government policy aiming to stimulate recreation and culture sector
- Robust economic growth in Southeast Asia and rising disposable income in the PRC

BUSINESS STRATEGIES AND FUTURE PLANS

1. Expand our international reach and regional presence via entry into new markets

- Strengthen presence in the Asia-Pacific region by expanding foothold in Singapore
- Leverage on the connectivity of the PRC, Singapore and Malaysia, as well as the ASEAN region to showcase abilities

TV Program and Film Production Business

- Expand capacity to deliver quality entertainment content through our in-house script production team while remaining open to external opportunities and sources for scripts
- Increase collaboration between the PRC and Singapore production teams

Concert Production Business

- Undertake concert productions for artistes in Southeast Asia and the PRC
- Undertake concert productions for Jay Chou in Malaysia, Australia, Japan, Thailand and the PRC (excluding Hong Kong and Macau) in the future to establish a regional presence as a concert production company and attract international artistes to engage our Group

2. Leverage on technological advances to expand and diversify pipeline portfolio of entertainment content and products

- Capitalise on ability to keep up-to-date with technological developments and viewership trends to further strengthen online entertainment product offerings
- Leverage on business relationships with distributors to develop and promote new entertainment content, including interactive content and multi-level entertainment products such as comic adaptations and animation works

3. Create synergies across the TV program and film production, concert production and talent management services business segments

- Our Group's business network and presence across various segments of media and entertainment industry allows creation of synergies across our Group's business segments
- Capitalise on the commercial success of our Group's productions to produce other events such as stage plays and musicals
- Innovate and develop entertainment contents and products in new areas, such as interactive dramas and films, music events and performances, arts and culture initiatives, and gaming concepts

4. Nurture future talents and bolster local talent pool

- Support initiatives that encourage future talents to develop and hone their directing, scriptwriting and producing skills
- Provide aspirants with relevant support and training, and to create opportunities for collaboration or to join our production teams in the future

HOW TO APPLY

Applications for the **Public Offer Shares** can be made through:

- ATMs and Internet Banking websites of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited;
- Mobile banking interface of DBS Bank Ltd.; or
- The Printed WHITE Application Form, which forms part of this Prospectus.

Applications for the **Placement Shares** can be made through the printed BLUE Application Form, which forms part of this Prospectus.

IMPORTANT DATES

Opening date and time for the Public Offer
11 December at 9.00 p.m.

Closing date and time for the Public Offer
16 December at 12.00 noon

Commence trading on a "ready" basis
18 December at 9.00 a.m.

TABLE OF CONTENTS

NOTICE TO INVESTORS	iii
CORPORATE INFORMATION	xi
DEFINED TERMS AND ABBREVIATIONS	xv
SUMMARY	1
SUMMARY OF THE OFFERING	13
INDICATIVE TIMETABLE	18
RISK FACTORS	20
USE OF PROCEEDS	73
DIVIDENDS	77
CAPITALISATION AND INDEBTEDNESS	79
DILUTION	83
EXCHANGE CONTROLS	86
SELECTED AUDITED COMBINED FINANCIAL INFORMATION	88
SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION	93
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	96
CORPORATE STRUCTURE AND OWNERSHIP	130
HISTORY AND BUSINESS	162
MANAGEMENT AND CORPORATE GOVERNANCE	218
GHY SHARE INCENTIVE SCHEMES	244
SHARE CAPITAL AND SHAREHOLDERS	260
INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST	270
REGULATIONS	314
TAXATION	336
PLAN OF DISTRIBUTION	341
CLEARANCE AND SETTLEMENT	354

LEGAL MATTERS	356
INDEPENDENT AUDITOR	357
EXPERTS	358
GENERAL INFORMATION	359
APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020	A-1
APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020	B-1
APPENDIX C – DESCRIPTION OF OUR SHARES	C-1
APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE CAYMAN ISLANDS COMPANIES LAW AND THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY	D-1
APPENDIX E – COMPARISON OF SELECTED SINGAPORE CORPORATE LAW AND CAYMAN ISLANDS CORPORATE LAW PROVISIONS	E-1
APPENDIX F – OPINION OF THE INDEPENDENT FINANCIAL ADVISER	F-1
APPENDIX G – LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS	G-1
APPENDIX H – RULES OF THE GHY PERFORMANCE SHARE PLAN	H-1
APPENDIX I – RULES OF THE GHY EMPLOYEE SHARE OPTION SCHEME	I-1
APPENDIX J – INDUSTRY REPORT	J-1
APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE OFFERING SHARES IN SINGAPORE	K-1

NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of us, the Vendors, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners. Neither the delivery of this Prospectus nor any offer, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in our affairs, condition and prospects or our Shares since the date hereof. In the event that any changes occur, where such changes are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, or if we otherwise determine, we will make an announcement of the same to the SGX-ST and, if required, issue and lodge an amendment to this Prospectus or a supplementary document or replacement document pursuant to Section 240 or, as the case may be, Section 241 of the SFA and take immediate steps to comply with the said sections. Investors should take notice of such announcements and documents and upon release of such announcements or documents shall be deemed to have notice of such changes.

None of us, the Vendors, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners or any of our or their affiliates, directors, officers, employees, agents, representatives or advisers are making any representation or undertaking to any investors in our Shares regarding the legality of an investment by such investor under appropriate investment or similar laws. In addition, investors in our Shares should not construe the contents of this Prospectus or its appendices as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in our Shares for an indefinite period of time. Investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in our Shares.

Nothing in this Prospectus constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. Our Shares have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States and accordingly, they may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, our Shares are only being offered and sold outside the United States in offshore transactions as defined in, and in reliance on, Regulation S or pursuant to another exemption. For further details about restrictions on offers, sales and transfers of our Shares, see the section entitled "Plan of Distribution" of this Prospectus.

By applying for the Offering Shares on the terms and subject to the conditions in this Prospectus, each investor in the Offering Shares represents and warrants that, except as otherwise disclosed to the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners in writing, he is not (i) a Director (as defined herein) or Substantial Shareholder (as defined herein) of our Company; (ii) an Associate (as defined herein) of any of the persons mentioned in (i); or (iii) a connected client of the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners, or lead broker or distributor of the Offering Shares.

We are subject to the provisions of the SFA and the Listing Manual of the SGX-ST ("**Listing Manual**") regarding the contents of this Prospectus. In particular, if after this Prospectus is registered by the Authority but before the close of the Offering, we become aware of:

- (a) a false or misleading statement in this Prospectus;

- (b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority which would have been required by Section 243 of the SFA to be included in this Prospectus if it had arisen before this Prospectus was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement document with the Authority pursuant to Section 241 of the SFA.

Where applications have been made under this Prospectus to subscribe for the Offering Shares prior to the lodgement of the supplementary or replacement document and the Offering Shares have not been issued and/or transferred to the applicants, we shall either:

- (a) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period of time the supplementary or replacement document, as the case may be, to the applicants if they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement document;
- (b) within seven days from the date of lodgement of the supplementary or replacement document, provide the applicants with a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to withdraw their applications; or
- (c) treat the applications as withdrawn and cancelled and return all monies paid in respect of any applications received (without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk and without any right or claim against us, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) to the applicants within seven days from the date of lodgement of the supplementary or replacement document.

Any applicant who wishes to exercise his option to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement document, notify us, whereupon we shall, subject to compliance with the Cayman Islands Companies Law and our Articles of Association, within seven days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners.

Where applications have been made under this Prospectus to subscribe for the Offering Shares prior to the lodgement of the supplementary or replacement document and the Offering Shares have been issued to the applicants, we shall either:

- (a) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement document give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to return to us those Offering Shares which they do not wish to retain title in and take all reasonable steps to make available within a reasonable period of time the supplementary or replacement document, as the case may be, to the applicants if they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement document;

- (b) within seven days from the date of lodgement of the supplementary or replacement document, provide the applicants with a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to return to us those Offering Shares that the applicants do not wish to retain title in; or
- (c) subject to compliance with the Cayman Islands Companies Law and our Articles of Association, we shall buy back those Offering Shares at the Offering Price and cancel such Shares upon repurchase, as the issue of those Offering Shares is required by the SFA to be treated as void, within seven days from the date of lodgement of the supplementary or replacement document. Information relating to the purchase of our Shares by our Company is set out in the sections entitled “Appendix C – Description of our Shares – Purchase by our Company of our own Shares” and “Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company” to this Prospectus.

Any applicant who wishes to exercise his option to return the Offering Shares issued to him under sub-paragraph (a) and (b) in the preceding paragraph shall, within 14 days from the date of lodgement of the supplementary or replacement document, notify us and return all documents, if any, purporting to be evidence of title of those Offering Shares to us, and agree for us to purchase his Offering Shares at the Offering Price, whereupon we shall, subject to compliance with the Cayman Islands Companies Law and our Articles of Association, within seven days from the receipt of such notification and documents, purchase the applicant’s Offering Shares at the Offering Price and pay to him the application monies paid by him for those Offering Shares (without interest or any share of revenue or other benefit arising therefrom at the applicant’s own risk and without any right or claim against us, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners). Information relating to the purchase of our Shares by our Company is set out in the sections entitled “Appendix C – Description of our Shares – Purchase by our Company of our own Shares” and “Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company” to this Prospectus.

Under the SFA, the Authority may in certain circumstances issue a stop order (the “**Stop Order**”) to us, directing that no Offering Shares or no further Offering Shares be allotted, issued or sold. Such circumstances will include a situation where this Prospectus (i) contains a statement which, in the opinion of the Authority, is false or misleading; (ii) omits any information that is required to be included in accordance with the SFA; or (iii) does not, in the opinion of the Authority, comply with the requirements of the SFA.

Where the Authority issues a Stop Order pursuant to Section 242 of the SFA:

- (a) in the case where the Offering Shares have not been issued to the applicants, the applications for the Offering Shares pursuant to the Offering shall be deemed to have been withdrawn and cancelled, and we shall, within 14 days from the date of the Stop Order, return to the applicants all monies paid by them on account of their applications for the Offering Shares; or
- (b) in the case where the Offering Shares have been issued to the applicants and the issue of the Offering Shares shall be deemed to be void, we shall, subject to compliance with the Cayman Islands Companies Law and our Articles of Association, within seven days from the date of the Stop Order, purchase the applicants’ Offering Shares at the Offering Price and pay the applicants all monies paid by them on account of their applications for the Offering Shares.

If we are required by applicable Singapore laws to cancel issued Offering Shares and repay application monies to applicants (including instances where a Stop Order is issued), subject to compliance with the Cayman Islands Companies Law and our Articles of Association, our Company will purchase Offering Shares at the Offering Price. Information relating to the purchase

of our Shares by our Company is set out in the sections entitled “Appendix C – Description of our Shares – Purchase by our Company of our own Shares” and “Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company” to this Prospectus.

Where monies paid in respect of applications received or accepted are to be returned to the applicants, such monies will be returned at the applicants’ own risk (without interest or any share of revenue or other benefit arising therefrom, and the applicants will not have any claim against us, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners).

The distribution of this Prospectus and the offer, subscription, purchase, sale or transfer of our Shares may be restricted by law in certain jurisdictions. We, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners require persons into whose possession this Prospectus comes, to inform themselves about and to observe any such restrictions at their own expense and without liability to us, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners. This Prospectus does not constitute or form part of an offer or sale of, or a solicitation or invitation of any offer to purchase or to subscribe for, any of our Shares in any jurisdiction in which such offer, sale, solicitation or invitation would be unlawful or unauthorised, nor does it constitute an offer or sale, or a solicitation or invitation to purchase or subscribe for, any of our Shares to any person whom it is unlawful to make such offer, sale, solicitation or invitation. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

We are entitled to withdraw the Offering at any time before closing, subject to compliance with certain conditions set out in the Underwriting Agreement. We are making the Offering subject to the terms described in this Prospectus and the Underwriting Agreement.

Notification under Section 309B of the SFA: Our Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Copies of this Prospectus, the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

DBS Bank Ltd.
12 Marina Boulevard, Level 3
Marina Bay Financial Centre
Tower 3,
Singapore 018982

UOB Kay Hian Private Limited
8 Anthony Road, #01-01,
Singapore 229957

**Bank of China Limited,
Singapore Branch**
4 Battery Road
Bank of China Building,
Singapore 049908

and where applicable, members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST’s website at <http://www.sgx.com> and the MAS’ OPERA website at <https://eservices.mas.gov.sg/opera>.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute “forward-looking statements”. All statements other than statements of historical facts included in this Prospectus, including those regarding future financial position and results, business strategy, plans and objectives of management for future operations (including development plans and dividends) and statements on future industry growth are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as “may”, “will”, “could”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “seek”, “estimate”, “project” and similar terms and phrases. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements, to be materially different from any future performance or achievements expressed or implied by these forward-looking statements.

These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Because these statements reflect our current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You should not place any undue reliance on these forward-looking statements.

The important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information include, but are not limited to:

- the unpredictability of the commercial success of our Group’s dramas, films and/or concerts with certainty;
- our dependency on third party TV networks and video streaming platforms for the broadcast and/or distribution of our dramas and films;
- any inability to realise expected benefits from informal arrangements with a distributor for the broadcast and/or distribution of our dramas and films;
- the laws and regulations relating to distribution and censorship;
- any delays and cost overruns which may adversely affect our TV program and film production;
- the impact of the recent global pandemic outbreak of COVID-19 (as defined herein) on our business and operations;
- our lack of long-term financing arrangements for the production of our drama and film projects;
- any difficulties in our collaborations with our working partners for the co-production of our drama and film projects;
- our reliance on the services of certain suppliers and subcontractors;
- our exposure to concentration risk of reliance on our major customers;
- our dependence on relationships with key agents, managers and artistes for our concert production business and talent management services business;

- any cancellation or postponement of scheduled concerts and/or if the ticketing agents engaged by our Group declare bankruptcy or become subject to dissolution or liquidation proceedings;
- any failure to lease concert venues on favourable commercial terms; and
- other factors beyond our control.

See also the sections entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” and “Risk Factors – Risks Relating to our Corporate Structure” of this Prospectus for further details of the Contractual Arrangements and the associated risks.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections entitled “Risk Factors”, “Dividends” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Prospectus.

Because of these factors, we caution you not to place undue reliance on any of our forward-looking statements. Any forward-looking statements we make represent our judgment on the dates which such statements are made. New risks and uncertainties arise from time to time and it is impossible for us to predict these events or how these events may affect us. Save as required by all applicable laws of applicable jurisdictions, including the SFA and/or rules of the SGX-ST, we assume no obligation to update any information contained in this Prospectus or to publicly release the results of any revisions to any forward-looking statements to reflect events or circumstances that occur, or that we become aware of, after the date of this Prospectus.

ENFORCEABILITY OF CIVIL LIABILITIES

We are an exempted company incorporated with limited liability under the laws of the Cayman Islands in the Cayman Islands. Several of our Directors and one of our Executive Officers reside in the PRC. A substantial portion of our assets are located in the PRC. Substantially all of the assets of our Directors and Executive Officers who are resident in the PRC are located in the PRC. As a result, it may be difficult for investors to effect service of process upon such persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. See the section entitled “Risk Factors – Risks Relating to the PRC – It may be difficult to effect service of process on our Directors or Executive Officers who reside in the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts” of this Prospectus for further details.

PRESENTATION OF FINANCIAL AND STATISTICAL INFORMATION

This Prospectus contains the audited combined financial statements of our Group for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and six months period ended 30 June 2020, together with the related notes thereto (the “**Audited Combined Financial Statements**”), which have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”). This Prospectus also contains the unaudited pro forma combined financial information for the financial year ended 31 December 2019 and the six months period ended 30 June 2020 of our Group, together with the related notes thereto. The SFRS(I)s differ in certain respects from generally accepted accounting principles in certain other countries, including the United States.

This Prospectus also contains the interim financial statements for the six months period ended 30 June 2019, which are included as comparative figures in the Audited Combined Financial Statements, and were reviewed in accordance with the Singapore Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

The preparation of the Audited Combined Financial Statements in conformity with the SFRS(I)s at times requires our management to make subjective estimates and judgments regarding matters that are inherently uncertain. Such estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and judgments affect reported amounts and disclosures. Our results of operations may differ if prepared under different estimates and judgments.

We will, in accordance with the relevant laws and regulations in Singapore and the Cayman Islands, prepare all future periodic financial reports which we will release on SGXNET, and all audited financial statements which we will provide to our Shareholders, in accordance with the SFRS(I)s.

Certain numerical figures set out in this Prospectus, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this Prospectus may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Prospectus have been calculated using the numerical data in our combined financial statements or the tabular presentation of other data (subject to rounding) contained in this Prospectus, as applicable, and not using the numerical data in the narrative description thereof.

MARKET AND INDUSTRY INFORMATION

Market data used in this Prospectus under the sections “Summary”, “Risk Factors” and “History and Business” have been extracted from official and industry sources and other sources we believe to be reliable.

Sources of these data, statistics and information include information provided by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. (the “**Industry Consultant**”). We commissioned the Industry Consultant to prepare an independent market research report on the video content market and the concert market in the PRC, Singapore and Malaysia for inclusion in this Prospectus.

The Industry Consultant is an independent global consulting firm that offers industry research and market strategies and provides growth consulting and corporate training. Its industry coverage includes automotive and transportation, chemicals, materials and food, commercial aviation, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecommunications. The Industry Consultant (and any of its directors, officers, employees or affiliates) may, to the extent permitted by law, own or have a position in the securities of (or options, warrants or rights with respect to, or interest in, our Shares or other securities of) our Company.

The Industry Consultant is aware of, and has consented to, the inclusion of its name and report in this Prospectus. The data, statistics and information under the sections “Summary”, “Risk Factors” and “History and Business” have been accurately reproduced, and as far as we are aware and are able to ascertain from information published or provided by the Industry Consultant, no facts have been omitted that would render the reproduced information, data and statistics inaccurate or misleading.

Reports, industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While we, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, we, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, or any of our or their respective officers, agents, employees and advisers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein and none of us, the Vendors, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners, or any of our or their respective officers, agents, employees and advisers makes any representation as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

CORPORATE INFORMATION

Company	G.H.Y Culture & Media Holding Co., Limited
Directors	Mr. Guo Jingyu (郭靖宇) (Executive Chairman and Group CEO) Ms. Yue Lina (岳丽娜) (Executive Director) Ms. Wang Qing (王清) (Executive Director) Mr. Yang Jun Rong (杨峻荣) (Non-Executive Director) Mr. Yeo Guat Kwang (Lead Independent Director) Mr. Ang Chun Giap (Independent Director) Mr. Sng Peng Chye (Independent Director) Mr. Chen Mingyu (陈明宇) (Independent Director) Dr. Jiang Minghua (江明华) (Independent Director)
Company Secretary⁽¹⁾	Ms. Yeoh Kar Choo Sharon, ACS, ACG (Member of Chartered Secretaries Institute of Singapore) (Member of the Chartered Governance Institute, Singapore Division)
Company Registration Number	337751
Registered Office	The offices of Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands
Principal Place of Business	988 Toa Payoh North #07-08 Singapore 319002 “East One”, “East Three”, “West Three” office areas 2nd floor, Building 310 (Building 8 of Perfect World Building) No. 86 Beiyuan Road, Chaoyang District Beijing, People’s Republic of China

Note:

- (1) As at the date of this Prospectus, Conyers Trust Company (Cayman) Limited is the Joint Company Secretary and will resign and be appointed Assistant Secretary of our Company upon the Listing.

Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners

DBS Bank Ltd.
12 Marina Boulevard, Level 46
Marina Bay Financial Centre Tower 3
Singapore 018982

UOB Kay Hian Private Limited
8 Anthony Road, #01-01
Singapore 229957

Joint Underwriter and Bookrunner

Bank of China Limited, Singapore Branch
4 Battery Road
Bank of China Building, Level 21
Singapore 049908

Vendors

Taiho Holding Ltd
Sertus Chambers, P.O. Box 905
Quastisky Building, Road Town, Tortola,
British Virgin Islands

John Ho
988 Toa Payoh North
#07-08, Singapore 319002

Legal Adviser to our Company and the Vendors as to Singapore Law

Rajah & Tann Singapore LLP
9 Straits View #06-07
Marina One West Tower
Singapore 018937

Legal Adviser to our Company as to Cayman Islands Law

Conyers Dill & Pearman Pte. Ltd.
9 Battery Road
#20-01, MYP Centre
Singapore 049910

Legal Adviser to our Company as to PRC Law

Commerce & Finance Law Offices
6/F, NCI Tower
A12 Jianguomenwai Avenue
Chaoyang District, Beijing 100020
People's Republic of China

Legal Adviser to our Company as to Malaysia Law

Christopher & Lee Ong
Level 22 Axiata Tower
No. 9 Jalan Stesen Sentral 5
Kuala Lumpur Sentral 50470
Malaysia

Legal Adviser to our Company as to Australia Law

King & Wood Mallesons
Level 30, QV1 Building
250 St Georges Terrace
Perth WA 6000
Australia

Legal Adviser to our Company as to Hong Kong Law	Deacons 5th Floor, Alexandra House 18 Chater Road Central, Hong Kong
Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to Singapore Law	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law	JunHe LLP 20/F, China Resources Building 8 Jianguomenbei Avenue Beijing 100005 People's Republic of China
Independent Auditor and Reporting Accountant	Deloitte & Touche LLP 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809 Partner-in-charge: Mr. Loi Chee Keong (Member of the Institute of Singapore Chartered Accountants)
Industry Consultant	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. Room 1018, Tower B, No. 500 Yunjin Road, Xuhui District, Shanghai People's Republic of China
Independent Financial Adviser	SAC Capital Private Limited 1 Robinson Road #21-00 AIA Tower Singapore 048542
Independent Tax Adviser	Deloitte & Touche LLP 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809
Principal Bankers	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624 China Merchants Bank No. A1, Yard 15 Nanhu South Road Chaoyang District, Beijing People's Republic of China

Receiving Bank

DBS Bank Ltd.
12 Marina Boulevard, Level 46
Marina Bay Financial Centre Tower 3
Singapore 018982

Share Registrar and Share Transfer Agent

Boardroom Corporate & Advisory
Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

DEFINED TERMS AND ABBREVIATIONS

This glossary contains a list of abbreviations of our subsidiaries and PRC Affiliated Entities and explanations and definitions of certain terms used in this Prospectus in connection with our business. The terms and their assigned meaning may not correspond to standard industry or common meaning or usage of these terms.

Subsidiaries and PRC Affiliated Entities

“Beijing Changxin”	:	Beijing Changxin Film & Media Co., Ltd. (北京长信影视传媒有限公司), a company incorporated on 22 August 2018 under the laws of the PRC, an indirect associated company of our Company
“Beijing Xinyuan”	:	Beijing Xinyuan Culture & Broadcast Co., Ltd. (北京信远文化传播有限公司), a company incorporated on 28 August 2020 under the laws of the PRC, an indirect wholly-owned subsidiary of our Company
“Beijing Yizhongdao”	:	Beijing Yizhongdao Film & Media Co., Ltd. (北京易中道影视传媒有限公司), a company incorporated on 19 April 2019 under the laws of the PRC, an indirect associated company of our Company
“BJHJHL”	:	BJHJHL Limited, a company incorporated on 26 June 2020 under the laws of Hong Kong, a direct wholly-owned subsidiary of our Company
“GHY Australia”	:	G.H.Y Culture & Media (Australia) Pty Ltd, a company incorporated on 20 July 2018 under the laws of Australia with limited liability, an indirect wholly-owned subsidiary of our Company
“GHY Hong Kong”	:	G.Yue Culture and Media Limited, a company incorporated on 30 August 2018 under the laws of Hong Kong with limited liability, a direct wholly-owned subsidiary of our Company
“GHY Malaysia”	:	GHY Culture & Media (Malaysia) Sdn Bhd, a company incorporated on 6 September 2017 under the laws of Malaysia with limited liability, an indirect wholly-owned subsidiary of our Company
“GHY Singapore”	:	G.H.Y Culture & Media (Singapore) Pte. Ltd., a company incorporated on 4 May 2017 under the laws of Singapore with limited liability, a direct wholly-owned subsidiary of our Company
“GHY WFOEs”	:	Tianjin Xinyuan and Beijing Xinyuan, and each a “GHY WFOE”

“Huahuo Entertainment”	:	Huahuo Entertainment (Tianjin) Culture & Management Co., Ltd. (花火乐娱(天津)文化经纪有限公司), a company incorporated on 19 April 2019 under the laws of the PRC, an indirect wholly-owned subsidiary of our Company
“PRC Affiliated Entities”	:	Beijing Changxin, Beijing Yizhongdao, Tianjin Changxin and Tianjin Ruyang, and each a “PRC Affiliated Entity”
“Tianjin Changxin”	:	Tianjin Changxin Film & Media Co., Ltd. (天津长信影视传媒有限公司), a company incorporated on 22 March 2018 under the laws of the PRC, an indirect associated company of our Company
“Tianjin Ruyang”	:	Tianjin Ruyang Film & Media Co., Ltd. (天津如阳影视传媒有限公司), a company incorporated on 29 July 2019 under the laws of the PRC, an indirect associated company of our Company
“Tianjin Xinhe”	:	Tianjin Xinhe Culture & Broadcast Co., Ltd. (天津信和文化传播有限公司), a company incorporated on 27 March 2019 under the laws of the PRC, an indirect wholly-owned subsidiary of our Company
“Tianjin Xinyuan”	:	Tianjin Xinyuan Culture & Broadcast Co., Ltd. (天津信远文化传播有限公司), a company incorporated on 9 April 2020 under the laws of the PRC, an indirect wholly-owned subsidiary of our Company
“Tianjin Zhengzai”	:	Tianjin Zhengzai Vision Co., Ltd. (天津正在视觉有限公司), a company incorporated on 19 April 2019 under the laws of the PRC, an indirect wholly-owned subsidiary of our Company

Other Companies, Organisations and Agencies

“Authority”	:	The Monetary Authority of Singapore
“CCTV”	:	China Central Television (中国中央电视台)
“CDP”	:	The Central Depository (Pte) Limited
“Eastern Eagle”	:	Eastern Eagle Investment Co., Ltd., which is an Associate of Mr. Yang Jun Rong, our Non-Executive Director
“Envision Productions”	:	Envision Productions (M) Sdn Bhd
“FINAS”	:	National Film Development Corporation Malaysia
“iQIYI”	:	iQIYI Inc. (爱奇艺), a company listed on the NASDAQ Global Select Market, and its subsidiaries and associated companies

“JVR Music”	:	JVR Music International Ltd., which is an Associate of Mr. Yang Jun Rong, our Non-Executive Director
“Mediacorp”	:	Mediacorp TV Singapore Pte. Ltd. and its subsidiaries and associated companies
“MOFCOM”	:	Ministry of Commerce of the PRC (中华人民共和国商务部)
“NDRC”	:	National Development and Reform Commission of the PRC (中华人民共和国国家发展和改革委员会)
“NPC”	:	The National People’s Congress of the PRC (全国人民代表大会)
“Perfect World”	:	Perfect World Co., Ltd. (完美世界股份有限公司), a company listed on the Shenzhen Stock Exchange, and its subsidiaries and associated companies
“SAFE”	:	State Administration of Foreign Exchange (国家外汇管理局)
“SAT”	:	State Administration of Taxation (国家税务总局)
“PBOC”	:	The People’s Bank of China (中国人民银行)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“State Council”	:	State Council of the PRC (国务院)
“Sure Legend”	:	Sure Legend International Limited, which is an Associate of Mr. Yang Jun Rong, our Non-Executive Director
“YOUKU”	:	Youku Tudou Inc. (优酷土豆股份有限公司), a subsidiary of Alibaba Group Holding Limited
General		
“1Q”	:	The three-month financial period ended or ending 31 March
“2H2020”	:	The six-month financial period ending 31 December 2020
“2Q”	:	The three-month financial period ended or ending 30 June
“3Q”	:	The three-month financial period ended or ending 30 September
“4Q”	:	The three-month financial period ended or ending 31 December
“6M2019”	:	The six-month financial period ended 30 June 2019
“6M2020”	:	The six-month financial period ended 30 June 2020

“Application Forms”	:	The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus
“Application List”	:	The list of applications for subscription for the Offering Shares
“Articles of Association”	:	The articles of association of our Company, as amended from time to time
“Award Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of the share awards under the GHY Performance Share Plan
“Associate”	:	<p>(a) In relation to any Director, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <p>(i) his immediate family;</p> <p>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or</p> <p>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and</p> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more</p>
“ATM”	:	Automated teller machine of a Participating Bank
“Audit and Risk Management Committee”	:	The audit and risk management committee of our Company
“Board”	:	The board of Directors of our Company
“CAGR”	:	Compound annual growth rate
“Cayman Islands Companies Law”	:	Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time. Pursuant to the Citation of Acts of Parliament Act, 2020 of the Cayman Islands, the Companies Law is now known as the Companies Act
“CEO”	:	Chief Executive Officer
“CFO”	:	Chief Financial Officer

“Code of Corporate Governance”	:	Code of Corporate Governance 2018
“Commercial Performance Regulations”	:	Commercial Performances Regulations (营业性演出管理条例), as amended, supplemented or otherwise modified from time to time
“Company”	:	G.H.Y Culture & Media Holding Co., Limited
“Concert Management”	:	The business of managing the concert production by (a) appointing sub-agents and/or collaborating with third party concert hosting companies or organisers who will undertake the execution of the other aspects of the concert production; and (b) conducting ancillary services such as marketing, publicity and logistics services in connection with the concert
“Concert Organisation”	:	The business of managing and executing the concert production, including obtaining the relevant licences and/or permits for the holding of concerts, booking of concert venues, coordinating ticket sales, production and engineering of stage design, lighting, sound and technical effects, concert merchandise, logistics, security arrangements and music recording
“Contractual Arrangements”	:	<p>The following agreements entered into between our GHY WFOEs, the Individual Shareholders and/or our PRC Affiliated Entities pursuant to which our Group is conferred operational control and economic rights over our PRC Affiliated Entities which allow our Group to exercise control over each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities:</p> <p>(a) the exclusive business cooperation agreement dated 1 November 2020 entered into by Tianjin Xinyuan, Tianjin Changxin, Tianjin Ruyang and the Individual Shareholders;</p> <p>(b) the exclusive business cooperation agreement dated 1 November 2020 entered into by Beijing Xinyuan, Beijing Changxin, Beijing Yizhongdao, Tianjin Changxin and the Individual Shareholders;</p> <p>(the agreements referred to at (a) and (b) being the “Exclusive Business Cooperation Agreements” and each an “Exclusive Business Cooperation Agreement”)</p>

(c) the agreement on exclusive purchasing power dated 1 November 2020 entered into by Tianjin Xinyuan, Tianjin Changxin, Tianjin Ruyang and the Individual Shareholders;

(d) the agreement on exclusive purchasing power dated 1 November 2020 entered into by Beijing Xinyuan, Beijing Changxin, Beijing Yizhongdao, Tianjin Changxin and the Individual Shareholders;

(the agreements referred to at (c) and (d) being the “Agreements on Exclusive Purchasing Power”, and each an “Agreement on Exclusive Purchasing Power”)

(e) the equity pledge agreement dated 1 November 2020 entered into by Tianjin Xinyuan, Tianjin Changxin and the Individual Shareholders;

(f) the equity pledge agreement dated 1 November 2020 entered into by Beijing Xinyuan, Beijing Changxin, Tianjin Changxin and the Individual Shareholders;

(g) the equity pledge agreement dated 1 November 2020 entered into by Beijing Xinyuan, Beijing Yizhongdao, Tianjin Changxin and the Individual Shareholders;

(the agreements referred to at (e), (f) and (g) being the “Equity Pledge Agreements”, and each an “Equity Pledge Agreement”)

(h) the power of attorney dated 1 November 2020 granted by Mr. Guo Jingyu, as an Individual Shareholder, in respect of his shareholder rights in Tianjin Changxin;

(i) the power of attorney dated 1 November 2020 granted by Mr. Xue Xin, as an Individual Shareholder, in respect of his shareholder rights in Tianjin Changxin;

(j) the power of attorney dated 1 November 2020 granted by Tianjin Changxin, in respect of its shareholder rights in Tianjin Ruyang;

(k) the power of attorney dated 1 November 2020 granted by Tianjin Changxin, in respect of its shareholder rights in Beijing Changxin; and

(l) the power of attorney dated 1 November 2020 granted by Tianjin Changxin, in respect of its shareholder rights in Beijing Yizhongdao

(the powers of attorney referred to at (h), (i), (j), (k), (l) being the “Powers of Attorney”, and each a “Power of Attorney”)

“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in our Company; or (b) in fact exercises control over our Company
“Cornerstone Agreements”	:	The separate cornerstone agreements dated 30 November 2020, 1 December 2020 or 2 December 2020, as the case may be, entered into between (a) each of the Cornerstone Investors; and (b) our Company, or our Company and the Vendors
“Cornerstone Investors”	:	Epical Entertainment Limited, Hong Kong Chixin Investment Co., Limited, ICH Capital Pte Ltd, iQIYI International Singapore Pte. Ltd., King Kong Media Production Pte. Ltd., Mr. Ron Sim Chye Hock, Qilin Asset Management Pte. Ltd., Songful Global Investment Ltd, V3 Brands Pte. Ltd. and Yinson Capital Pte Ltd
“Cornerstone Shares”	:	141,166,000 New Cornerstone Shares to be issued and 21,540,000 Vendor Cornerstone Shares to be sold pursuant to the respective Cornerstone Agreements
“Cornerstone Tranche”	:	The subscription, and subscription and purchase, of the Cornerstone Shares by the Cornerstone Investors, conditional upon, among others, the Underwriting Agreement having been entered into and not having been terminated pursuant to its terms on or prior to the Listing Date
“Corporate Reorganisation”	:	The corporate reorganisation exercise set out in the section entitled “Corporate Structure and Ownership – Corporate Reorganisation” of this Prospectus
“COVID-19”	:	Coronavirus Disease 2019
“Directors”	:	The directors of our Company
“EIT Law”	:	The Enterprise Income Tax Law of the PRC (中华人民共和国企业所得税法), as amended, supplemented or otherwise modified from time to time
“Electronic Applications”	:	Applications for the Offering Shares made through ATMs or the IB websites of the relevant Participating Banks or the mobile banking interface of DBS Bank Ltd. in accordance with the terms and subject to the conditions in this Prospectus
“EPS”	:	Earnings per Share
“Executive Directors”	:	The executive Directors of our Company

“Executive Officers”	:	The executive officers of our Company as at the date of this Prospectus, who are also key executives as defined under the SFR
“Foreign Investment Law”	:	The Foreign Investment Law of the PRC (中华人民共和国外商投资法), as amended, supplemented or otherwise modified from time to time
“FP2018”	:	The financial period from 22 March 2018 to 31 December 2018
“FY”	:	Financial year ended or ending 31 December
“GHY Employee Share Option Scheme”	:	The GHY Employee Share Option Scheme adopted by our Company on 25 November 2020, the rules of which are set out in the sections entitled “GHY Share Incentive Schemes – Summary of the GHY Employee Share Option Scheme” and “Appendix I – Rules of the GHY Employee Share Option Scheme” to this Prospectus
“GHY Performance Share Plan”	:	The GHY Performance Share Plan adopted by our Company on 25 November 2020, the rules of which are set out in the sections entitled “GHY Share Incentive Schemes – Summary of the GHY Performance Share Plan” and “Appendix H – Rules of the GHY Performance Share Plan” to this Prospectus
“GHY Share Incentive Schemes”	:	The GHY Employee Share Option Scheme and the GHY Performance Share Plan
“Group”	:	Our Company, our subsidiaries and our PRC Affiliated Entities as at the date of this Prospectus
“Group Adviser”	:	Mr. John Ho
“GST”	:	Goods and services tax
“Joint Issue Managers and Global Coordinators”	:	DBS Bank Ltd. and UOB Kay Hian Private Limited
“Joint Underwriters and Bookrunners”	:	DBS Bank Ltd., UOB Kay Hian Private Limited and Bank of China Limited, Singapore Branch
“IB”	:	Internet Banking
“Independent Directors”	:	The independent Directors of our Company
“Individual Shareholders”	:	Mr. Guo Jingyu, who is also our Executive Chairman and Group CEO, and Mr. Xue Xin, who is also our Executive Officer
“Industry Consultant” or “Frost & Sullivan”	:	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

“Industry Report”	:	The “Independent Market Research on Video Content Market and Concert Market in China, Singapore and Malaysia” report dated 2 December 2020 issued by Frost & Sullivan, which is set out in the section entitled “Appendix J – Industry Report” to this Prospectus
“Independent Financial Adviser” or “SAC Capital”	:	SAC Capital Private Limited, the independent financial adviser to our Audit and Risk Management Committee in respect of the IPT General Mandate as set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions” of this Prospectus
“Independent Tax Adviser”	:	Deloitte & Touche LLP
“Latest Practicable Date”	:	20 November 2020, being the latest practicable date prior to the lodgement of this Prospectus with the Authority.
“Listing”	:	The admission of our Shares to the Official List of the SGX-ST
“Listing Date”	:	The date of admission of our Company to the Official List of the SGX-ST
“Listing Manual”	:	Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“M&A Rules”	:	Merger and Acquisition of Domestic Enterprises by Foreign Investors (关于外国投资者并购境内企业的规定), as amended, modified or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Negative List”	:	The Special Administrative Measures for Access of Foreign Investment (Negative List) (2020 version) of the PRC (外商投资准入特别管理措施(负面清单)(2020年版)), as amended, supplemented or otherwise modified from time to time
“New Cornerstone Shares”	:	141,166,000 new Shares to be issued by our Company pursuant to the Cornerstone Agreements
“Nominating Committee”	:	The nominating committee of our Company
“Non-Executive Directors”	:	Non-executive Directors of our Company (including Independent Directors)
“NTA”	:	Net tangible assets
“Offering”	:	The Placement and the Public Offer

“Offering Price”	:	The offering price of each Share, being S\$0.66 per Offering Share
“Offering Shares”	:	21,696,000 new Shares offered by our Company in the Offering
“Option Shares”	:	The new Shares which may be allotted and issued from time to time upon the exercise of the share options granted under the GHY Employee Share Option Scheme
“Participating Banks”	:	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, and each a “Participating Bank”
“Period Under Review”	:	The period comprising FP2018, FY2019 and 6M2020
“Placement”	:	The international placement of 18,696,000 Offering Shares to investors, including institutional and other investors in Singapore
“Placement Shares”	:	18,696,000 Offering Shares which are the subject of the Placement
“PRC”	:	People’s Republic of China
“Public Offer”	:	The public offer of 3,000,000 Offering Shares in Singapore
“Public Offer Shares”	:	3,000,000 Offering Shares which are the subject of the Public Offer
“Remuneration Committee”	:	The remuneration committee of our Company
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Securities Act”	:	The U.S. Securities Act of 1933, as amended, modified or supplemented from time to time
“Service Agreements”	:	The service agreements entered into between our Company and each of our Executive Directors, namely Mr. Guo Jingyu, Ms. Yue Lina and Ms. Wang Qing
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or otherwise modified from time to time
“SFR”	:	Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended, supplemented or otherwise modified from time to time
“SFRS(I)s”	:	Singapore Financial Reporting Standards (International)

“Share”	:	An ordinary share of par value US\$0.00001 each in the capital of our Company
“Share Exchanges”	:	<p>The share exchanges described in the section entitled “Corporate Structure and Ownership – Corporate Reorganisation – Acquisition of GHY Singapore” of this Prospectus, pursuant to the following:</p> <p>(a) the share exchange agreement entered into on 21 June 2018 between our Company, Bestin B & J Holding Ltd., Bestin J & B Holding Ltd., Sweet B & J Holding Ltd. and Taiho Holding Ltd; and</p> <p>(b) the share exchange agreement entered into on 12 July 2018 between our Company and Epical Entertainment Limited,</p> <p>and each a “Share Exchange”</p>
“Shareholders”	:	Registered holders of Shares
“Share Split”	:	The sub-division of each ordinary share of par value US\$0.0001 each in the capital of our Company into 10 Shares on 25 November 2020
“Singapore Companies Act”	:	Companies Act, Chapter 50 of Singapore, as amended, supplemented or otherwise modified from time to time
“Singapore Take-over and Merger Provisions”	:	The Singapore Take-over Code and Sections 138, 139 and 140 of the SFA
“Singapore Take-over Code”	:	The Singapore Code on Take-Overs and Mergers issued by the Authority, as amended, supplemented or otherwise modified from time to time
“Substantial Shareholder”	:	A person who has an interest or interests in our Shares, where the total votes attached to those Shares is not less than 5.0% of the total votes attached to all Shares
“TV”	:	Television
“Underwriting Agreement”	:	The underwriting agreement dated 11 December 2020 entered into between our Company, the Vendors and the Joint Underwriters and Bookrunners in relation to the Offering, details of which are set out in the section entitled “Plan of Distribution – The Underwriting Agreement” of this Prospectus
“Vendors”	:	Taiho Holding Ltd and Mr. John Ho
“Vendor Cornerstone Shares”	:	21,540,000 Shares to be sold by the Vendors pursuant to the Cornerstone Agreements

Currencies, Units of Measurement and Others

“AUD”	:	Australia Dollars
“HK\$”	:	Hong Kong Dollars
“MYR”	:	Malaysia Ringgit
“RMB”	:	PRC Renminbi
“S\$”	:	Singapore dollars
“sq m”	:	Square metres
“US\$”	:	United States dollars
“%” or “per cent.”	:	Percentage or per centum

All references to “**Yang Jun Rong**” in this Prospectus shall be a reference to “**Yang Chun-Jung**”.

All references to “**John Ho**” in this Prospectus shall be a reference to “**Ho Ah Huat**”.

All references to “**Taiwan**” in this Prospectus shall be a reference to the “**Republic of China**”.

In this Prospectus, references to the “**Company**” are to G.H.Y Culture & Media Holding Co., Limited and, unless the context otherwise requires, the terms “**we**”, “**us**”, “**our**” and “**our Group**” refer to G.H.Y Culture & Media Holding Co., Limited and its subsidiaries and PRC Affiliated Entities taken as a whole.

The terms “**associated company**”, “**related corporation**” and “**subsidiary**” shall have the same meanings ascribed to them respectively in the SFA, the SFR, the Singapore Companies Act and/or the Listing Manual, as the case may be.

The terms “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Unless otherwise indicated, AUD, MYR, RMB and US\$ amounts in this Prospectus have been translated into Singapore dollars, based on the following exchange rates quoted by Bloomberg L.P. on the Latest Practicable Date:

S\$1.00: AUD1.0195
S\$1.00: MYR3.0465
S\$1.00: RMB4.8867
S\$1.00: US\$0.7444

Bloomberg L.P. has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the exchange rate quoted above and is thereby not liable for such information under Sections 253 and 254 of the SFA. While we, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, have taken reasonable actions to ensure that the above exchange rates have been reproduced in their proper form and context, none of us, the Vendors, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners nor any other party have conducted an independent review of the information or verified the accuracy of the contents of the relevant information. However, these

translations should not be construed as representations that AUD, MYR, RMB and US\$ amounts have been, would have been or could be converted into Singapore dollars or that Singapore dollar amounts have been, would have been or could be converted into AUD, MYR, RMB and US\$ at those rates or any other rate or at all.

Any discrepancies in the tables, graphs and charts included herein between the listed amounts and totals thereof are due to rounding.

The information on our websites or any website directly or indirectly linked to such websites or the websites of any of our related corporations or other entities in which we may have an interest is not incorporated by reference into this Prospectus and should not be relied on.

References to our management and Directors are to the management and Directors of our Company; references to our “**Memorandum and Articles of Association**” are to the Memorandum of Association and Articles of Association of our Company; and references to our share capital in the section entitled “Share Capital and Shareholders” of this Prospectus and elsewhere in this Prospectus are to the share capital of our Company.

Unless otherwise indicated, all information in this Prospectus assumes that no Offering Shares have been re-allocated between the Placement and the Public Offer.

Any reference in this Prospectus and the Application Forms to Shares being allotted to an applicant includes allotment to CDP for the securities account of that applicant.

Certain Chinese names and characters, such as those of entities, properties, cities, governmental and regulatory authorities, laws and regulations and notices, have been translated into English or from English names and characters, solely for your convenience, and such translations should not be construed as representations that the English names actually represent Chinese names and characters or that the Chinese names actually represent the English names and characters.

Any reference in this Prospectus and the Application Forms to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Singapore Companies Act, the Cayman Islands Companies Law and the SFA or any statutory modification thereof and used in this Prospectus and the Application Forms shall have the meaning assigned to it under the Singapore Companies Act, the Cayman Islands Companies Law and the SFA or such statutory modification, as the case may be.

Any reference to dates or times of day in this Prospectus, the Application Forms and, in relation to the Electronic Applications, the instructions appearing on the screens of the ATMs or the relevant pages of the internet banking websites of the relevant Participating Banks, are to Singapore dates and times unless otherwise stated. Any reference in this Prospectus, the Application Forms and, in relation to the Electronic Applications, the instructions appearing on the screens of the ATMs or the relevant pages of the internet banking websites of the relevant Participating Banks, to any statute or enactment is to that statute or enactment as amended or re-enacted.

This page has been intentionally left blank.

SUMMARY

This summary highlights information contained elsewhere in this Prospectus and may not contain all of the information that may be important to you, or that you should consider before deciding to invest in the Offering Shares. You should read the summary together with the more detailed information regarding us and the Offering Shares being sold in this Offering, including our financial statements and related notes appearing elsewhere in this Prospectus. You should carefully consider, among others, the matters discussed in the section entitled “Risk Factors” of this Prospectus, before making a decision to invest in the Offering Shares.

OVERVIEW

Our Company was incorporated in the Cayman Islands on 29 May 2018 under the laws of the Cayman Islands as an exempted company with limited liability, under the name of “G.H.Y Culture & Media Holding Co., Limited”. Our Company’s registration number is 337751.

Our Group is an entertainment business that focuses on the production and promotion of dramas, films and concerts in the Asia-Pacific region. We have produced TV and web dramas and films in the PRC, Singapore and Malaysia which have been broadcasted and/or distributed on TV networks, such as CCTV, and video streaming platforms in the PRC, such as iQIYI and YOUKU. We have also started production of our first online short drama series in October 2020. Our Group has undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Singapore, Malaysia and Australia. In addition, we also provide talent management services and costumes, props and make-up services in the PRC and Singapore.

We have established production teams in the PRC and Singapore for both our TV program and film production business and concert production business, and have successfully undertaken and completed the production of a number of dramas, films and concerts since our inception. As at the Latest Practicable Date, our Group has already completed the production or co-production of six dramas and one film series. In particular, three of our dramas, “Perfect Village 最美的乡村”, “The Little Nyonya 小娘惹” and “The Frontliners 最美逆行者”, were broadcasted and distributed on CCTV and/or iQIYI and received positive reception and high viewership ratings. According to Frost & Sullivan, “Perfect Village 最美的乡村” ranked first in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot when it was aired, and “The Little Nyonya 小娘惹” ranked third in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot when it was aired for episodes 1 to 17, and first in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot when it was aired for episodes 18 to 45. “The Frontliners 最美逆行者”, which was also broadcasted in the PRC in September 2020, ranked second for episodes 1 to 4, first for episodes 5 to 13 and third for episode 14, in terms of average viewership ratings among other TV series broadcasted during the same time slot.

Our total revenue amounted to approximately S\$3.4 million, S\$66.0 million and S\$37.2 million in FP2018, FY2019 and 6M2020, respectively. We recorded a loss of approximately S\$0.7 million in FP2018 and profit after tax of approximately S\$12.4 million and S\$13.0 million in FY2019 and 6M2020, respectively.

TV Program and Film Production Business

We have produced and co-produced several TV and web dramas and films which have been or are slated to be broadcasted on TV networks and/or distributed on video streaming platforms in the PRC, such as CCTV, iQIYI and YOUKU. The TV program and film production business of our Group is largely based in the PRC and is spearheaded by Mr. Guo Jingyu, our Executive Chairman and Group CEO, in order to tap on the large TV broadcasting and video streaming market in the PRC.

We have established production teams of experienced directors, producers and scriptwriters in both the PRC and Singapore. Our PRC production team is led by Mr. Guo Jingyu, who is supported by various industry veterans including Ms. Yue Lina, our Executive Director, Mr. Xue Xin, our Senior Director of TV Program and Film Production, and directors, producers as well as scriptwriters, who have each been involved in various notable dramas and films in the PRC. Our Singapore production team is led by Mr. Yeo Saik Pin, who is also an established director, scriptwriter and producer and was previously a Vice President of Mediacorp, and is supported by experienced directors and scriptwriters, some of whom were also previously with Mediacorp.

We operate our TV program and film production business under three different revenue models:

- Engaged by our customer (such as the TV network and/or video streaming platform) for production by our Group for a fixed fee

Where we are engaged by our customer for production for a fixed fee, our customer will typically hold the rights to the drama or film, including the copyright and ancillary rights to the drama or film, under the terms of the production contract entered into between our Group and such customer.

- Developed for production by our Group and licensed or sold to our customer for a fixed fee

Where the drama or film is developed and produced by our Group, we may either (i) license the copyright and ancillary rights to the drama or film to our customer, being distributor(s) for a certain period of time and/or geographic region under the terms of the licensing agreement(s); or (ii) sell and transfer the copyright and ancillary rights to the drama or film to our customer, being the distributor(s).

- Developed for production by our Group and licensed to our customer for variable fees

Where the drama or film is developed and produced by our Group, we may also license the copyright and ancillary rights to the drama or film to customers, such as video streaming platform(s) for a certain period of time and/or geographic region under the terms of the licensing agreement for variable fees, which is determined based on user clicks or viewership for each episode of the drama or the film on the video streaming platform(s).

Concert Production Business

Our concert production business involves the Concert Organisation and Concert Management of concerts in various jurisdictions, depending on the scope and extent of the rights for the concert production, which are typically granted to us by the management agency of the respective artistes. We have undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts in Singapore, Malaysia and Australia, and have been involved in the production of concerts in the PRC. We have also been granted the rights to undertake the production of concerts for Jay Chou (周杰伦) in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau) either on a long-term basis or without any expiry in time, such that our Group will undertake the Concert Organisation and/or Concert Management of concerts for Jay Chou in such countries.

The primary difference in the scope undertaken for Concert Organisation and Concert Management is that in undertaking Concert Organisation, we manage and execute the concert production process, including obtaining the relevant licences and/or permits, booking of the concert venue and coordinating ticket sales. However, in certain jurisdictions such as the PRC, the conduct of Concert Organisation is restricted. In the PRC, foreign investment in the equity interest of companies undertaking Concert Organisation is generally restricted to not more than 49.0% foreign ownership under the Commercial Performances Regulations, and requisite licences and/or permits are required to be obtained by the relevant companies in order to carry out the business of Concert Organisation in the PRC. See the section entitled “Regulations – PRC – Regulations on Commercial Performance Agency Institutions” of this Prospectus for further information on the PRC laws and regulations in relation to Concert Organisation. In such cases where there are foreign investment restrictions such as in the PRC, we will undertake Concert Management instead, where we will only retain general oversight and management of the concert production process, but will appoint sub-agents and/or collaborate with third party concert hosting companies as business partners who will undertake the execution of the other aspects of the concert production.

We have concert production teams based in both Singapore and the PRC, which will oversee the overall production and promotion of each concert and carry out the Concert Organisation and/or Concert Management, as the case may be. Our concert production teams will also liaise with the artiste and/or such artiste’s management team throughout the preparation, marketing and performance itself, in order to successfully stage each concert.

Talent Management Services Business

We identify and recruit artistes who are based mostly in the PRC and have built up a stable pool of well-known artistes. As at the Latest Practicable Date, our talent management services business manages close to 50 artistes and the current pool of artistes we manage are actors and actresses who are primarily based, or whose projects and engagements are primarily based, in the PRC and/or Singapore.

Ms. Yue Lina, our Executive Director, who is also an established actress with over 20 years of experience in the drama and film industry, is also managed by our Group.

Costumes, Props and Make-up Services Business

We provide costumes, props and make-up services for artistes and third party production companies in respect of their drama and film production activities by engaging subcontractors for the provision of such costumes, props and make-up services. In particular, we have in the past engaged, and will continue to engage, Mr. Chen Minzheng (陈敏正) to design and create costumes and props for our drama and film projects, as well as for third party production companies which engage his services through our Group by way of collaboration between our Group and Mr. Chen Minzheng. He is a well-known designer for costumes, props and make-up in the PRC who has won, among others, the Golden Horse Award for Best Make-up & Costume Design in 2018 and the Asian Film Award for Best Costume Design in 2019.

We have entered into an exclusive services and collaboration agreement with Mr. Chen Minzheng, pursuant to which Mr. Chen Minzheng has agreed to provide his costumes, props and make-up services to our Group on an exclusive basis. Accordingly, third party production companies who wish to engage Mr. Chen Minzheng’s services will enter into contracts with our Group, which will in turn be subcontracted by our Group to Mr. Chen Minzheng for the provision of such costumes, props and make-up services under the terms of the exclusive services and collaboration agreement.

OUR CORPORATE STRUCTURE

Our Company was incorporated in the Cayman Islands and our Company, as a foreign investor under the current PRC regulatory regime, is unable to own or otherwise hold any equity interest in entities engaged in businesses in which foreign investment is prohibited under the Negative List, promulgated and amended from time to time jointly by the MOFCOM and the NDRC. Under the Negative List, foreign investment is prohibited in certain industries, including TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引进)). Accordingly, in order to engage in such businesses and maintain the necessary licences and permits, foreign-incorporated holding companies have adopted contractual arrangements in order to conduct operations in these industries in the PRC. Such contractual arrangements, similar to the Contractual Arrangements, confer operational control and economic rights to the foreign-incorporated holding companies, while complying with the applicable foreign ownership prohibitions in the PRC, including those under the Negative List.

Our Company has, through our GHY WFOEs, entered into the Contractual Arrangements with the Individual Shareholders in respect of our PRC Affiliated Entities, being Beijing Changxin, Beijing Yizhongdao, Tianjin Changxin and Tianjin Ruyang, each of which holds the requisite permits for TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引进)) in the PRC. The Contractual Arrangements confer operational control and economic rights over our PRC Affiliated Entities to our Group, which enables our Group to exercise control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities. See the sections entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” and “Risk Factors – Risk Relating to our Corporate Structure” of this Prospectus for further information on the Contractual Arrangements.

Our PRC Affiliated Entities commenced operations in FY2019. In FY2019 and 6M2020, the total revenue derived from our PRC Affiliated Entities amounted to approximately S\$62.5 million and S\$7.9 million respectively, which comprised 94.7% and 21.4% of the total revenue of our Group, respectively.

See the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Audited Combined Financial Statements – Basis of Consolidation” of this Prospectus for further information on the basis of consolidation of the results of our PRC Affiliated Entities.

OUR COMPETITIVE STRENGTHS

We believe our continuing success as a leading player in the media and entertainment industry is attributable to the following competitive strengths:

Our ability to produce high-quality and well-received dramas and films underpinned by our strong and talented scriptwriting team and end-to-end production capabilities

Producer of high-quality and well-received dramas and films

Our success and strong standing in the media and entertainment industry is evidenced by the commercial success of the dramas and films that we have produced, such as “The Little Nyonya 小娘惹” and “Perfect Village 最美的乡村”, which were both released in the PRC in June 2020, and “The Frontliners 最美逆行者”, which was released in the PRC in September 2020, and were broadcasted and distributed on CCTV and/or iQIYI. These dramas were well-received, garnering positive reception, high viewership ratings and strong public interest in the PRC. According to Frost & Sullivan, “Perfect Village 最美的乡村” ranked first in terms of viewership ratings across the full series of 30 episodes among all TV series broadcasted on TV channels during the same time slot when it was aired, and “The Little Nyonya 小娘惹” ranked third in terms of viewership ratings

among all TV series broadcasted on TV channels during the same time slot when it was aired for episodes 1 to 17, and first in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot when it was aired for episodes 18 to 45. “The Frontliners 最美逆行者”, which was also broadcasted in the PRC in September 2020, ranked second for episodes 1 to 4, first for episodes 5 to 13 and third for episode 14, in terms of average viewership ratings among other TV series broadcasted during the same time slot. We believe that the positive reception and immediate consumer interest of these dramas is a testament to the quality of the dramas and films produced or co-produced by our Group and the capabilities of both our PRC and Singapore production teams.

The commercial viability and reception of each drama or film depend largely on consumer preferences. In this regard, we pride ourselves on our creative team’s ability to assess various factors, including the popularity of a particular genre, latest market trends and the presence of similar dramas and/or films in the market, in order to identify changes in consumer preferences and select drama and film projects which have potential for commercial success. This is evident by the fact that the dramas and films produced or co-produced by our Group thus far have received positive reception from both our working partners and end consumers, and various established TV networks and video streaming platforms in the PRC, such as CCTV, iQIYI and YOUKU, are in discussions with us for the broadcast and/or release of certain of our ongoing productions.

Strong team of talented scriptwriters and end-to-end production capabilities

We have a strong in-house script production team led by Mr. Guo Jingyu and Mr. Xiao Ji Xiang Tian (小吉祥天). Mr. Guo Jingyu is a well-known scriptwriter in the PRC and has recently won the Best Screenplay for “Perfect Youth 最美的青春” in the 6th Wenrong Awards (2019年第六届“文荣奖”) at the China Hengdian Film Festival (中国横店影视节) in 2019. According to Frost & Sullivan, his market presence and renowned reputation has won him the title “King of Legendary Drama”. Mr. Xiao Ji Xiang Tian has written scripts for several award-winning dramas and films, including “The Ferryman 灵魂摆渡”, which won the Best Web Drama Scriptwriter Award at the Gu Duo Bei Awards (“骨朵杯”网络剧颁奖—网络剧最佳编剧奖) in 2014, as well as “The Ferryman Manjusaka 灵魂摆渡—黄泉” which won the Creator of the Year Award under the “Novelty” Category at the iQIYI Web Film Festival (“新奇点”爱奇艺网络大电影—年度优秀创作者) in 2018 and the Internet Film Unit Selection Committee Special Honour at the 8th Beijing International Internet Film Festival (第八届北京国际网络电影节) in 2019. He was also named in the Top 3 of the Power List of Chinese Network Drama Screenwriters (中国网络剧编剧权力榜) in 2016 and won the Top 10 Young TV Drama Scriptwriters in China Award (首届初心榜“中国十大青年电视剧编剧”奖) in 2018. Under their leadership, our script production team has curated script ideas and developed a repertoire of scripts for potential drama or film projects across varying genres. In addition, we receive proposals and pitches from various external scriptwriters and directors who are keen to work with our Group from time to time. We believe that with our strong script development capability, coupled with our ability to identify opportunities to select and acquire external content, we are able to strategically generate and select scripts with themes and content that resonate with consumers and capture market demand.

Since our inception in 2018, we have completed the production or co-production of five dramas and one film series in the PRC and one drama in Singapore and Malaysia. With our end-to-end production capabilities, we are able to seamlessly combine our scriptwriting abilities with our production capabilities to produce well-received dramas and films. As we have oversight of the entire production process from beginning to end, we are able to have better control over the process and the final product, as well as generate cost savings as we would not be reliant on outsourcing such services to third party contractors, thus reducing the associated risks of only having either production or scriptwriting capabilities. At the same time, we are able to maximise our production capabilities in the execution of our drama and film projects, in order to consistently produce entertainment content that is commercially successful and maintain a robust pipeline of upcoming drama and film projects under our “G.H.Y Culture & Media 长信传媒” brand. See the

section entitled “History and Business – Business Overview – TV and Web Dramas and Films” of this Prospectus for further details of the current and upcoming TV and web dramas and films produced or co-produced by our Group.

Our strong network of business relationships and lasting partnerships with distributors and other working partners in the media and entertainment industry

The quality of our dramas and films, as well as the experience of our management team, has enabled our Group to establish a strong network of business relationships with key industry players such as TV networks, video streaming platforms and other production companies in the PRC and in the region, including Singapore. These include our established business relationships with CCTV, iQIYI and YOUKU and the support from our various working partners, which have been crucial to the growth and success of our business. According to Frost & Sullivan, CCTV is ranked first among provincial satellite and non-satellite TV, municipal and other channels in the PRC, while iQIYI and YOUKU account for approximately 51.7% of the total market revenue in PRC for video streaming platforms in 2019. Accordingly, strong and sound partnerships with distribution channels and platforms such as CCTV and iQIYI form a basis for solid viewership and insightful discussion and communication about the production of dramas and films and industry trends, which contributes to our competitive edge.

We typically present proposals to working partners such as TV networks and/or video streaming platforms for the subsequent broadcast and/or distribution of our dramas and films at the pre-production stage. In the past, the licensing rights to the dramas and films we have produced were typically purchased by our working partners prior to commencement of production. For our dramas and films that are currently in production, our working partners have also expressed agreement, and are working with us to finalise and/or formalise the terms of the licensing agreement, for the broadcast and/or release of such dramas and films. We believe that the interest of such working partners in our dramas and films in the pre-production stage bears testament to the reputation and ability of our production teams in producing quality dramas and films and the strength of our relationships with distributors and other working partners. With our established network in the PRC and our track record with major TV networks and leading video streaming platforms, we often receive interest from more than one distributor in any drama or film project that we undertake. As a result, we are able to manage the distribution of our dramas and films by being able to select the appropriate distributor to work with and/or the platform on which our drama or film is to be showcased, taking into consideration the abilities of the distributor and the pricing offered by the distributor for the licensing and distribution of our drama or film.

In addition, co-production of dramas and films with our working partners such as Perfect World also enable us to undertake more projects, which provides us with opportunities to further develop our capabilities in the production of dramas and films, further strengthens our market position and allows us to gain access to new markets and audiences. We have also entered into a memorandum of understanding with Mediacorp in March 2020 for the co-production of at least two drama or film projects in a three-year period, which will enable our Singapore production team to collaborate with Mediacorp, and allow our team and artistes we manage to raise their profile in the Singapore entertainment industry.

Our management bench strength is anchored by our visionary founder and experienced key management, many of whom with experience and capabilities spanning the whole of our business value chain

Mr. Guo Jingyu, our Executive Chairman and Group CEO, is a notable producer, director and scriptwriter in the PRC with more than 25 years of experience and has produced and directed several successful dramas and films. He has general oversight of the production of every drama and film project undertaken by our Group and is supported by our key management personnel, who are also closely involved in the production process from start to finish, from scriptwriting and

reviewing and selecting the scripts to go to production, to the production process and the post-editing and finishing processes.

Our key management personnel are also supported by our Singapore and PRC production teams, which comprise committed members who are industry veterans and have unique knowledge and extensive expertise in the production of dramas and films. Our PRC production team is led by Mr. Xue Xin, our Senior Director of TV Program and Film Production, who is an established producer with years of experience in the media and entertainment industry in the PRC. Our production team also includes directors such as Mr. Ju Xingmao (巨兴茂), Mr. Bai Shan (柏杉), Mr. Wang Yonghui (王永辉) and Mr. Xin Peng (信鹏), as well as producers such as Mr. Liu Bo (刘博), Ms. Zhang Huanyin (张焕引) and Mr. Wang Bing (王冰), who have each been involved in various notable dramas and films in the PRC. Our Singapore production team is led by Mr. Yeo Saik Pin, who is also an established director, scriptwriter and producer and was previously a Vice President of Mediacorp, and is supported by experienced directors and scriptwriters, some of whom had also worked with him previously at Mediacorp. Ms. Yue Lina, our Executive Director, is also an experienced producer and plays a key role in the production process for our drama and film projects. We have also established an in-house editing team based in the PRC, and a special effects team in Singapore, which oversees and undertakes the post-production work for each project.

We believe that the experience of such key management personnel and their close involvement in the production process enables our production teams to consistently produce quality dramas and films. Complementary to our production teams' capabilities, our Group also possess expertise and capabilities across the business value chain with our scriptwriting abilities, talent management services, costumes, props and make-up services, as well as post-production capabilities. We believe that we have a competitive advantage over other production companies through our strong scriptwriting team (as elaborated above), our stable pool of close to 50 artistes under our talent management services business, some of whom are recognised actors with several years of experience in the drama and film industry, as well as our exclusive collaboration with Mr. Chen Minzheng (陈敏正). Mr. Chen Minzheng is a well-known costumes designer in the PRC who had won the Golden Horse Award for Best Make-up & Costume Design in 2018 and the Asian Film Award for Best Costume Design in 2019. As costumes, props and make-up are integral aspects for every drama and film, we believe that his expertise and specialisation in the design of the costumes, props and make-up for our productions further elevate the quality and appeal of our dramas and films. See the section entitled "History and Business – Our Business – Costumes, Props and Make-up Services" of this Prospectus for further details of the terms of such exclusive collaboration with Mr. Chen Minzheng.

Our growing portfolio of artistes contribute to the success of our concert production business

We have set up concert production teams in Singapore and the PRC, in order to further develop our concert production business and establish a regional presence as an entertainment business. Our concert production teams comprise members with experience and expertise in concert and event production, and is led by Ms. Chan Pui Yin, our Senior Director of Concert Organisation and Management, who has more than 25 years of experience in the entertainment industry. Since our inception in 2018, we have staged three successful concerts in Singapore, with upcoming concerts in Singapore, Malaysia and Australia.

We have secured the rights to undertake the production of concerts for Jay Chou (周杰伦), a popular and well-known Taiwanese singer-songwriter, in Singapore, Malaysia, Australia, Thailand, Japan and in the PRC (excluding Hong Kong and Macau) either on a long-term basis or without any expiry in time. We have undertaken the production of sold-out concerts for Jay Chou in Singapore and have also been involved in the production of concerts for Jay Chou in the PRC. In addition, we had also produced a concert for another popular artiste, Li Ronghao (李荣浩), in Singapore during the Period Under Review. Despite our relatively short history in the concert

production business, we believe that we have established ourselves as a reputable concert production company in Singapore and we intend to further develop our capabilities and experience in the region. This will enable us to forge business relationships with key players in the media and entertainment industry in the region, such as talent management companies, managers and the artistes themselves, which will create opportunities for our Group for future collaborations and to undertake the production of concerts and other events for such artistes.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Expand our international reach and regional presence via entry into new markets

We intend to expand our regional reach and strengthen our presence in the Asia-Pacific region, particularly in Southeast Asia, by expanding our foothold in Singapore. Our Directors believe that gaining access to wider audiences in Singapore and Malaysia will provide our Group with exposure in new markets and further opportunities for growth for both our TV program and film production and concert production businesses. We intend to leverage on the connectivity of the PRC, Singapore and Malaysia, as well as the ASEAN region, to showcase our abilities and to achieve international reach and expansion.

TV Program and Film Production Business

As we have already established a strong presence in the PRC market for our TV program and film production business, we intend to leverage on our experience to strengthen our presence in the Singapore market, given the Mandarin audience in Singapore. According to Frost & Sullivan, viewers in Singapore spent an average of approximately 7.6 hours per week watching online videos in 2019, which is much higher than the global average, and approximately 5.7 hours per week watching traditional broadcast TV in 2019.

Content innovation remains the core foundation of what we do. We believe that our experience and expertise in the PRC will enable our Group to produce quality content and generate keen interest in the drama and film projects produced by both our Singapore and PRC production teams. We have completed the production of “The Little Nyonya 小娘惹”, which is a remake of a popular Singapore TV drama and our first foray into the Singapore market. The drama was produced by our Singapore production team and filmed in Malaysia, featuring a cast comprising both Singaporean and PRC actors and actresses. “The Little Nyonya 小娘惹” has been released on CCTV and iQIYI in the PRC in June 2020 and had topped the real-time search rankings of Weibo, the Chinese microblogging site¹, which demonstrates the strong interest generated by the drama in the PRC. We believe that the success of our initial drama and film projects will enable us to expand our reach out of the PRC and strengthen our presence in Southeast Asia. According to Frost & Sullivan, there has been an increase in the influence of Chinese culture around the world and in recent years, overseas distribution channels of PRC drama series have expanded in terms of quantity of products and transaction value. The export of PRC drama series is likely to accelerate along with, among others, the improvement of drama series production technology and innovation. We intend to continue to expand on our capacity to deliver quality entertainment content through our in-house script production team, while remaining open to external opportunities and sources for scripts.

1 This information was extracted from a media release entitled “Little Nyonya remake tops Weibo charts” published by The Straits Times on 1 July 2020, which can be accessed at: <https://str.sg/Jmse>, data accessed on 1 July 2020. The Straits Times has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Prospectus and is therefore not liable for such information under Sections 253 and 254 of the SFA.

While we, the Vendors and the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly, none of us, the Vendors, the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

In respect of the overseas expansion of our TV program and film production business, we intend to have greater and more seamless collaboration between our PRC and Singapore production teams by establishing a regional cast and crew for the production or co-production of our dramas and films, as well as distributing internationally through key TV networks and international video streaming platforms. Going forward, we plan to continue to expand our international reach and regional presence through the production of dramas and films of varying genres, including remakes of popular past dramas and films, as well as active engagement for potential co-production ventures with other producers, including Mediacorp, and video streaming platforms.

Concert Production Business

We have established our presence as a concert production company in Singapore with the production of concerts for Li Ronghao in 2019 and Jay Chou in 2020, and with upcoming concerts for Jay Chou in Singapore, Malaysia and Australia in the pipeline. With these under our belt, we intend to further expand our concert production business by undertaking the production of concerts for artistes in both the Southeast Asian region and the PRC.

According to Frost & Sullivan, the number of concerts in Southeast Asia recorded steady growth of a CAGR of 5.4% from 2015 to 2019 and market revenue and audience attendance is expected to return to normal levels from 2021, despite a hindered market in 2020. The concert market in the PRC also recorded growth of a CAGR of 14.6% from 2015 to 2019 according to Frost & Sullivan. In addition, according to Frost & Sullivan, the fandom economy² has been widely used in the Asian entertainment industry. As concerts are a way to have face-to-face interaction with stars or idols, concerts have a proven record as serving as one of the most important and mature monetisation methods in the fandom economy. Starting with Malaysia, Australia, Japan, Thailand and the PRC (excluding Hong Kong and Macau) where we intend to undertake the production of concerts for Jay Chou in the future, we believe that we will be able to establish a regional presence as a concert production company and attract international artistes to engage us for the production of their concerts.

Leverage on technological advances to expand and diversify our pipeline portfolio of entertainment content and products

Apart from producing dramas and films which are traditionally distributed on TV networks, we have also kept abreast of technological developments, such as the shift to the 5th generation mobile network and developing viewership trends. To this end, we have produced several web dramas and films which are distributed on video streaming platforms, such as the drama “The Little Nyonya 小娘惹” and the film series “I Come From Beijing 我来自北京”, both of which have been distributed on iQIYI and YOUKU. According to Frost & Sullivan, the number of online video users in the PRC reached approximately 646.6 million in 2019, accounting for 73.8% of Internet users, and the online video platforms in the PRC have rapidly attracted a massive user base with tremendous user engagement in the past few years, and generated significant monetisation opportunities. In addition, according to Frost & Sullivan, the web series market has witnessed rapid growth at a CAGR of approximately 23.9% between 2015 and 2019, with an estimated CAGR of approximately 11.1% between 2019 and 2024, and the Internet users of the PRC grew from 688.3 million users in 2015 to 888.6 million users in 2019, yielding a CAGR of 6.6%, and the number of Internet users is expected to reach 1,203.3 million users in 2024.

² According to Frost & Sullivan, the fandom economy refers to the economic income-generating behaviour by the relationship between fans and the followed people including stars, idols, and industry celebrities. The prosperity of the fandom economy is accompanied by the sustainable growth of demands for diversified entertainment activities which is driven by the increasing urbanisation rate and rising disposable income.

Against this backdrop, our Group intends to capitalise on our ability to keep up-to-date with technological developments and viewership trends that drive consumption growth to further strengthen our online entertainment product offerings. According to Frost & Sullivan, online video platforms continue to innovate by introducing new initiatives such as interactive dramas and short-form videos, such as vertical screen dramas, to cater to the evolving needs and preferences of viewers and to further increase their competitive advantage. In addition, according to Frost & Sullivan, the fast growth in online video platforms supported by technological developments and increased penetration continues to drive demand for content, and together with TV channels, the market size of China drama series market is expected to reach over RMB100.0 billion within the next five years. In October 2020, we diversified our online content product offerings by launching the production of our first online short drama series “Whimsical World 异想世界”, which is a collection of 20 short drama series with 12 to 24 episodes per drama series and each episode ranges from five to 15 minutes. According to Frost & Sullivan, the short-form video market in the PRC reached approximately RMB54.5 billion in 2019, yielding a CAGR between 2015 and 2019 of approximately 159.6%, and the number of short-form video users reached approximately 820.0 million in 2019. With our ability and experience in developing and producing web dramas and online short drama series, we intend to further strengthen our online entertainment product offerings by launching more online short drama series and we intend to venture into the creation and production of interactive dramas³ in the future in order to tap onto this expanding market.

According to Frost & Sullivan, the users of iQIYI spent 9.6 billion hours per month on average watching video content on the platform through all devices, and spent 1.6 hours per day per user watching video content on the mobile apps during the year. Having established business relationships with several TV networks and video streaming platforms (including iQIYI), our Group will leverage on our business relationships with such distributors in order to develop and promote new entertainment content and products in the future, including interactive content and multi-level entertainment products such as comic adaptations and animation works. In this regard, we have also entered into a memorandum of understanding with a leading online streaming service provider to collaborate in the development of various comic adaptations and animation works, as well as dramas and films which will be live adaptations from comics, for a period of three years from 1 August 2020 to 31 July 2023. Such period may be renewed by mutual agreement between the parties. Pursuant to such memorandum of understanding, we have agreed to develop in each year, no less than 10 comic adaptations or animation works, as well as one web drama adaptations of a comic, and the terms of the parties’ obligations on each project will be separately agreed in writing.

Create synergies across the TV program and film production, concert production and talent management services business segments

Our business network and presence across various segments of the media and entertainment industry allows us to develop synergy across our business segments. For instance, we manage a reputable stable pool of artistes under our talent management services business segment, some of whom are well-known artistes in the PRC and Singapore, with several years of experience in the media and entertainment industry. This includes Ms. Yue Lina, our Executive Director, who has won several acting awards, such as the Breakthrough Actress Award at AnHui Television Network’s National Drama Series Ceremony (国剧盛典“极具突破精神女演员”) in 2013 and the Best Creator Award at the Asian American TV and Film Festival (美国亚洲影视节金橡树奖金牌出品人) in 2018. As the popularity and talent of the actors may also play a part in the commercial success of our dramas and films, having a strong network of artistes also ensures that we have a constant talent pool to feature in our drama and film projects. We believe that this, in turn, bolsters our

³ According to Frost & Sullivan, interactive dramas refer to films and dramas which the audience participate in person through brand selection, action simulation and quick time event to trigger the plot development. Compared with web dramas, the interactive dramas break the model of purely watching drama series, and the audience is allowed to determine the direction of the plot and accordingly, obtain an immersive experience from such interactive dramas.

Group's reputation as a talent management company for artistes when the dramas and films we produce or co-produce that feature our artistes are well-received by their fans and audiences.

With the commercial success of our dramas, films and concerts, we believe that we are well-placed to introduce and produce other events, such as stage plays and musicals, that could be based on the dramas or films produced by our Group. We believe that we will be able to draw on the respective expertise and skills of our TV program and film production team and our concert production team in order to produce such stage plays and musicals. This will also enable our Group to leverage on the popularity and commercial success of our dramas and films, as well as to diversify the revenue streams from the copyright and ancillary rights of such existing dramas and films. We have entered into a memorandum of understanding with Beijing Sihai Yijia Cultural Broadcasting Co., Ltd. (北京四海一家文化传播有限责任公司), a broadcast media company in the PRC in January 2020, to collaborate in the joint organisation and co-production of stage plays and musicals for a period of three years. Beijing Sihai Yijia Cultural Broadcasting Co., Ltd. will be mainly responsible for planning and executing the production of stage plays and musicals, whereas our Group will provide ancillary services such as marketing, publicity and logistics services in connection with such events.

Such stage plays and musicals may also feature artistes under our management who have experience in live acts and performances. In addition, we may also be able to leverage on our business relationships by engaging and/or collaborating with artistes and musicians who have worked with our Group to produce content for our drama and film projects, such as soundtracks and theme songs. We have in the past engaged JVR Music, a music record and talent management agency for singers in Taiwan, to compose music for the theme song and the end credits song used for each episode of "The Little Nyonya 小娘惹" and "The Ferryman – Legends of Nanyang 灵魂摆渡 — 南洋传说". See the section entitled "Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Music Composition by an Interested Person" of this Prospectus for further details.

As our business and operations expand, we believe our business segments will become increasingly complementary, creating synergies across the TV program and film production, concert production and talent management services business segments. Having firmly established our core business segments of TV program and film production and concert production, we are committed to becoming a media and entertainment group that is focused on producing high-quality content, keeping technologically abreast and striving for continuous and sustainable innovation and breakthroughs. We intend to continue to innovate and develop entertainment content and products in new areas across all our business segments, such as interactive dramas and films, music events and performances, arts and culture initiatives and gaming concepts. This will allow us to be well-positioned to establish ourselves as a key player in the media and entertainment industry in the region.

Nurture future talents and bolster the local talent pool

We believe that in order to expand our regional presence, we will have to develop our production teams in order to undertake more drama and film projects, including large-scale productions which will require a larger team of personnel with more experience and technical expertise. Accordingly, we intend to nurture future talents by supporting initiatives and encouraging them to develop and hone their directing, scriptwriting and producing skills.

We have, in the past, sponsored certain initiatives of the China Film Art Direction Academy (中国电影美术学会) and the Beijing Film Academy (北京电影学院), as well as participated in the "Story Lab Apprenticeship" programme, an initiative in Singapore supported by the Infocomm Media Development Authority of Singapore. The "Story Lab Apprenticeship" programme provides participants with structured training programs in scriptwriting, directing and producing, onsite

training at production shoot locations and the opportunity to learn from industry professionals. Through such experiential on-the-job training programme, the selected participants will be able to gain valuable exposure and experience in the media and entertainment industry in Singapore. In addition, we entered into a collaboration with Ngee Ann Polytechnic in Singapore to jointly develop and deliver a training course from September 2020 to November 2020 to equip the participants of the course with techniques on writing a screenplay in Chinese, culminating in the submission of the screenplay to the Asia TV Forum Chinese Pitch 2020. The training course was conducted by both local and overseas trainers who are producers, scriptwriters and other experts, including Mr. Guo Jingyu, our Executive Chairman and Group CEO.

We intend to continue to participate and support such initiatives in Singapore and the PRC, and may also collaborate with local TV networks or other third party production companies as we believe that this will bolster the future local talent pool, as well as enrich and invigorate the local media scene and entertainment industry. By providing these media and entertainment aspirants with the relevant support and training, including through training programs and workshops in collaboration with other industry leaders and education institutions, this may bring about opportunities for them to collaborate with our Group on drama and film productions or to join our production teams in the future.

OUR CONTACT DETAILS

Our registered office is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Our principal place of business in Singapore is at 988 Toa Payoh North, #07-08, Singapore 319002 and our principal place of business in the PRC is at “East One”, “East Three”, “West Three” office areas, 2nd floor, Building 310 (Building 8 of Perfect World Building), No. 86 Beiyuan Road, Chaoyang District, Beijing. Our telephone number is (65) 6352 6778 and our e-mail address is enquiries@ghyculturemedia.com. We do not have a facsimile number. Our internet address is <https://www.ghyculturemedia.com>. **Information contained in our website does not constitute part of this Prospectus.**

SUMMARY OF THE OFFERING

Our Company	G.H.Y Culture & Media Holding Co., Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 29 May 2018.
The Vendors	Taiho Holding Ltd and Mr. John Ho
The Offering	21,696,000 Offering Shares offered by our Company under the Placement and the Public Offer. The Offering Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with our issued Shares. The Offering will, subject to certain conditions, be underwritten by the Joint Underwriters and Bookrunners at the Offering Price.
The Placement	<p>18,696,000 Offering Shares offered by way of an international placement to investors, including institutional and other investors in Singapore, pursuant to the Offering, concurrently with the Public Offer.</p> <p>The Offering is being made outside the United States in reliance on Regulation S under the U.S. Securities Act and other applicable laws concurrently with the Public Offer. See the section entitled “Plan of Distribution” of this Prospectus for further details.</p>
The Public Offer	3,000,000 Offering Shares offered in Singapore at the Offering Price by way of a public offer in Singapore.
Offering Price	<p>S\$0.66 for each Offering Share. Investors are required to pay the Offering Price in Singapore dollars.</p> <p>Purchasers and/or subscribers of the Offering Shares under the Placement may be required to pay an additional brokerage fee of up to 1.0% of the Offering Price.</p>
Cornerstone Tranche	<p>Concurrently with but separate from the Offering, each of the Cornerstone Investors has entered into a Cornerstone Agreement with our Company to subscribe for, or our Company and the Vendors to subscribe for and purchase, an aggregate of 162,706,000 Cornerstone Shares at the Offering Price, of which 141,166,000 Cornerstone Shares will be New Cornerstone Shares issued by our Company and 21,540,000 Cornerstone Shares will be Vendor Cornerstone Shares sold by the Vendors, conditional upon the Underwriting Agreement having been entered into and not having been terminated pursuant to their terms on or prior to the Listing Date.</p> <p>The Cornerstone Shares will in aggregate constitute approximately 15.2% of the total number of issued Shares as at the Listing Date. The Cornerstone Shares acquired by the Cornerstone Investors are not subject to any lock-up restrictions in respect of their shareholding interests in our Company.</p>

Clawback and Re-allocation	The Offering Shares may be re-allocated between the Placement and the Public Offer by the Joint Underwriters and Bookrunners following consultation with us, subject to any applicable laws. Unless otherwise indicated, all information in this Prospectus assumes that no Offering Shares have been re-allocated between the Placement and the Public Offer.
Application Procedures for the Singapore Public Offer	Investors under the Public Offer must follow the application procedures set out in the section entitled “Appendix K – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore” to this Prospectus. Applications must be paid for in Singapore dollars.
	The minimum initial application is for 1,000 Offering Shares. An applicant may apply for a larger number of Shares in integral multiples of 100 Offering Shares.
Market Capitalisation	The market capitalisation of our Company upon the Listing based on the Offering Price and the post-Offering share capital of 1,073,792,000 Shares will be approximately S\$708.7 million.

Lock-up Arrangements

We have agreed with the Joint Underwriters and Bookrunners, that from the date of the Underwriting Agreement until the date falling six months from the Listing Date (both dates inclusive), we will not, without the prior written consent of the Joint Underwriters and Bookrunners, directly or indirectly, (a) allot, offer, issue, sell, contract to issue, grant any option, warrant or other right to subscribe or purchase, grant security over, encumber (whether by way of mortgage, assignment of rights, charge, pledge, pre-emption rights, rights of first refusal or otherwise), or otherwise dispose of or transfer, any Shares or any other securities of our Company or any subsidiary of our Company (including any equity-linked securities, perpetual securities and any securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of our Company or any subsidiary of our Company), whether such transaction is to be settled by delivery of Shares or other securities of our Company or subsidiary of our Company, or in cash or otherwise, (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any securities of our Company or any subsidiary of our Company, or any interest in any of the foregoing (including any securities convertible into, or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or any subsidiary of our Company), whether such transaction is to be settled by delivery of Shares or other securities of our Company or subsidiary of our Company (including any securities convertible into, or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or subsidiary of our Company) or in cash or otherwise, (c) deposit any Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or any subsidiary of our Company) in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with the obligations under these restrictions), (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above, or (e) announce or publicly disclose any intention to do any of the above, provided, however, that the foregoing restrictions shall not apply in respect of the Offering Shares, the New Cornerstone Shares, the Award Shares and the Option Shares.

Each of Mr. Guo Jingyu, G.Y Media & Entertainment Limited, Kang Ru Investments Limited, Da Yuan Developments Limited and Vistra Trust (Singapore) Pte. Limited has agreed to (i) a lock-up arrangement during the First Lock-up Period (as defined herein) in respect of all their direct and indirect effective interest of the relevant Shares; and (ii) a lock-up arrangement during the Second Lock-up Period (as defined herein) in respect of all their direct and indirect effective interest in 50.0% of the relevant Shares, subject to certain exceptions.

In addition, Mr. Ong Pang Aik has agreed for a certain number of Shares to be subject to a lock-up arrangement during the First Lock-up Period (as defined herein), the number of such Shares calculated pursuant to the formula set out in Rule 229(4) of the Listing Manual.

See the section entitled “Plan of Distribution – No Sale of Similar Securities and Lock-up Arrangements” of this Prospectus for further information on (a) our lock-up arrangements; and (b) the lock-up arrangements agreed between the Joint Underwriters and Bookrunners and our Shareholders.

Use of Proceeds

We intend to use our net proceeds from the Offering and the issuance of the New Cornerstone Shares towards the following purposes:

- expansion of our TV program and film production business via investment in production, acquisitions, joint ventures and/or strategic alliances;
- expansion of our concert production business via investment in production, acquisitions, joint ventures and/or strategic alliances; and
- general corporate and working capital purposes.

We will not receive any of the proceeds from the sale of the Vendor Cornerstone Shares by the Vendors.

For a complete description of the application of the net proceeds, see the section entitled “Use of Proceeds” of this Prospectus.

Listing and Trading

Prior to the Offering, there has been no public market for our Shares. Application has been made to the SGX-ST for permission to list all our issued Shares (including the Vendor Cornerstone Shares), the Offering Shares, the New Cornerstone Shares, the Award Shares and the Option Shares on the Main Board of the SGX-ST, which will be granted when we have been admitted to the Official List of the SGX-ST. Acceptance of applications for the Offering Shares will be conditional upon, among others, permission being granted by the SGX-ST to deal in, and for quotation of, all our issued Shares (including the Vendor Cornerstone Shares), the Offering Shares, the New Cornerstone Shares, the Award Shares and the Option Shares on the Official List of the SGX-ST. We have not applied to any other exchange to list our Shares.

We expect our Shares to commence trading on a “ready” basis at 9.00 a.m. on 18 December 2020 (Singapore time). See the section entitled “Indicative Timetable” of this Prospectus for further details.

Our Shares will, upon listing and quotation on the SGX-ST, be traded on the SGX-ST under the book-entry (scripless) settlement system of the CDP. Dealing in and quotation of our Shares on the SGX-ST will be in Singapore dollars. Our Shares will be traded in board lot sizes of 100 Shares on the SGX-ST.

Settlement

We expect to deliver share certificates representing the Offering Shares to CDP for deposit into the Securities Accounts of successful applicants on or about 17 December 2020. See the section entitled “Clearance and Settlement” of this Prospectus for further details.

Dividend Policy

We do not have a fixed dividend policy. Currently, our Board intends to recommend dividends of at least 30.0% of our net profit after tax generated in FY2020 (excluding the interim dividends of S\$10.0 million declared by our Board in FY2020) and FY2021 (collectively, the “Proposed Dividend”). However, investors should note that the foregoing statements, including the statement on the Proposed Dividend, are merely statements of our present intention and shall not constitute legally binding obligations on our Company or legally binding statements in respect of our future dividends (including those proposed for FY2020 and FY2021), which may be subject to modification (including reduction or non-declaration thereof) at our Directors’ sole and absolute discretion. As we do not have a fixed dividend policy, investors should not treat the Proposed Dividend as an indication of our future dividend policy. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.

See the sections entitled “Risk Factors – Risks Relating to an Investment in Our Shares – We may not be able to pay dividends in the future” and “Dividends” of this Prospectus for a description of our dividend policy.

Risk Factors

Prospective investors should carefully consider certain risks connected with an investment in our Shares, as discussed under the section entitled “Risk Factors” of this Prospectus.

INDICATIVE TIMETABLE

An indicative timetable for trading in our Shares is set out below for the reference of applicants for our Shares:

Indicative date and time (Singapore time)	Event
11 December 2020 at 9.00 p.m.	Opening of the Public Offer
16 December 2020 at 12.00 noon	Close of the Public Offer
17 December 2020	Balloting of applications, if necessary (in the event of an over-subscription for the Offering Shares) Commence returning of application monies to unsuccessful or partially successful applicants, if necessary
18 December 2020 at 9.00 a.m.	Commence trading on a “ready” basis
22 December 2020	Settlement date for all trades done on a “ready” basis on the Listing Date

The above timetable is indicative only and is subject to change at our and the Vendors’ discretion, with the agreement of the Joint Issue Managers and Global Coordinators. The above timetable and procedures may also be subject to such modifications as the SGX-ST may in its discretion decide, including the commencement date of trading on a “ready” basis. The above timetable assumes (a) that the closing of the Public Offer is 16 December 2020; (b) that the date of admission of our Company to the Official List of the SGX-ST is 18 December 2020; and (c) compliance with the SGX-ST’s shareholding spread requirement. All dates and times referred to above are Singapore dates and times. All persons trading in the Offering Shares before their securities accounts with CDP are credited with the relevant number of Offering Shares do so at the risk of selling Offering Shares which neither they nor their nominees, as the case may be, have been allotted or are otherwise beneficially entitled to.

We and the Vendors, with the agreement of the Joint Issue Managers and Global Coordinators, may at our discretion, subject to all applicable laws and regulations and the rules of the SGX-ST, agree to extend or shorten the time period during which the Offering is open, provided that the time period of the Singapore Public Offer may not be less than two Market Days.

In the event of the extension or shortening of the time period during which the Offering is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>; and
- (b) in one or more major Singapore newspapers, such as The Straits Times, The Business Times or Lianhe Zaobao.

Investors should consult the SGX-ST announcement on the “ready” listing date on the internet (at the SGX-ST website), or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

We will provide details of and the results of the Public Offer through SGXNET and in one or more major Singapore newspapers, such as The Straits Times, The Business Times or Lianhe Zaobao.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Offering Shares under the Public Offer, without assigning any reason therefore, and no enquiry or correspondence on our decision will be entertained. In deciding on the basis of allocation, due consideration will be given to the desirability of allocating our Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

Where an application under the Public Offer is rejected, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom and the applicant will not have any claims against us, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) to the applicant, at the applicant's own risk, within 24 hours of the balloting (provided that such refunds are made in accordance with the procedures set out in the section entitled "Appendix K – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore" to this Prospectus).

Where an application under the Public Offer is accepted in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom and the applicant will not have any claims against us, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) to the applicant, at the applicant's own risk, within 14 Market Days after the close of the Offering (provided that such refunds are made in accordance with the procedures set out in the section entitled "Appendix K – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore" to this Prospectus).

The manner and method for applications and acceptances under the Placement will be determined by us, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom and the applicants will not have any claims against us, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) will be returned to the applicants at their own risk within three Market Days after the Offering is discontinued (provided that such refunds are made in accordance with the procedures set out in the section entitled "Appendix K – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore" to this Prospectus).

RISK FACTORS

Prospective investors should carefully evaluate the following considerations and all other information contained in this Prospectus before deciding to invest in our Shares. The risks described below are not the only ones we face. There may be additional risks not described below or not presently known to us or that we currently believe to be immaterial that turn out to be material. Our business, financial condition, results of operations and prospects could be materially and adversely affected by any of these risks, should they occur or turn out to be material. The market price of our Shares could decline due to any of these risks, and investors may lose part or all of their investments in our Shares.

This Prospectus also contains forward-looking statements which involve risks and uncertainties. Our actual results of operations could differ materially from those anticipated in these forward-looking statements due to a variety of factors, including the risks described below and those discussed in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus. See “Notice to Investors – Forward-Looking Statements”.

RISKS RELATING TO OUR CORPORATE STRUCTURE

If the PRC government deems that the Contractual Arrangements in respect of our PRC Affiliated Entities do not comply with PRC governmental restrictions on foreign investment, or if these regulations, or the interpretation of existing regulations, change in the future, we may be subject to severe penalties or be forced to relinquish our interests in those operations and our current corporate structure, corporate governance and business operations may be materially and adversely affected

On 15 March 2019, the Foreign Investment Law was formally passed by the NPC and came into effect on 1 January 2020. The Foreign Investment Law replaced the Law on Sino-Foreign Equity Joint Ventures, the Law on Sino-Foreign Contractual Joint Ventures and the Law on Foreign-Capital Enterprises to become the legal foundation for foreign investment in the PRC. On 26 December 2019, the State Council promulgated the Implementation Regulations on the Foreign Investment Law (外商投资法实施条例), which came into effect on 1 January 2020. As such, foreign investment activities in the PRC are mainly governed by the Foreign Investment Law and the Negative List, which have been promulgated and amended from time to time jointly by the MOFCOM and the NDRC. Under the Negative List, foreign investment is prohibited in certain industries, including TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引进)).

As a result of the foreign ownership prohibitions under the Negative List, foreign-incorporated companies are unable to own or otherwise hold any equity interest in entities engaged in businesses in such industries. Accordingly, in order to engage in such businesses and maintain the necessary licences and permits, foreign-incorporated holding companies have adopted contractual arrangements in order to conduct PRC operations in these industries. Such contractual arrangements, similar to the Contractual Arrangements, confer operational control and economic rights to the foreign-incorporated holding companies, while complying with the applicable foreign ownership prohibitions in the PRC, including those under the Negative List. We have similarly entered into the Contractual Arrangements in respect of our PRC Affiliated Entities each of which holds the requisite permits for TV program and film production and operation in the PRC.

The Foreign Investment Law stipulates three forms of foreign investment. However, the Foreign Investment Law does not explicitly stipulate contractual arrangements as a form of foreign investment and the Implementation Regulations on the Foreign Investment Law are also silent on whether foreign investment includes contractual arrangements.

Notwithstanding the above, the Foreign Investment Law stipulates that foreign investment includes “foreign investors that invest in the PRC through any other methods under laws, administrative regulations, or provisions prescribed by the State Council”. Therefore, it is possible that future laws, administrative regulations or provisions of the State Council may stipulate contractual arrangements as a form of foreign investment, and in such event, whether the Contractual Arrangements will be recognised as foreign investment or deemed to be in violation of the foreign investment access requirements and how the Contractual Arrangements will be handled will be uncertain.

As at the Latest Practicable Date, we have not encountered any interference or encumbrance from any PRC government or regulatory authorities in respect of the Contractual Arrangements but there can be no assurance that the PRC government and regulatory authorities will not take a view that is contrary to or otherwise different from the advice of each of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law, as stated in the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” of this Prospectus, or adopt new laws and regulations in the future which may invalidate the Contractual Arrangements. In the extreme case, we may be required to unwind the Contractual Arrangements and/or dispose of our PRC Affiliated Entities, which could have a material and adverse effect on our business, financial condition, result of operations and prospects. See the section entitled “Regulations – PRC – Regulations on Foreign Investment” of this Prospectus for details of the Foreign Investment Law and the Negative List and its potential impact on our Group.

If the PRC government finds that the Contractual Arrangements do not comply with its restrictions on foreign investment in businesses, or if the PRC government otherwise finds that we or our PRC Affiliated Entities are in violation of PRC laws or regulations or lack the necessary permits or licences to operate our business, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with these violations or failures, including but not limited to:

- revoking the business and operating licences of our PRC Affiliated Entities;
- requiring us to discontinue or restrict our operations;
- imposing fines or confiscating any of our income that they deem to have been obtained through illegal operations;
- imposing conditions or requirements which our Group and our PRC Affiliated Entities may not be able to comply;
- restricting our right to collect revenue and/or restricting or prohibiting our use of the net proceeds from the Offering and the issuance of the New Cornerstone Shares or other of our financing activities to finance the business and operations of our PRC Affiliated Entities;
- requiring us to restructure the relevant corporate entities and their operations; and/or
- taking further actions in order to comply with these laws, regulations and rules or taking other regulatory or enforcement actions against us.

The imposition of any of these measures could significantly disrupt our business and operations, and may result in a material and adverse effect on our ability to conduct all or any portion of our business and operations in the PRC. In addition, the potential impact of the PRC government actions on us and on our ability to consolidate the financial results of any of our PRC Affiliated Entities in our consolidated financial statements post-Listing is unclear, if the PRC government authorities were to find our corporate structure and the Contractual Arrangements to be in

violation of the applicable PRC laws, rules and regulations. If the imposition of any of these government actions causes us to lose our right to direct the activities of any of our PRC Affiliated Entities or otherwise separate from any of our PRC Affiliated Entities, and if we are not able to restructure our corporate structure and operations in a satisfactory manner, we would no longer be able to consolidate the financial results of our PRC Affiliated Entities in our consolidated financial statements post-Listing. Any of these events would have a material and adverse effect on our business, financial condition, results of operations and prospects.

The Contractual Arrangements in respect of our PRC Affiliated Entities may not be as effective in providing control over our PRC Affiliated Entities as direct ownership

We rely on the Contractual Arrangements in respect of our PRC Affiliated Entities to operate our TV program and film production business in the PRC in which foreign investment is prohibited. However, these Contractual Arrangements may not be as effective as direct ownership in providing us with control over our PRC Affiliated Entities.

If we had direct ownership of our PRC Affiliated Entities, we would be able to directly exercise our rights as an equity holder to effect changes in the boards of directors of those entities, which could effect changes at the management and operational level. Under the Contractual Arrangements, we will have to rely on our PRC Affiliated Entities and the Individual Shareholders to perform their respective obligations in order to exercise our control over our PRC Affiliated Entities. While the Individual Shareholders are our Director (in the case of Mr. Guo Jingyu) and Executive Officer (in the case of Mr. Xue Xin), there can be no assurance that they will always act in our best interests or perform their obligations under these contracts or that the Individual Shareholders will ensure that our PRC Affiliated Entities will not breach the existing Contractual Arrangements. Pursuant to the option to purchase the equity interest and/or assets granted to our Group under the Contractual Arrangements, we may replace the Individual Shareholders at any time pursuant to the Contractual Arrangements. However, if any Individual Shareholder is uncooperative or there is any dispute relating to these contracts that remains unresolved, we will have to enforce our rights under the Contractual Arrangements, including the rights of our GHY WFOEs to dispose of all or part of the pledged equity and to be compensated in priority from the proceeds therefrom under the Equity Pledge Agreements and/or the rights of our GHY WFOEs to purchase all or part of the equity interests in our PRC Affiliated Entities and/or all or part of the business or assets of our PRC Affiliated Entities under the Agreements on Exclusive Purchasing Power. Such enforcement will be through the operation of PRC law and/or arbitral or judicial agencies, which may be costly and time-consuming and will be subject to applicable foreign ownership restrictions (for so long as such foreign ownership restrictions remain in force under the prevailing PRC laws and regulations) as well as uncertainties in the PRC legal system. Consequently, the Contractual Arrangements may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership.

The uncertainties of the PRC legal system could limit our ability to enforce Contractual Arrangements when any disputes arise

All of the Contractual Arrangements are governed by and interpreted in accordance with PRC laws and regulations, and disputes arising from the Contractual Arrangements are to be resolved through arbitration or litigation in the PRC. Uncertainties in the PRC legal system could limit our ability to enforce the Contractual Arrangements. In respect of interim remedies, the Contractual Arrangements contain provisions to the effect that the arbitral body may award interim remedies, injunctive relief and/or winding up over the equity interest and/or assets of our PRC Affiliated Entities and that courts of competent jurisdictions, such as the courts in Singapore, the PRC, Hong Kong and the Cayman Islands, are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitration tribunal. However, we have been advised by each of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law,

that such provisions may not be enforceable as an arbitral body has no power under the applicable PRC laws and regulations to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of, or equity interest in, our PRC Affiliated Entities in case of disputes. In addition, the PRC legal system is not as developed as in other jurisdictions and there are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity structure should be interpreted or enforced under PRC laws and regulations. Therefore, such remedies may not be available to us, notwithstanding that the relevant provisions are contained in the Contractual Arrangements. Accordingly, there remains significant uncertainty regarding the outcome of arbitration or litigation, which could limit our ability to enforce the Contractual Arrangements.

PRC laws and regulations do not disallow an arbitral body to award the transfer of equity interests and/or assets of our PRC Affiliated Entities in favour of the relevant GHY WFOE, at the request of our GHY WFOEs. However, the arbitral body does not have the authority to enforce an award and our GHY WFOEs may have to resort to the competent courts. The court may or may not support such arbitral award when deciding whether to take enforcement measures. It is subject to the sole discretion of the courts with regard to whether to support such arbitral award and take enforcement measures. Therefore, such award may not be enforceable under PRC laws and regulations. Each of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law has also advised that interim remedies or enforcement orders granted by overseas courts in respect of any arbitral award may not be recognised or enforceable in the PRC, notwithstanding that the Contractual Arrangements provide that courts of competent jurisdiction are empowered to grant interim remedies in support of the arbitration. As a result, in the event that any of our PRC Affiliated Entities or the Individual Shareholders breaches any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our PRC Affiliated Entities and conduct our TV program and film production business in the PRC may be materially and adversely affected. See the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Agreements forming the Contractual Arrangements – Other Key Terms under the Contractual Arrangements” of this Prospectus for further details of the dispute resolution provisions in the Contractual Arrangements.

In the event that we are unable to enforce our rights under the Contractual Arrangements or if we experience significant delays or other obstacles in the process of enforcing the Contractual Arrangements, we may not be able to exert effective control over our PRC Affiliated Entities and may lose control over the assets owned by our PRC Affiliated Entities. As a result, we may be unable to consolidate our PRC Affiliated Entities in the consolidated financial statements of our Group, and our ability to conduct our operations in the PRC may be materially and adversely affected, and consequently, our business, financial condition, results of operation and prospects may be materially and adversely affected.

If we exercise the option to acquire the equity interest or assets of our PRC Affiliated Entities, such transfer of equity interest and/or assets may be subject to certain limitations and substantial costs

Pursuant to the Contractual Arrangements, our Company, through our GHY WFOEs or their designated third party, has the irrevocable and exclusive right to purchase all or part of the equity interests in our PRC Affiliated Entities and/or all or part of the businesses or assets of our PRC Affiliated Entities at a nominal consideration of RMB1 or such other minimum price as allowed by PRC laws and regulations. However, such transfer of equity interest may be subject to the approvals from, or filings with, the relevant local counterparts of the State Administration for Market Regulation, the relevant PRC Department of Commerce, the Tianjin Municipal Bureau of Culture and Tourism (Tianjin Municipal Radio and Television Bureau), the Beijing Municipal Radio and Television Bureau, and/or such other relevant PRC regulatory authority, and there can be no

assurance that such approvals or filings will be obtained in a timely manner or at all. In addition, the equity transfer price may be subject to enterprise income tax and/or review and tax adjustments by the relevant tax authorities, and such tax amounts may be substantial. In the event that the Individual Shareholders and/or our PRC Affiliated Entities breach the Contractual Agreements, such as any failure by the Individual Shareholders and/or the relevant PRC Affiliated Entities to transfer all or part of the equity interests in our PRC Affiliated Entities and/or all or part of the businesses or assets of our PRC Affiliated Entities, we may seek to enforce our rights to apply to the PRC courts to enforce our rights under the Equity Pledge Agreement through a court-ordered sale or auction of the pledged equity and be compensated in priority from the proceeds therefrom. Nevertheless, this will result in us not being able to exert effective control over our PRC Affiliated Entities and losing control over the assets owned by our PRC Affiliated Entities. As a result, we will be unable to consolidate our PRC Affiliated Entities in the consolidated financial statements of our Group, and our ability to conduct our operations in the PRC will be materially and adversely affected, and consequently, our business, financial condition, results of operation and prospects may be materially and adversely affected.

Any failure by our PRC Affiliated Entities or the Individual Shareholders to perform their obligations under the Contractual Arrangements may have a material and adverse effect on our business, financial condition, results of operation and prospects

If our PRC Affiliated Entities or the Individual Shareholders fail to perform their respective obligations under the Contractual Arrangements, we may have to incur substantial costs and expend additional resources to enforce the Contractual Arrangements. For instance, the Contractual Arrangements contain terms that specifically require the Individual Shareholders to ensure the valid existence of our PRC Affiliated Entities and that our PRC Affiliated Entities may not, in any manner, sell, transfer, mortgage or dispose of its assets or legal or beneficial interests in the business without our prior consent. Although we have entered into the Agreements on Exclusive Purchasing Power in relation to each of our PRC Affiliated Entities, which provide that our GHY WFOEs or a designated third party may exercise the option to purchase all or part of the equity interests of our PRC Affiliated Entities which the Individual Shareholders hold and/or all or part of the businesses or assets of our PRC Affiliated Entities, to the extent permitted by applicable PRC laws, rules and regulations, the exercise of the option is subject to the review and approval of the relevant PRC governmental authorities. Whilst we have also entered into the Equity Pledge Agreements with the Individual Shareholders to secure certain obligations of our PRC Affiliated Entities and the Individual Shareholders to us under the Contractual Arrangement, the enforcement of these Equity Pledge Agreements through arbitral or judicial agencies, if any, may be costly and time-consuming and will be subject to uncertainties in the PRC legal system. Furthermore, in the event that we apply to the PRC courts for enforcement of our rights under the Equity Pledge Agreements through a court-ordered sale or auction of the pledged equity, the court may select the valuer to be appointed and the bases of the valuation undertaken by such valuer to assess the price of the pledged equity would accordingly be selected by the valuer. In the event that the valuation determined by such court-appointed valuer does not appropriately reflect the value of our Group's business and operations conducted through our PRC Affiliated Entities, we may not be adequately compensated from the proceeds of the sale or auction of the pledged equity and our business, financial condition, results of operation and prospects may be materially and adversely affected.

Under the Contractual Arrangements, the Individual Shareholders have also covenanted that they will not request our PRC Affiliated Entities to, in any manner, distribute profit or dividends or pass any shareholders' resolution without the prior written consent of our Group, and if the Individual Shareholders receive any income, profit distribution or dividend, except as otherwise determined by us, they are required to promptly transfer or pay such income, profit distribution or dividend to us or any other person designated by us to the extent permitted under applicable PRC laws, as part of the service fees under the respective Exclusive Business Cooperation Agreements. In the event that the Individual Shareholders breach such covenants or other terms of the Contractual

Arrangements, we may need to resort to legal proceedings to enforce the Contractual Arrangements which may be costly and/or may divert our management's time and attention away from our business and operations. As the outcome of such legal proceedings may also be uncertain, we may suffer losses in the event of such breach of the Contractual Arrangements by the Individual Shareholders, which may materially and adversely affect our business, financial condition, results of operation and prospects.

In addition, although the terms of the Contractual Arrangements provide that they will be binding on the successors of the Individual Shareholders and the Individual Shareholders will procure their successors to be bound by the Contractual Arrangements, it remains uncertain whether the successors in case of the death, bankruptcy or divorce of an Individual Shareholder will be subject to or will be willing to honour the obligations of the Individual Shareholder under the Contractual Arrangements as those successors are not a party to the agreements. If the relevant PRC Affiliated Entity or the Individual Shareholder (or his successor), as applicable, fails to transfer the equity interests of the relevant PRC Affiliated Entity according to the respective Agreement on Exclusive Purchasing Power or Equity Pledge Agreement, we would need to enforce our rights under the relevant Agreement on Exclusive Purchasing Power or Equity Pledge Agreement, which may be costly, time-consuming may not be successful.

We may lose the ability to use, or otherwise benefit from, the licences and assets held by our PRC Affiliated Entities and/or be exposed to losses if our PRC Affiliated Entities declare bankruptcy or become subject to dissolution or liquidation proceedings

Our PRC Affiliated Entities hold licences and assets that are material and necessary for our business operations in TV program and film production in the PRC in which foreign investments are typically prohibited under applicable PRC laws and regulations. Under the terms of the Exclusive Business Cooperation Agreements entered into pursuant to the Contractual Arrangements, our PRC Affiliated Entities may not unilaterally, without our consent, decide to liquidate and distribute their remaining assets.

Furthermore, if any of our PRC Affiliated Entities undergoes liquidation, the Individual Shareholders (by virtue of them being the registered shareholders of Tianjin Changxin) or unrelated third party creditors may claim rights to some or all of the assets of such PRC Affiliated Entity, thereby hindering our ability to operate our business as well as restricting our growth. We may also take part in such liquidation proceedings as a general creditor under the PRC Enterprise Bankruptcy Law and recover any outstanding liabilities owed by our PRC Affiliated Entities to our Group under the applicable Contractual Arrangements. While we may not have priority against both the Individual Shareholders and such third party creditors in respect of the assets of our PRC Affiliated Entities under the Enterprise Bankruptcy Law of the PRC, the terms of the Contractual Arrangements contain safeguards to protect the interests of our Group in the event of liquidation. We are entitled, under the Contractual Arrangements, to obtain the remaining assets of our PRC Affiliated Entities at the price of RMB1 or such other minimum price permitted by the applicable PRC laws and regulations. In the event that the Individual Shareholders breach the terms of the Contractual Arrangements and voluntarily liquidate our PRC Affiliated Entities, or any of our PRC Affiliated Entities undergo liquidation and all or part of its assets become subject to liens or rights of third party creditors, or are otherwise disposed of without our consent, we may be unable to conduct some of our business and operations in the PRC or otherwise benefit from the assets held by our PRC Affiliated Entities, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may face significant tax and transfer pricing risks in the PRC arising from the Contractual Arrangements

Due to the foreign investment restrictions in the PRC, our Group may only conduct the business of TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引进)) in the PRC through the Contractual Arrangements entered into between the Individual Shareholders, our GHY WFOEs and our PRC Affiliated Entities. Under the applicable PRC laws and regulations, our GHY WFOEs and our PRC Affiliated Entities are treated as related parties. Therefore, the related party arrangements and transactions among our GHY WFOEs and our PRC Affiliated Entities may be subject to audit or challenges by the PRC tax authorities for a period of 10 years after the taxable year during which the related party transactions were conducted. In the event that the PRC tax authorities deem that the Contractual Arrangements were not entered into on an arm's length basis and/or resulted in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, we may face material and adverse tax consequences. For instance, the PRC tax authorities may adjust the taxable income of our PRC Affiliated Entities in the form of a transfer pricing adjustment which could, among others, result in a reduction of expense deductions recorded by our PRC Affiliated Entities for PRC tax purposes. This could in turn increase the tax liabilities of our PRC Affiliated Entities without reducing the tax expenses of our GHY WFOEs. In addition, the PRC tax authorities may impose late payment fees and other penalties on our PRC Affiliated Entities for the adjusted but unpaid taxes according to applicable PRC tax laws and regulations. In such event, our business, financial condition, results of operation and prospects may be materially and adversely affected.

Pursuant to the Contractual Arrangements, our Company, through our GHY WFOEs or their designated third party, has the irrevocable and exclusive right to purchase all or part of the equity interests in our PRC Affiliated Entities and/or all or part of the businesses or assets of our PRC Affiliated Entities at a nominal consideration of RMB1 or such other minimum price as allowed by PRC laws and regulations. However, under the prevailing PRC individual income tax regulations, the relevant GHY WFOE or their designated third party, as the purchaser, is required to withhold the individual income tax of the Individual Shareholders. In the event that the relevant GHY WFOE or its designated third party, as the withholding agent, fails to withhold the individual income tax, the relevant PRC tax authority may impose a penalty of within the range of 50.0% to 300.0% of the amount of tax that should have been withheld. In addition, as advised by our Independent Tax Adviser, Deloitte & Touche LLP, in the event that the option to purchase under the Agreements on Exclusive Purchasing Power is exercised by our Group at the nominal consideration of RMB1 or such other minimum price as allowed by PRC laws and regulations, the PRC tax authority has the discretion to adjust the equity transfer price if it is of the view that the consideration payable should be at the fair market value of the equity interests in the relevant PRC Affiliated Entity and/or its assets. In such event, the relevant GHY WFOE or its designated third party would still be required to withhold tax based on the adjusted equity transfer price by the PRC tax authority and any failure to withhold such taxes may be subjected to penalties imposed by the PRC tax authority of an amount of 50.0% to 300.0% of the amount of tax that should have been withheld.

Notwithstanding that the equity transfer price may be adjusted by the PRC tax authority, there can be no assurance that our GHY WFOE can claim a deduction on the cost of investment of the relevant PRC Affiliated Entity based on adjusted equity transfer price if our Group decides to divest our investment in PRC Affiliated Entities in the future. The actual transacted price (being the nominal consideration of RMB1 or such other minimum price as allowed by PRC laws and regulations) rather than the adjusted equity transfer price may still be used by the relevant PRC tax authority as the cost of investment in our PRC Affiliated Entities by our GHY WFOEs, for the purpose of computing the taxable gains derived by the relevant GHY WFOE in future. Accordingly, this may result in an increase in the future tax liabilities of the relevant GHY WFOE if our Group decides to divest our investment in our PRC Affiliated Entities in the future.

Notwithstanding the potential tax and transfer pricing risks highlighted above, our management undertakes to ensure that all relevant tax filings are made to the PRC tax authorities on a timely basis, and that an appropriate transfer pricing study and benchmarking analysis on the Contractual Arrangements would be carried out to mitigate the PRC tax risks and transfer pricing exposure. In addition, based on the past experience of the Independent Tax Adviser, Deloitte & Touche LLP, and the transactions that the Independent Tax Adviser have encountered involving the adjustment of transfer pricing arrangements by the PRC tax authorities, the related party transactions between our GHY WFOEs and our PRC Affiliated Entities are less likely to be scrutinised and adjusted by the relevant PRC tax authority in practice, given that our GHY WFOEs and our PRC Affiliated Entities are subject to the same enterprise income tax rate of 25.0%. As the entities are subject to the same enterprise income tax rate, there would not be any tax leakage from the PRC tax authority's perspective since an income taxable to our GHY WFOEs at 25.0% would correspondingly be claimed as a deduction at the same rate of 25.0% by our PRC Affiliated Entities. In this regard, the effect of any adjustments to the income of our GHY WFOEs taxable in the PRC would be cancelled out by the deductions claimed by our PRC Affiliated Entities and hence, the transactions are less likely to be scrutinised by the PRC tax authority. However, there can be no assurance that the relevant PRC tax authority will not challenge or adjust the transfer pricing arrangements in relation to the Contractual Arrangements in the future.

The Individual Shareholders and the directors of our PRC Affiliated Entities may have potential conflicts of interest with us

The Individual Shareholders are Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, and Mr. Xue Xin, our Senior Director of TV Program and Film Production. Mr. Xue Xin is also the director of each of our PRC Affiliated Entities. We control our PRC Affiliated Entities through the Contractual Arrangements and we conduct a substantial portion of our operations through our PRC Affiliated Entities and generate a substantial portion of our revenue through our PRC Affiliated Entities. The Individual Shareholders may potentially have conflicts of interest with us arising from the conflicts of interest between their duties to our Company and their interest as the shareholders of our PRC Affiliated Entities. They may not act entirely in our interest when conflicts of interest arise and such conflicts of interest may not be resolved in our favour. Notwithstanding that we have arrangements in place to mitigate such conflicts of interest, such as non-compete undertakings in their respective service agreements with us, there can be no assurance that the Individual Shareholders will not breach such non-compete undertakings or their legal duties by diverting business opportunities from us. If we are unable to resolve such conflicts or if we suffer significant delays or other obstacles as a result of such conflicts, our business and operations may be disrupted, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

The Individual Shareholders may be involved in personal disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in our PRC Affiliated Entities and the validity or enforceability of the Contractual Arrangements. For example, in the event that any Individual Shareholder divorces his spouse, the spouse may claim that the equity interests in our PRC Affiliated Entities held by such Individual Shareholder is part of their marital or community property. If such claim is supported by the competent PRC court, the relevant equity interests may be obtained by the Individual Shareholder's spouse who is not bound by the Contractual Arrangements, which could result in us losing effective control over our PRC Affiliated Entities. Similarly, if any of the equity interests in our PRC Affiliated Entities are inherited by a third party who is not bound by the Contractual Arrangements, we could lose our control over our PRC Affiliated Entities or we may have to maintain such control at unpredictable costs, which may cause significant disruption to our business and operations. Notwithstanding that (a) the respective spouses of the Individual Shareholders have undertaken under the respective Spousal Undertakings that she unconditionally and irrevocably agrees and commits not to claim any equity interests of our PRC Affiliated Entities and the rights and interests or assets attached to constitute as community property, and that she does not own or control such properties, rights and interests

or assets, and the Individual Shareholder has the right to dispose such equity interests and any rights and interests or assets attached independently; and (b) the Individual Shareholders have undertaken under the Contractual Arrangements to provide that the Contractual Arrangements will be binding on their successors and that they will procure their successors to be bound by the Contractual Arrangements, there can be no assurance that these undertakings or arrangements will be complied with or effectively enforced. If any of these undertakings or arrangements is breached, is unenforceable and/or subject to legal proceedings, our business, financial condition, results of operations and prospects may be materially and adversely affected.

PRC laws provide that a director and an executive officer owes a fiduciary duty to the company he directs or manages. The director and executive officers of our PRC Affiliated Entities must act in good faith in the best interests of our PRC Affiliated Entities and must not use their respective positions for personal gain. On the other hand, the Directors of our Company owe fiduciary duties and a duty of skill and care to our Company under Cayman Islands law. We rely on the Individual Shareholders to abide by Cayman Islands laws, including the fiduciary duties of directors to act in good faith and in what they believe to be the best interests of the company and to exercise their powers in the company's interests. Nonetheless, conflicts of interests for the Individual Shareholders may arise due to differing roles as shareholders, directors and executive officers of our PRC Affiliated Entities and as our Company's Directors or employees.

There can be no assurance that the Individual Shareholders of our PRC Affiliated Entities will always act in our best interests should any conflicts of interests arise, or that any conflicts of interest will always be resolved in our favour. There also can be no assurance that the Individual Shareholders will ensure that our PRC Affiliated Entities will not breach the Contractual Arrangements. If we cannot resolve any of these conflicts of interest or any related disputes, we would have to rely on legal proceedings to resolve these disputes and/or take enforcement action under the Contractual Arrangements. There is substantial uncertainty as to the outcome of any of these legal proceedings. See the section entitled "Risk Factors – Risks Relating to our Corporate Structure – Any failure by our PRC Affiliated Entities or the Individual Shareholders to perform their obligations under the Contractual Arrangements may have a material and adverse effect on our business, financial condition, results of operation and prospects" of this Prospectus for further details.

RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY IN WHICH WE OPERATE

We are unable to predict the commercial success of our Group's dramas, films and/or concerts with certainty

As we are in the entertainment business, our overall reputation and success depends largely on the commercial success of the dramas, films and/or concerts produced or co-produced by us. Generally, the commercial success of dramas, films and concerts depends in part on the popularity of the artiste(s) involved, and may thus be sensitive to rapidly changing public tastes and the demand for those artistes amongst end consumers. Our TV program and film production and concert production businesses therefore depend in part on our ability to anticipate the tastes of consumers and to offer dramas, films and concerts that will appeal to the masses. However, as consumer preferences change from time to time, we may not always be able to anticipate, identify or react to these changes and secure cast members or concert acts which are popular.

In addition, the popularity and commercial success of dramas or film produced or co-produced by us also depend on several other factors, including genre, the experience and skills of the actors and other cast members and production crew involved, the critics' reviews, negative publicity, the format of release of the drama or film, the quality and popularity of our competitors' dramas and films released at or around the same time, the success of our promotional efforts, the availability of alternative forms of entertainment and general economic conditions. There can be no assurance that our management and production teams will be able to select and develop drama and film projects for production which will eventually be well-received by critics and audiences. Our reputation may be negatively affected in the event that a significant number of dramas and films produced or co-produced by our Group receive negative reviews and/or poor reception, which may in turn have a material and adverse effect on our business, financial conditions, results of operations and prospects.

Certain dramas and films produced or co-produced by our Group may be distributed on video streaming platforms based on a variable fee model, such that a variable fee calculated based on the viewership ratings for each episode under the terms of the agreement entered into between our Group and the customer. In such circumstances, the payment to be received by our Group for that particular drama or film will depend on the viewership ratings, which is primarily determined by inherently unpredictable audience reactions and the abovementioned factors. We are unable to control many of these factors, which may change from time to time, and there can be no assurance that dramas and films produced or co-produced by us will have commercial success and enjoy good viewership ratings.

While we expect concerts for established and/or popular artistes to generally be commercially successful and well-received, engaging such artistes to perform and obtaining the rights to undertake the production of their concerts will generally require payment of a substantial initial down-payment or advance by our Group upon entry into the concert agreement. If we are unable to generate cash flow internally or are unable to otherwise obtain external financing, the amount to be spent on engaging such artistes may have to be reduced, which may thus adversely affect our ability of our Group to procure established and/or popular artistes and/or to undertake the production of concerts which are likely to meet with commercial success and accordingly, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are dependent on third party TV networks and video streaming platforms for the broadcast and/or distribution of our dramas and films

Whilst we undertake the production of a drama or film project, including the scriptwriting, the production process and the post-editing of the drama or film, the broadcast and/or distribution of the drama or film which we have produced or co-produced would be undertaken by third party distributors, such as TV networks and/or video streaming platforms, to whom we sell the licensing

and/or distribution rights for such dramas and films. Depending on the production schedule and the requirements of our working partners for the drama or film project, we may commence production before we have secured a distributor for the broadcast and/or distribution of the drama or film. Upon commencement of the production or co-production of a drama or film project, fees, expenses and costs would have been incurred for various aspects of the production, including leasing of the film locations and engaging directors, actors, production crew and third party contractors to provide production services and other ancillary production services. In the event that our Group has already commenced production for a particular drama or film project but is unable to sell the licensing and/or distribution rights for such drama or film to a third party distributor, we would not be able to recover all or any of such sunk cost and in turn, our business, financial condition, results of operations and prospects may be materially and adversely affected. While we have not encountered any difficulties in securing distributors for our dramas and films in the past, there can be no assurance that all our projects will be positively received by third party TV networks and/or video streaming platforms and will be subsequently broadcasted and/or distributed.

The decisions made by such third party distributors regarding the timing of release, promotional activities and marketing support of the dramas and films that we produce or co-produce are also important in determining their commercial success. While we may conduct our own marketing efforts and promotion activities for our dramas and films, the promotional activities for any drama or film produced or co-produced by our Group is typically undertaken by the relevant TV network and/or video streaming platform. Accordingly, we generally do not exercise much control over the timing and manner in which the dramas and films produced or co-produced by us are released or the promotional activities relating to such dramas and films. Such TV networks and video streaming platforms may also decide not to release any dramas or films produced or co-produced by us. In addition, our competitors' dramas and films may be promoted to a comparatively greater extent as compared to our Group's dramas and films. There can be no assurance that any completed drama or film that has been handed over by our Group to the distributor will be released in favourable conditions, if at all. Failure to produce dramas and films with commercial success may impact our reputation in the long run, which may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may on occasion have informal arrangements with a distributor for the broadcast and/or distribution of our dramas and films and thus may not realise expected benefits from such arrangements but may nonetheless be subject to taxation

We have had informal arrangements with one of our distributors (“**said distributor**”) for the sale of the licensing and/or distribution rights for two of our dramas, which were released for broadcast in the PRC in June 2020 and September 2020, respectively, taking into account the said distributor's leading market share amongst provincial satellite TV channels, provincial non-satellite TV channel, municipal channels and other channels, according to Frost & Sullivan. The total production costs incurred for the aforementioned dramas amounted to approximately RMB81.9 million in aggregate. We had undertaken the production of the dramas and had handed over to the said distributor the final product for the first drama on 21 May 2020 for broadcast and release, and the final product for the second drama on 15 September 2020 for broadcast and release, without any formal agreement having been entered into between our Group and the said distributor for both dramas. As at the Latest Practicable Date, all episodes of the first drama have been broadcasted and the terms and conditions of such formal licensing agreement for the first drama are being negotiated between our Group and the said distributor, including the terms relating to the fees payable to our Group for production and licensing of the rights for the drama, as well as the extent and geographic region of the licensing rights. Our Group had entered into a formal agreement with the said distributor shortly after the handover of the second drama and all the episodes of the second drama have been broadcasted and released as at the Latest Practicable Date.

To the best of our knowledge, such informal arrangements are in line with market practice for licensing agreements for dramas and films broadcasted by the said distributor. The Independent Auditor and Reporting Accountant, Deloitte & Touche LLP, had, in the course of their audit, recommended that our Group enters into formal arrangements with customers on a timely basis to ensure that the rights of all parties are clearly established and in order to safeguard our Group's interests and minimise potential losses should there be disputes in the future. In this regard, we have set the target date for implementation of such recommendations as 31 December 2020 and we will use our best endeavours to enter into a formal agreement for the licensing and/or distribution rights for the first drama with the said distributor as well as for subsequent dramas.

Notwithstanding that informal arrangements may be in line with market practice, without a formal agreement, in the event of any dispute or disagreement between us and the customer, we may be unable to agree on the terms of the distribution and payment of the fee to our Group even though production of the drama and/or film had already been completed and the final product handed over to the customer for broadcast and release. Whilst there has not been any past disagreement or disputes with the said distributor and/or any other distributor for the broadcast of our dramas and/or films and we do not anticipate any difficulties with entering into a formal agreement with the said distributor in respect of our drama which has already aired, there can be no assurance that we will be able to do so on favourable or commercially acceptable terms or at all. In addition, while we are not restricted from distributing the drama to other distributors so as to minimise any loss to us should the said distributor and us fail to agree on a formal agreement for any reason, we may nonetheless fail to realise the expected benefits from such informal arrangements if we do not receive payment of the licensing fee from the said distributor or any other distributors for our production of the drama or film and hence, fail to realise the estimated profit margin for such drama or film. In such event, we may also incur significant losses if we are unable to recoup the production costs incurred or may have to incur substantial time and expenses to negotiate a formal agreement, which may have a material and adverse effect on our business, financial condition, results of operations and prospects.

There can be no assurance that there will not be any adverse tax implications to our Group as the granting of the copyright to the said distributor for the broadcast of the drama prior to a formal licensing agreement being entered into may be deemed a "provision of service" and may thus be subject to value-added tax ("VAT") and enterprise income tax ("EIT") in the PRC. As the formal licensing agreement has not been entered into and no consideration has been agreed for such grant of copyright, our Group has not paid the VAT and the EIT. The finance function of our PRC subsidiaries and PRC Affiliated Entities oversees the taxation matters in the PRC, including the computation, filing and payment of the applicable tax. After the formal agreement has been entered into, the relevant business function will inform our finance function, which will then compute and arrange for the necessary filing and payment with the relevant PRC taxation authority of such VAT within 15 days after the end of the month and such EIT within 15 days after the end of the quarter upon the execution of the formal agreement, and in any event, within one year after the execution of the formal agreement. On this basis and based on the past experience of the Independent Tax Adviser, Deloitte & Touche LLP, with the PRC taxation authorities for similar matters, the risk of prosecution by the PRC taxation authorities for non-payment of VAT and EIT prior to the execution of the formal agreement is low. Furthermore, according to the observation and practical experience of the Independent Tax Adviser, Deloitte & Touche LLP, payment of such VAT and EIT within one year after the execution of the formal agreement would further lower the practical risk of prosecution, given that there is no express requirement under the applicable PRC taxation laws and regulations that payment of such VAT and EIT are to be made within one year.

Further, in the event that the relevant PRC taxation authority raises any issues arising from the filing and payment, our finance function will liaise with the PRC taxation authority to resolve any such issues and to ensure that all taxation would be properly reported and paid to the relevant PRC tax authority. However, notwithstanding that the risk of prosecution by the relevant PRC

taxation authorities for non-payment of VAT and EIT once the formal licensing agreement has been entered into is low, the PRC taxation authorities may nonetheless impose penalties not exceeding RMB10,000 and levy a late payment interest on a daily basis at the rate of 0.05% of the amount of taxation to be paid, commencing on the day the taxation payment was defaulted, which would be the date of such grant of copyright to the said distributor. While such penalties not exceeding RMB10,000 or late payment interest on a daily basis at the rate of 0.05% of the amount of taxation are unlikely to have any material impact on our Group, any penalties or late payment interests imposed may be taken into consideration, amongst other factors, in the relevant PRC tax authorities' assessment of the credit rating of tax payment for the relevant PRC Affiliated Entity in subsequent years. In the event that a company's credit rating is downgraded, there may be stricter scrutiny by the PRC tax authorities who may impose stricter administrative measures during tax-related applications, such as applications for legal receipts. Furthermore, the PRC tax authorities may also increase its supervision and the frequency of its tax examinations on such companies.

We do not intend to continue to have such informal arrangements with the said distributor and any other distributor with whom we do not have an established business working relationship with or where such informal arrangements are not in line with market practice for such distributors, and we will use our best endeavours to enter into formal agreements for the licensing and/or distribution rights for our dramas and films prior to the broadcast and release of any of our dramas and films. However, there can be no assurance that we will be able to do so in the future, particularly if we have an established relationship with the distributor and consider such distributor to be an established TV network and/or platform which is suitable for the broadcast and/or distribution of our drama or film and would likely enable our drama or film to achieve commercial success. In such event, we may nonetheless undertake the production of dramas and films and handover the final product to such distributor prior to entering into any formal licensing agreements.

Dramas and films produced or co-produced by us are subject to laws and regulations relating to distribution and censorship

The dramas and films produced or co-produced by us are subject to the applicable laws and regulations relating to distribution and censorship in the jurisdictions where they are to be distributed and/or broadcasted. Prior to the commencement of filming and production of a drama or film, we are required to complete the necessary filings with the relevant Radio and Television Bureau, during which the script for the drama or film will be submitted. Under the terms of the respective production contracts and distribution or licensing agreements, we are required to obtain the necessary ratings and permits for the broadcast and/or distribution of the drama or film on public channels in the relevant jurisdictions before handover of the final product to our customers. Any tightening of censorship laws and regulations may result in delays in the application and approval processes or additional costs incurred in order to comply with the new censorship laws and regulations, which would have a material and adverse effect on our business, financial condition, results of operations and prospects.

The approval process generally takes approximately two months and we will typically apply for the ratings and/or permits towards the end of the post-production process or after the entire production of the drama or film has been completed. While we have not encountered any difficulties in obtaining the necessary ratings and/or permits for our drama and film projects in the past, and our management and production teams are generally experienced and familiar with the requirements and/or standards of the relevant regulatory authorities, there can be no assurance that we will be able to obtain the necessary ratings and/or permits for our dramas and films for distribution and/or broadcast in the relevant jurisdictions, or that we will be able to do so in a timely manner, particularly in jurisdictions with stricter censorship laws and regulations or with more stringent approval processes. See the section entitled "Risk Factors – Risks Relating to the PRC – The TV dramas and films produced or co-produced by us are subject to content censorship

imposed by the PRC government” of this Prospectus for further details of the censorship laws and regulations imposed by the PRC government.

In the event that we are unable to obtain such ratings and/or permits and thus the drama or film cannot be distributed and/or broadcasted, our customer may either terminate the agreement and require repayment of all or part of the fees paid to our Group or require our Group to make changes to the drama or film in order to apply for and obtain the necessary ratings and/or permits. However, in the event that we are still unable to obtain such ratings and/or permits for the drama or film within the prescribed period of time stipulated in the agreement, our customer may terminate the agreement and require repayment of the fees paid to our Group. In such event, our reputation, as well as our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our TV program and film production may be adversely affected by delays and cost overruns

As the TV program and film production process depends largely on the production cast and crew members, the production process is subject to a number of uncertainties such as illness, disability or any non-compliance incidents of key members, as well as negative publicity related to our projects, most of which are beyond our control. In the event that any existing production cast and/or crew member are unable to provide their services for any reason, we would need to source for replacements. There can be no assurance that we will be able to find suitable replacements on commercially acceptable terms or in a timely manner, which may result in delays and/or cost overruns for the project.

In addition, the production process may be subject to other risks and uncertainties which may also result in delays and cost overruns. These include technical complications, shortages of necessary equipment, technical difficulties with special effects or other aspects of the production, damage to film negatives, master tapes and recordings, adverse weather conditions or government regulations. In the event that the cost of a drama or film project exceeds its production budget, we will negotiate with our working partner(s) on budget adjustments for project but there can be no assurance that we will be able to agree on a revised budget to fund any such overrun on commercially acceptable terms or at all and we may have to fund all budget overruns. In such event, we may have to seek additional financing from other working partners and/or sources and may be unable to recoup those additional costs. Substantial budget overruns could also prevent the production from being completed or prevent the release of the drama or film. Delays in completion of production may also result in any such drama or film not being ready for release at the intended date and postponement of release to a potentially less favourable date, all of which could have a negative impact on the performance of the drama or film when it is released. In the event of any delays or failure to complete the production of a drama or film, the customer may terminate the relevant production contract and require reimbursement of the fees paid and the expenses incurred by the customer, as well as payment of damages. Due to the nature of the TV program and film production business, we focus our resources on a limited number of drama and film projects each year and any of the foregoing could have a material and adverse effect on our business, financial conditions, results of operations and prospects.

Our business and operations may be materially and adversely affected due to the recent global pandemic outbreak of COVID-19

The recent global pandemic outbreak of COVID-19 announced by the World Health Organisation has disrupted our operations, as well as the operations of our customers and suppliers, globally, including in Singapore, Australia, Malaysia and the PRC. Due to the COVID-19 outbreak, a number of governments around the world have imposed nationwide restrictions to curb the spread of COVID-19, including quarantine measures, travel restrictions and the closure of workplaces, schools, shops and other public venues, including entertainment venues.

While there have been changes to the pipeline of drama and film projects, there were no changes in our strategy and expansion plans. While our Group had to delay the production schedule of one ongoing drama due to such measures requiring the closure of workplaces and suspension of business activities, there has been no material and adverse effect on our business, financial conditions and results of operations up to the Latest Practicable Date. While we have agreed on a revised production schedule for such drama with our customer, our suppliers, as well as the crew and personnel involved, we are unable to predict if the impact of the COVID-19 outbreak will be short-lived or long-lasting, or if there will be delays to the production schedules of future drama and film projects and/or further disruptions to our business and operations. Furthermore, if the development of the COVID-19 outbreak becomes more severe or if our customers, suppliers and/or subcontractors are forced to close down their businesses after prolonged disruptions to their operations, we may experience a delay or shortage of suppliers and/or services by our suppliers, or termination of contracts by our customers. In such event, our operations may be severely disrupted and may cause a material and adverse effect on our business, financial conditions, results of operations and prospects.

In addition, due to the imposition of such travel restrictions and concerns over the COVID-19 outbreak, our Group had to postpone the “Jay Chou Carnival World Tour” concerts in Kuala Lumpur, Malaysia and Sydney, Australia which were originally slated for 29 February 2020 and 14 March 2020, respectively, for the safety of the concertgoers and crew. As the concert in Malaysia has been postponed, we had incurred administrative fees of approximately S\$3,300 charged by the ticketing agent for the cancellation and refund of the concert tickets. We had also paid in March 2020 aggregate approximately S\$305,000 of transportation fees to the logistics services provider in being the full amount of the fees for the transportation of the concert equipment between concert venues, from the PRC to Singapore (for use at the concerts in Singapore), from Singapore to Malaysia (for use at the concert in Malaysia), and finally from Malaysia back to the PRC. As the concert equipment had been transported from Singapore to Malaysia and subsequently from Malaysia to the PRC, the contract was deemed to have been fulfilled based on the route taken by the logistics services provider, notwithstanding that the concert in Malaysia was eventually postponed. However, we had agreed with the logistic provider that a discount may be given on subsequent fees for the transportation of the concert equipment between the PRC and Malaysia, which will be incurred when the concert in Malaysia is to be held in the future. Due to the postponement of the concert in Australia to 2021, we had incurred approximately S\$78,400 due to cancellation of the venue, approximately S\$176,000 for additional logistics fees and S\$16,800 for site management and storage fees. In addition, advertising costs of approximately S\$4,200 for the concert in Malaysia and approximately S\$137,000 for the concert in Australia had been written off in 6M2020, and we had recorded refund liabilities as at 30 June 2020 relating to the estimated concert ticket refunds to customers due to the postponement of the concerts in Malaysia and Australia arising from travel restrictions and concerns over the COVID-19 outbreak.

In the event of a prolonged COVID-19 outbreak, we may be required to further postpone such concerts until such time when the COVID-19 outbreak can be contained and the restrictions imposed by the respective governments have been lifted, and we will not be able to undertake concert production during such time. In such event, our revenue and profitability from our concert production business may be materially and adversely affected due to such inability. While we may explore alternative business strategies for our concert production business during such time, such as the holding of online concerts on online streaming platforms, there can be no assurance that we will be able to successfully implement such alternative business strategies due to the numerous risks involved, including but not limited to, difficulties in the assimilation of operations, technologies, systems and personnel, unforeseen liabilities and loss of capital. In addition, due to the widespread availability of online streaming platforms, social media platforms and other digital mediums, other concert and event organisation companies, as well as the artistes themselves, will also be able to organise and host online concerts. In the event that we are not able to compete successfully against our competitors or adapt to such alternative business strategies, our

business, financial conditions, results of operations and prospects may be materially and adversely affected. See the section entitled “Trend Information – Impact of COVID-19” of this Prospectus for further details.

We do not have any long-term financing arrangements for the production of our drama and film projects

The initial phase of the production process of each drama or film project, which includes purchasing the intellectual property rights to the script, and conducting feasibility studies and site surveys, is typically funded by the internal resources of our Group. The commencement of the production for each drama or film project is usually dependent on our ability to secure funding and financial investment from working partners for the co-production of the drama or film project, sale of the distribution rights associated with the drama or film and/or sponsorship from third parties. However, as we do not have any long-term arrangements with such parties, there can be no assurance that we will be able to secure working partners, distributors and/or sponsors for each drama or film project or that there will be continued availability of such financing arrangements on commercial terms acceptable to our Group. While we have not encountered any difficulties in securing working partners and/or distributors for our dramas and films in the past, there can be no assurance that all our drama and film projects will be positively received by potential working partners and will be subsequently broadcasted and/or distributed. In the event that our Group is unable to obtain sufficient funds to finance our productions, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In particular, certain dramas and films produced or co-produced by our Group may be distributed on video streaming platforms based on a variable fee model such that a variable fee, calculated based on the viewership ratings for each episode, is payable by the customer to us under the terms of the production contract entered into between our Group and the customer. Accordingly, we may be unable to meet our working capital needs for the drama or film project if we are unable to secure funding and financial investment from working partner(s) or external financing for the production process, which may in turn affect the budget, production schedule and/or quality of the drama or film.

We also receive government grants for certain of our dramas and films and have received government grants amounting to approximately S\$6.5 million and S\$0.4 million in FY2019 and 6M2020, respectively. Such government grants for our drama and film production activities comprise (a) the Film in Malaysia Incentive Plus Grant in respect of our Singapore drama and film projects which are filmed in Malaysia, which is a 30.0% cash rebate on all qualifying Malaysia production expenditure which meets the prescribed criteria and is available for both Malaysian and foreign production activities; and (b) grants in respect of our PRC drama and film production activities received by our PRC Affiliated Entities from the PRC local government authorities, which includes the Tianjin local government authority. While we are not solely dependent on the receipt of government grants or subsidies, these grants and subsidies are nevertheless advantageous to our Group as they assist in defraying our operating costs. In the event that we do not qualify for such government grants and subsidies in the future, or if such government schemes are no longer available, our operating costs may increase and accordingly, our business, financial condition, results of operations and prospects may be adversely affected if we do not receive alternative grants to offset the loss of such government grants and subsidies.

We may encounter difficulties in our collaborations with working partners for the co-production of our drama and film projects

We may collaborate with working partners for the co-production of a drama or film project in terms of financial investment or other aspects of the production process. The successful production of a drama or film depends on, among others, our ability to identify suitable working partners and/or to obtain the necessary financing. If there are disagreements between our working partners and

us regarding the production process, including but not limited to, the budget, production schedule and overall direction of the drama or film project, there can be no assurance that we will be able to resolve them in a manner that will be satisfactory or beneficial to us. In addition, such working partners may have economic or business interests or goals that are inconsistent with ours, may take actions contrary to our instructions, requests, policies or objectives, or be unable or unwilling to fulfil their obligations and may have financial difficulties or have disputes with us as to the scope of their responsibilities and obligations. While we have not previously encountered any disagreements or disputes with our working partners, in the event that such disagreements or disputes cannot be amicably resolved between our working partners and us, litigation claims may be filed and the production of the drama or film project may be delayed or cancelled. Any of these and other factors may materially and adversely affect the production process and the overall success of the drama or film, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

We are reliant on the services of certain suppliers and subcontractors

We collaborate with certain suppliers and subcontractors for the provision of their services to our Group in respect of our TV program and film production business and costumes, props and make-up services business on a recurring basis. We may be subject to concentration risk of reliance on such suppliers and subcontractors as while we have maintained good working relationships with them, there can be no assurance that such relationships will continue in the long run or that future agreements with such suppliers and/or subcontractors can be made on commercially acceptable terms, or at all. In the event that such relationships are terminated and we are unable to find suitable alternative suppliers and/or subcontractors in a timely manner or who are able to provide us with such services on similar terms, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In particular, we engage Envision Productions, a third party Malaysian production services company, to provide production services in respect of our production activities in Malaysia for our TV program and film production business, which accounted for approximately 57.0%, 20.4% and 32.1% of our Group's purchases in FP2018, FY2019 and 6M2020, respectively. In particular, we apply jointly with Envision Productions for the Film in Malaysia Incentive Plus Grant ("**FIMI Plus Grant**") in respect of our Singapore drama and film projects which are filmed in Malaysia, which is a 30.0% cash rebate on all qualifying Malaysia production expenditure which meets the prescribed criteria and is available for both Malaysian and foreign production activities. The FIMI Plus Grant is subject to conditions, including, among others, that the production services company which we engage maintains at all times a valid Malaysia company registration issued by the Companies Commission of Malaysia and that the relevant visas, passes, releases, approvals and permits, where necessary for the drama or film project have been obtained before commencing the project or production in Malaysia. See the section entitled "Regulations – Malaysia" of this Prospectus for further details.

We have in the past received the final certificate for the FIMI Plus Grant in respect of the drama "The Little Nyonya 小娘惹" and have been awarded the FIMI Plus Grant in respect of this drama, amounting to approximately S\$5.3 million in FY2019. In addition, as at the Latest Practicable Date, we have been granted provisional certificates for the FIMI Plus Grant for the dramas "Sisterhood 南洋女儿情" and "The Ferryman – Legends of Nanyang 灵魂摆渡 – 南洋传说" and have applied for the provisional certificate for the FIMI Plus Grant for the drama "Nanyang Transport Volunteers 南洋英雄泪", which, for the avoidance of doubt, are distinct and separate from each other and from the FIMI Plus Grant already received by our Group in respect of "The Little Nyonya 小娘惹". However, there is no guarantee that our Group will receive the final certificates and be granted the FIMI Plus Grant for these other dramas. In the event that such production services company fails to meet the requisite requirements for the FIMI Plus Grants set out in the provisional certificates, the provisional certificates may be revoked and we may not be able to obtain the final certificates to claim for the FIMI Plus Grant. Further, our Group may be unable to obtain the FIMI

Plus Grants for future drama or film projects. Any of the above may materially and adversely affect our working capital needs as well as our business and profitability.

We have also entered into an exclusive services and collaboration agreement with Mr. Chen Minzheng, a well-known designer for costumes and props in the PRC who has won, among others, the Golden Horse Award for Best Make-up & Costume Design in 2018 and the Asian Film Award for Best Costume Design in 2019, pursuant to which Mr. Chen Minzheng has agreed to provide his costumes and props services to our Group on an exclusive basis. In connection with such exclusive services and collaboration agreement, third party production companies who wish to engage Mr. Chen Minzheng's services will enter into contracts with our Group. The services will in turn be subcontracted by our Group to Mr. Chen Minzheng for his provision of such costumes, props and make-up services under the terms of the exclusive services and collaboration agreement. As we currently do not have the resources and/or capability necessary to independently develop our costumes and props services business for the scale of our production, we believe that it is beneficial to our Group for Mr. Chen Minzheng to design costumes and props for our drama and film projects as well as for third party production companies who approach our Group for such services due to his reputation and expertise in this field. While the agreement is for a term of three years and is automatically renewed, it may be terminated by either party with three months' notice. There can be no assurance that such agreement will not be terminated in the future, by reason of non-performance of obligations or otherwise, or in the event of any dispute or disagreements. See the section entitled "History and Business – Our Business – Costumes, Props and Make-up Services" of this Prospectus for further details on the costumes, props and make-up services business of our Group.

Any disagreement or conflict with our suppliers and/or subcontractors could lead to termination of the agreements or arrangements we may have with such parties or result in litigation or arbitration proceedings. Further, as our Group extends its operations to other ancillary businesses, some of such suppliers and/or subcontractors may become our competitors or provide their services to our competitors in the future. In such event, our TV program and film production business and costumes, props and make-up services business may be disrupted, which may materially and adversely affect our business, financial condition, results of operations and prospects.

We are exposed to concentration risk of reliance on our major customers

Due to the nature of the TV program and film production business, we provide our services for TV program and film production on a project basis. As we have established good business relationships with our customers which are TV networks and video streaming platforms who had in the past broadcasted or distributed our dramas and films, such customers often express interest in our past drama and film projects from time to time. iQIYI is a leading online streaming service provider, according to Frost & Sullivan, and had distributed three of our past drama and film projects, and accounted for approximately 91.9% and 55.5% of our Group's revenue in FY2019 and 6M2020, respectively. As at the Latest Practicable Date, CCTV had broadcasted three of our past drama and film projects. Due to our established business relationship with major customers such as iQIYI and CCTV, we expect that the revenue generated from such customers will continue to comprise a significant portion of our revenue in the foreseeable future.

As such, we may be subject to concentration risk of reliance on such customers and there can be no assurance that we would be able to maintain good business relationships with them in the future. Our major customers are not obliged in any way to distribute our dramas and films in the future at a level similar to that in the past or at all. Should any of our major customers reduce substantially the size of its transactions with us or terminate its business relationship with us entirely, are unable to continue their business and operations, become insolvent or is wound-up, or fail to make payments on time for any reason, there can be no assurance that we would be able to secure new businesses from other customers to compensate for such reduction in transactions

or loss of business entirely. Accordingly, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In particular, based on the Form 6-K (Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16 under the Securities Exchange Act of 1934) dated 14 August 2020 (“**Form 6-K**”) filed by iQIYI with the United States Securities and Exchange Commission (the “**SEC**”), the SEC’s Division of Enforcement is seeking the production of certain financial and operating records of iQIYI dating from 1 January 2018, as well as documents related to certain acquisitions and investments that were identified in a report issued by short-seller firm Wolfpack Research in April 2020 (“**Wolfpack Report**”). It was noted in the Form 6-K that iQIYI is cooperating with the SEC and has engaged professional advisers to conduct an internal review into certain key allegations in the Wolfpack Report and to report their findings to iQIYI’s audit committee. Subsequent to the Form 6-K, iQIYI had released an update on its internal review on 5 October 2020 (“**iQIYI Update**”) that such internal review within the agreed scope has been substantially completed and did not uncover any evidence that would substantiate the allegations, and that it will continue to cooperate with the SEC in connection with the ongoing SEC investigations. iQIYI had stated in the Form 6-K and the iQIYI Update that it cannot predict the timing, outcome or consequences of the SEC investigation. Any adverse findings against iQIYI arising from the SEC investigation could result in significant penalties and litigation proceedings against iQIYI. Such adverse findings and any other litigation proceedings against iQIYI could also result in negative publicity and material reputational damage to iQIYI, which may have a material and adverse impact on the solvency as well as the viability of its business and operations. Should iQIYI be insolvent or wound up or if its business and operations are no longer viable, our reputation, our receipts of payments from iQIYI and/or the ongoing release of our dramas or films, if any, on iQIYI’s online video platform may be adversely affected and there can be no assurance that new businesses secured from other customers for replacement, if any, would be on commercially comparable terms. We have not encountered any issues and/or difficulties arising from our business transactions with iQIYI in the past and the revenue received from iQIYI in respect of the three dramas and films in the past were in line with the fees stated in the respective agreements entered into between our Group and iQIYI.

We are dependent on relationships with key agents, managers and artistes for our concert production business and talent management services business

The concert production business, which is one of the core business segments of our Group, is uniquely dependent upon personal and business relationships as our key personnel have to leverage on their existing business contacts and network of relationships with agents, managers and artistes in the media and entertainment industry in order to secure the rights to undertake the production of concerts for artistes, whether by way of Concert Organisation or Concert Management, by our Group. Such personal relationships and industry contacts are critical to the success of this business segment and any adverse changes in the aforesaid relationships or the loss of any of such relevant key personnel may affect our ability to continue to undertake the concert production(s) for a particular artiste or for artistes managed by a particular agent and/or manager in the future. There can be no assurance that such key personnel will remain with us for the long term, or that our Group’s relationships with current industry contacts will be retained in the long term. If the agent and/or manager of an artiste with whom we have established relationships with are replaced by within someone we are not familiar or with whom we have yet to establish good working relationships with, we may no longer be granted the rights to undertake the concert production for such artiste, which may materially and adversely affect our business, financial conditions, results of operations and prospects.

In particular, we have been granted rights by JVR Music and Sure Legend to undertake the production of concerts for Jay Chou in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau) either on a long-term basis or without any expiry in time. See the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by

Interested Persons” of this Prospectus for further details. Pursuant to the respective agreements, we had undertaken the production of two concerts for Jay Chou in Singapore in January 2020, which contributed to approximately 39.8% of our Group’s revenue for 6M2020. We will also be undertaking the production of upcoming concerts for Jay Chou to be held in Singapore, Malaysia and Australia and intend to continue to undertake the production of such concerts under the terms of such agreements. Mr. Yang Jun Rong, our Non-Executive Director and Substantial Shareholder, is the manager to Jay Chou and holds a 45.0% shareholding interest in both JVR Music and Sure Legend and is also a director and chief executive officer of each such entity. However, there can be no assurance that we will be granted the rights to undertake the production of concerts for Jay Chou in the future whether by way of Concert Organisation and/or Concert Management, in the event that Mr. Yang Jun Rong ceases to be our Non-Executive Director or if the agreements are terminated for any reason. In addition, notwithstanding that we are not aware of JVR Music and Sure Legend granting rights to other companies for the production of Jay Chou’s concerts in the same jurisdictions and at the same time periods as the rights granted to us, there is no assurance that other concert production companies will not be granted similar rights to undertake the production of concerts for Jay Chou in the same countries and at the same time periods given that the rights granted to our Group are on a non-exclusive basis. If a concert is held for Jay Chou by another such concert production company in a particular country, the commercial viability and success of any concert(s) which we may undertake in the same country may be adversely affected as concertgoers may not attend more than one concert for the same artiste within a relatively short span of time. See the section entitled “History and Business – Our Business – Concert Production” of this Prospectus for further details on the concert production business of our Group.

The talent management services business of our Group is similarly dependent upon personal and business relationships with the artistes whom we manage, as well as with the corporate customers, event organisers and production companies which engage our artistes for their projects and events. In the event of any dispute or disagreement between our Group and our artistes, they may terminate their talent management services agreement with us and engage another talent management agency instead, which would reduce the revenue we generate from our talent management services business as the fees paid to us for our talent management services is generally computed as a percentage of the fees paid by the customers which engage our artistes for their projects and/or events. While there have not been any material disputes with our artistes, there can be no assurance that disagreements over the terms of the talent management services agreements, such as fees or performance of obligations, will not arise in the future between our artistes and ourselves. In addition, factors such as poor performance, negative publicity and lack of popularity for our artistes may also result in a lack of demand for such artistes to be engaged for projects and events, which may also have a material and adverse effect on our business, financial conditions, results of operations and prospects, as well as our reputation as a talent management agency.

We may be materially and adversely affected if scheduled concerts are cancelled or postponed and/or if the ticketing agents engaged by our Group declare bankruptcy or become subject to dissolution or liquidation proceedings

We incur a significant amount of upfront costs when we plan and prepare for a concert production, including venue booking fees, concert equipment leasing, marketing and related costs. Accordingly, if a planned concert is cancelled due to reasons such as adverse weather conditions, power outages or equipment failures or other unforeseen circumstances, especially if the cancellation is close to the date of the planned concert, we may lose a substantial amount of sunk costs, fail to generate the anticipated revenue and may be forced to issue refunds for tickets sold. In the event that a planned concert is cancelled and we are unable to reschedule the concert to an alternative date, for reasons such as unavailability of the artiste or if there are no mutually acceptable dates between our Group and the agent or manager of the artiste, and we are not able to procure that the artiste perform at a mutually acceptable date, or at all, we may lose a

substantial amount of sunk costs and/or be required to reimburse the agent or manager of the artiste for any expenses incurred.

If a planned concert is postponed, due to unforeseen circumstances, government regulations or otherwise, we would incur substantial additional costs in connection with having to stage the concert on an alternative date and possibly, at an alternative venue as well. Postponement of a concert may also negatively impact the attendance as well as merchandise sales. Further, in certain situations, we may have to refund the cost of the concert tickets to ticket holders who are not available on the alternative date and pay additional administrative fees to the ticketing agent for such cancellation or postponement. See the section entitled “Risk Factors – Risks Relating to Our Business and the Industry in which we Operate – Our business and operations may be materially and adversely affected due to the recent global pandemic outbreak of COVID-19” of this Prospectus for further details on scheduled concerts which were cancelled or postponed due to the COVID-19 outbreak. There can be no assurance that such events will not cause a material and adverse impact on our business, financial condition, results of operations and prospects. To the best of our Board’s knowledge and belief, there are no readily available insurance policies in relation to concert production to cover risks relating to adverse weather conditions, power outages or equipment failures or other unforeseen circumstances (including epidemic or outbreak of communicable diseases such as COVID-19, natural disasters, riots, general strikes, and acts of terrorism) and it is not industry practice for such risks to be insured. While we have obtained insurance against claims arising from public liability for our concert productions which we believe to be adequate insurance for our business and operations, and in amounts that we believe to be commercially appropriate, there can be no assurance that our insurance policies will adequately cover all risks relating to our Group’s concert production business.

End consumers who attend our concerts purchase tickets through ticketing agents engaged by our Group. While we may receive a portion of the ticket sales prior to the concert, the bulk of the ticket sales will be retained by the ticketing agent until the final settlement of the ticket sales between us and the ticketing agent which typically occurs after a concert has taken place. In the event that any ticketing agent engaged by our Group declares bankruptcy or become subject to dissolution or liquidation proceedings, we may incur substantial additional costs arising from the cancellation or postponement of the concert or we may be unable to recover the ticket sales from such ticketing agent if the concert had already taken place. In such event, our business, financial condition, results of operation and prospects may also be materially and adversely affected.

Failure to lease concert venues on favourable commercial terms may adversely affect our concert production business

We require concert venues, from time to time, for the concerts which we undertake the Concert Organisation for. In the event that we are unable to lease or acquire such venues on terms favourable to our Group, revenue generated from those concerts may be insufficient to cover our costs from undertaking such concerts and/or events. In addition, as the date(s) of the concert will depend on the availability and schedule of the particular artiste, failure to lease the concert venue on the required dates may also result in the concert being called off completely if we are unable to agree on a suitable alternative date with the artiste. In the event that we are not able to generate sufficient revenue from the concerts or if the concerts are called off due to the unavailability of the concert venue on the required dates, our business, financial conditions, results of operations and prospects may be materially and adversely affected.

While there are a number of venue options available in the relevant cities, such as in Singapore, Kuala Lumpur and Sydney where our Group has undertaken or plans to undertake the Concert Organisation in the future, we do not own any of these concert venues and our long-term success in the concert production business will depend in part on our ability to lease these venues from and enter into agreements with the venue owners or managers. The ability to renew these agreements or obtain new agreements on favourable terms depends on a number of factors, many

of which are also beyond our control, including local business conditions and competition from other concert and/or event organisation and promotion companies. As many of these agreements are with third parties over whom we have little or no control, we may be unable to renew these agreements or enter into new agreements on terms which are commercially acceptable and favourable to us in respect of these venues, which may materially and adversely affect our business, financial conditions, results of operations and prospects.

We are exposed to the risks in the non-performance and quality of our subcontracted services and works

We engage third party subcontractors for certain services for our drama and film projects and for the concert productions undertaken by our Group, including props and stage engineers, lighting and sound technicians, technical effects providers and logistical services providers. We are therefore exposed to the risks that our subcontractors may not provide the subcontracted services or works on time or that the quality of the works or services may not meet our requirements. In the event that our subcontractors are unable to deliver services or works of the required quality and/or specifications, or in a timely manner, we may be required to source for alternatives and/or may experience delays in the production schedule, which may result in cost overruns and have a material and adverse effect on our business, financial conditions, results of operations and prospects.

Whilst our Group has not encountered any incidents in the past which resulted in us being exposed to risks in the non-performance and quality of our subcontracted services and/or works, there can be no assurance that such events may not cause a material and adverse impact on our business, financial conditions, results of operations and prospects in the future.

We operate in a highly competitive industry and we may not be able to maintain our competitiveness locally and internationally

We operate in a highly competitive industry and dramas and films released by our competitors may result in an oversupply of dramas and films in the market, particularly on video streaming platforms, which could reduce our viewership numbers and/or ratings and render it more difficult for the dramas and films produced or co-produced by us to succeed commercially. According to Frost & Sullivan, the PRC drama series market is highly competitive with more than 18,000 market players in 2019 with differentiated backgrounds and capabilities. As set out above, poor viewership numbers and ratings may affect the commercial success of the future dramas and films produced or co-produced by our Group, which may have a material and adverse effect on our business, financial condition, results of operations and prospects. An oversupply of dramas and films may become more pronounced during peak periods, such as school holidays and national holidays, which may result in lower viewership numbers and/or poor viewership ratings for our dramas and films on video streaming platforms.

In addition, our Group's existing and future competitors may also enter into global or regional alliances which may give them a competitive advantage through greater access to a wider range of entertainment content, product offerings, increased leverage with suppliers, more extensive distribution network and more competitive pricing. According to Frost & Sullivan, the PRC drama series market is highly competitive and leading drama series production and distribution companies have obtained superior industry resources and established long-term cooperation business relationships with leading broadcasting channels and online video platforms. In the event that we are not able to compete successfully against our competitors, our business, financial condition, results of operations and/or prospects may be materially and adversely affected. See the section entitled "History and Business – Competition" of this Prospectus for further details of our competitors.

We may not be able to keep pace with the advent of new media and other disruptive technologies

The entertainment industry is rapidly evolving and is characterised by the frequent advancement of new media and other disruptive technologies, evolving industry standards, frequent new media and service launches and updates, as well as changing consumer demand and expectations. The continuing popularity of our entertainment content and product offerings depend significantly on our ability to adapt to these rapidly changing technologies and industry standards, and our ability to continually innovate in response to evolving market competition and consumer demands and expectations. For instance, the growing popularity of interactive content on video streaming platforms may diminish the popularity of traditional drama or film formats. While our Group intends to build up the software technology required to produce such interactive entertainment content, as well as the capabilities of our production teams in order to do so, developing and/or integrating such new media and other disruptive technologies with the traditional drama or film formats may pose a challenge to our existing business and operations, while also providing us with opportunities to expand into new entertainment formats. In addition, the advent of new media and technologies may also result in artistes using alternative media and platforms to reach out to their fans and consumers, such as three-dimensional, holography and virtual reality, or other forms of disruptive technologies. Artistes may thus use such technologies to hold online concerts and other events which are readily accessible. They may also undertake such online concerts free of charge, which may result in a decrease in demand for live concerts and accordingly, demand for our concert production business. Any failure on our part to act effectively in any of these areas may materially and adversely affect our business, financial condition, results of operations and prospects.

Moreover, enhancing existing technologies and incorporating such new technologies into our product offerings and services may involve a significant amount of time, technical challenges, as well as substantial capital and resources, and we may not be able to effectively develop or integrate new technologies on a timely basis or at all, which may decrease the quality of the entertainment content produced by our Group. There can also be no assurance that we will be able to accurately predict the overall effect of such new media and other disruptive technologies on market trends or that our Group will be able to capture the opportunities from doing so. If we are unable to successfully develop new media and/or technologies or if such technologies become obsolete in a short span of time, we may be unable to recover our investment and/or suffer losses. Our failure to keep pace with rapid technological advancements in the media and entertainment industry may also affect our ability to expand our portfolio of entertainment content and product offerings, which may in turn materially and adversely affect our business, financial conditions, results of operations and prospects in the long run.

We and/or our subcontractors may not be able to obtain the necessary licences and/or approvals for our TV program and film production business and concert production business

We may be required to obtain licences and/or approvals from the relevant government and/or regulatory authorities in order to carry out our production activities in certain production and film locations. While there has not been any past incidents where our Group was unable to obtain the necessary licences and/or approvals for our TV program and film production and concert production activities as at the Latest Practicable Date, there can be no assurance that we will be able to obtain and/or maintain such licences and/or approvals in a timely manner or at all. In the event that we are unable to obtain and/or maintain the necessary licences and/or approvals, our business, financial condition, results of operations and prospects may be materially and adversely affected. See the section entitled “History and Business – Material Licences and Permits” of this Prospectus for details of the licences and approvals obtained by our Group.

Where we do not have an established presence in certain jurisdictions, we may also engage a third party production services company as our subcontractor to provide production services to support our operations, which includes obtaining the requisite licences and/or approvals in order to conduct our production activities. For instance, a company must have a majority of its shares held by Malaysians from the sixth year after the company is granted a licence from FINAS, in order to obtain and maintain a Licence to Engage in the Production of Film and Licence to Engage in the Distribution of Film issued by FINAS, which is required for filming and production activities in Malaysia. Such licence may at any time be varied or revoked by FINAS or FINAS may impose new additional conditions attached to such licences. We have in the past, and will continue to, engage Envision Productions, an independent third party Malaysian production services company, which has the requisite licence from FINAS to provide local production services. However, if Envision Productions is, for any reason, unable to maintain the requisite licence, we would need to source for and work with one or more alternative duly licensed third parties to support our production activities in Malaysia. If we are unable to promptly engage such alternative licensee(s) on commercially acceptable terms, this may also result in a delay to production schedule and cost overruns.

We are exposed to risks of piracy and infringement of our intellectual property rights by third parties

Entertainment content piracy is extensive in many parts of the world and has been aggravated by technological advances, which enables the conversion of entertainment content into digital formats and illegal downloading on the Internet. Unauthorised copying and piracy of entertainment content are prevalent in the PRC and many other countries, where the current legal systems may make it difficult for copyright owners such as us and our working partners to enforce intellectual property rights. As a result, the creation, transmission and sharing of high-quality unauthorised copies of entertainment content has proliferated. While we are not aware of any past incidents which have had a material and adverse impact on our Group's financials and/or operations as at the Latest Practicable Date, in the event that there is unauthorised copying and piracy of the drama and films produced or co-produced by our Group such that consumers may download and/or view such dramas and films on mediums or platforms that are not the official distribution channels, this in turn may reduce our official viewership numbers and ratings on TV networks and/or video streaming platforms, which may negatively affect the commercial success of the dramas and films. In such event, the reputation of our Group may also be adversely affected, which may in turn result in less demand and/or less favourable pricing for the dramas and films produced or co-produced by our Group in the future.

In addition, the content of our drama and film projects are also susceptible to theft and leakages prior to their release. Notwithstanding that our Group has implemented several security measures such as requiring our employees, relevant personnel and our working partners to enter into non-disclosure agreements, exclusive onsite viewing at our premises of the dramas and films by our working partners, potential customers and relevant personnel only, prohibition of any electronic transmission of the drama or film and closed-door discussions between members of the production team and the cast, there can be no assurance that leakages of our dramas and films prior to their release would be prevented. In the event of any leakages of the content of our dramas or films prior to their release, or if such sale of pirated entertainment content and the illegal downloading persists, our customers may terminate the production contract and/or licensing agreement with our Group for such dramas or films and we may be liable for damages and/or reimbursements of the fees and expenses incurred by such customer. Any of the aforementioned events may materially and adversely affect our business, financial condition, results of operations and prospects.

Our commercial success depends, in part, upon the successful protection of our intellectual property rights. Our Group takes steps to protect intellectual property rights to our drama, film and online content productions through existing laws, as well as entering into licensing and distribution

arrangements with reputable companies in specific territories and media for a limited period of time. Despite these measures, existing copyright laws provide only limited practical protection in certain countries. Furthermore, dramas or films produced or co-produced by us may be distributed in other countries where there is no copyright protection. As a result, it may be possible for unauthorised third parties to copy and distribute our dramas and films. Monitoring unauthorised use of intellectual property is difficult and costly, and the steps we have taken may not fully prevent the infringement or misappropriation of our intellectual property rights. From time to time, we may have to resort to litigation to enforce our intellectual property rights or to determine the validity and scope of our intellectual property rights. Such litigation could result in substantial costs which could have a material and adverse effect on our business, financial condition, results of operations and prospects. In this regard, we have registered several trademarks in Singapore and the PRC. See the section entitled “History and Business – Intellectual Property Rights” of this Prospectus for further details of our trademarks and other intellectual property rights.

Our continued success and sustainability of growth will depend on our ability to expand our network in Singapore, the PRC and overseas

As part of our growth strategy, we intend to expand our regional presence and expand into new markets by strengthening our presence in the Asia-Pacific region and in particular, Southeast Asia. See the section entitled “History and Business – Our Business Strategies and Future Plans” of this Prospectus for further details of our business strategies and future plans.

Our expansion plans will require us to, among others, expand our concert production business into other countries, including Thailand and Japan and other countries in the Asia-Pacific region, and to undertake the production of concerts for artistes in such countries. However, there can be no assurance that we will be able to obtain the necessary licences and/or permits, secure artistes to perform at such concerts and/or secure concert venues at suitable locations and dates in order to hold such concerts in those countries. Furthermore, our growth plans may be curtailed by various factors, some of which are beyond our control, such as effectiveness of our business and marketing strategies, our ability to engage with suitable local subcontractors and concert hosting companies or organisers, if necessary, global and local economic conditions, market sentiment and competition in the local entertainment industry. In addition, we may be unable to effectively manage the increased requirements of our expanded network and concert production business. If any of these factors and/or events occur, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may encounter difficulties in our acquisitions, joint ventures and/or strategic alliances with other parties

We will explore acquisitions, joint ventures, strategic alliances or investment opportunities in our current business and/or businesses that are complementary to our current business or in new geographic locations and business areas, in order to expand our TV program and film production business and concert production business. Joint ventures, strategic alliances, acquisitions or investments involve numerous risks, including but not limited to, difficulties in the assimilation of the management, operations, services, products, technologies, systems and personnel, the possible diversion of the management’s attention from existing business operations, unforeseen liabilities and loss of capital. The successful implementation of our growth strategies depends on, among others, our ability to identify suitable partners and the successful integration of their operations with ours and obtaining the necessary financing. If we are unable to execute such growth strategies successfully, our performance in such joint ventures, strategic alliances, acquisitions or investments could fall short of expectations.

If there are disagreements between our partners and us regarding the business and operations of any acquisitions, joint ventures and/or strategic alliances that we have entered into and may enter into in the future, there can be no assurance that we will be able to resolve them in a manner that

will be satisfactory or beneficial to us. In addition, such partners may have economic or business interests or goals that are inconsistent with ours, take actions contrary to our instructions, requests, policies or objectives, be unable or unwilling to fulfil their obligations, have financial difficulties or have disputes with us as to the scope of their responsibilities and obligations. While we have not encountered any disagreements or disputes with our partners during the Period Under Review, in the event that such disagreements or disputes cannot be amicably resolved between our partners and us, litigation claims may be filed. Any of these and other factors may materially and adversely affect the performance of our joint ventures and strategic alliances, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects. In particular, we have partnered with Iskandar Malaysia Studios Sdn Bhd for the operation and management of a jointly-owned film set in Malaysia to exploit the licensing and use of such jointly-owned film set for the production or co-production of our Group's drama and film projects and by third parties. While we have not encountered any disagreements with Iskandar Malaysia Studios Sdn Bhd in the past or have experienced inconsistencies in our respective economic or business interests in relation to the operation and management of the film set, there can be no assurance that there will not be any disagreements or other situations in the future which may result in the early termination of the joint venture agreement. Should the joint venture agreement be terminated, our Group may no longer be able to use such film set for the production or co-production of our dramas and films or to exploit the licensing and use of such film set by third parties.

We may be subject to claims of infringement of intellectual property rights of others

We may be subject to claims that our dramas, films or concerts have misappropriated or infringed the intellectual property rights of third parties. While there has not been any past claims of misappropriation or infringement of intellectual property rights by third parties against our Group as at the Latest Practicable Date, in the event of any claims or litigation by third parties against our Group involving the infringement of the intellectual property rights, whether with or without merit, we may be required to divert a significant amount of our time and resources to either obtain a licence from the claimant covering the circumstances or defend or attend to any possible litigation or legal proceedings. There can be no assurance that, under such circumstances, a licence or any other form of settlement would be available to us on reasonable terms or at all. Further, any claim or litigation against us in respect of the infringement of intellectual property rights, whether with or without merit, could take up a significant amount of our management's time and our financial and other resources and could also affect our reputation in the industry, which may, in turn, have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may be affected by any adverse impact on our reputation and goodwill

We have built our reputation in the media and entertainment industry as an established player in TV program and film production, concert production and talent management services businesses. While there has not been any past incidents adversely affecting our reputation and goodwill, any negative publicity about us, our Directors, Executive Officers or Shareholders, whether founded or unfounded, may tarnish our reputation and goodwill amongst our customers and suppliers. Such negative publicity may include, among others, involvement in litigation or investigations by government authorities. As a producer of media content, our Group may also face potential liability for defamation, invasion of privacy and other claims based on the nature and content of the materials distributed. Under these circumstances, our customers and suppliers may lose confidence in our business, our Directors and/or our Executive Officers, which may affect our business relationships with them and materially and adversely affect our business, financial condition, results of operations and prospects.

Accidents or mishaps may occur at our concerts despite safety measures

Accidents or mishaps may occur at the concerts or other events which are undertaken by our Group even though we have put in place certain safety measures. Such accidents or mishaps may severely disrupt the concerts for which our Group undertakes the concert production, and may expose our Group to personal injury litigation as well as damage our reputation. Whilst our Group has not had any serious or material accident or mishap in the concerts in the past, there can be no assurance that such events may not cause a material and adverse impact on our Group's business, financial condition, results of operations and prospects in the future. Even though we purchase public liability insurance for accidents or mishaps which may occur at the events or concerts undertaken by our Group, there can be no assurance that our insurance policies will cover or will adequately cover all claims arising from such accidents or mishaps. Our business, financial conditions, results of operations and prospects may be materially and adversely affected if our insurance policies does not cover or adequately cover such claims.

Our insurance coverage may be inadequate

We have obtained insurance against claims arising from public liability and equipment all risks for our drama and film productions and concert productions, and purchased insurance for all risks, workmen compensation and group medical insurance in connection with our business and operations. While we believe that we have adequately insured our business and operations, and in amounts that are commercially appropriate, we may become subject to liabilities for events against which we are not adequately insured or which we cannot be insured on terms which are acceptable to us, including losses suffered that are not easily quantifiable and which may damage our reputation, including natural disasters, riots, general strikes, and acts of terrorism. To the best of our Board's knowledge and belief, there are no available insurance policies to cover risks relating to the Contractual Arrangements and as such, we do not maintain any such insurance policy to cover the risks relating to the Contractual Arrangements.

Our business, financial condition, results of operations and prospects may be adversely affected if an event occurs for which we are not adequately or sufficiently insured, one or more large claims is or are successfully asserted against us that exceed the available insurance coverage, or if we are not able to purchase insurance of the types and in the amounts that we deem necessary at acceptable premiums.

We face risks from doing business in the region

We conduct our TV program and film production activities and concert production activities in several countries, including Singapore, Malaysia and the PRC, and may do so in other countries in the region in the future. As a result, our business is subject to certain risks inherent in conducting business overseas, many of which are beyond our control.

These risks include but are not limited to:

- laws and policies affecting trade, investment and taxes, including laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws;
- differing degrees of protection for intellectual property;
- inflation, interest rates and general conditions;
- changes in local regulatory requirements, including restrictions on content;
- the instability of foreign economies and governments;
- fluctuating foreign exchange rates;

- the spread of communicable diseases in such jurisdictions, which may impact business in such jurisdictions; and
- natural disasters, war and acts of terrorism.

An adverse development related to any of the abovementioned factors and other risks associated with international trade may have a material and adverse effect on our business, financial condition, results of operations and prospects if our Group is unable to adapt our business strategies or operations accordingly.

We are dependent on our key management team for our continued success and growth

We attribute our success to-date to the contributions and expertise of our key management personnel, who have valuable and extensive experience and knowledge in their respective fields. In particular, Mr. Guo Jingyu, our Executive Chairman and Group CEO, has been instrumental in formulating our business strategies and spearheading the growth of our business and operations. Mr. Guo Jingyu, together with Ms. Yue Lina, our Executive Director, and Mr. Xue Xin, our Senior Director of TV Program and Film Production, each play a critical role in the drama and film projects that our Group produces or co-produces, and in the overall growth and expansion of our TV program and film production business. Our continued success is therefore dependent to a large extent on our ability to retain such key management personnel. The loss of services of any of our key management personnel without suitable and timely replacements may materially and adversely affect our business, financial condition, results of operations and prospects.

Further, we believe that our future success will depend on our ability to attract, retain and motivate our key management personnel. In the event that we need to substantially increase employee compensation levels to attract, retain and motivate any key management personnel, our costs may increase and our financial performance may be materially and adversely affected. The loss of any of our key management personnel, without suitable or comparable replacements in a timely manner, will have an adverse effect on our business, financial condition, results of operations and prospects.

Our business is sensitive to general economic conditions and a severe or prolonged downturn in the global economy may materially and adversely affect our business and financial condition

Our business operations are sensitive to global economic conditions, which are subject to events and factors beyond our control. Since we derive, and expect to continue to derive, a significant portion of our revenue from the PRC in the near future, our business and operations may be affected by the economic conditions in the PRC, which are subject to factors and events beyond our control. Entertainment-related expenditures are particularly sensitive to business and personal discretionary spending levels, which tend to decline during general economic downturns as consumers may spend less on entertainment in the event of an economic downturn. A protracted global recession could have a significant negative impact on our business, financial condition, results of operations and prospects. In addition, any renewed financial turmoil affecting the financial markets, banking systems or currency exchange rates may significantly restrict our ability to obtain financing in the capital markets or from financial institutions on commercially reasonable terms, or at all, which in turn may materially and adversely affect our business, financial condition, results of operations and prospects.

We are exposed to risks in respect of acts of war, terrorist attacks, natural disasters, adverse weather conditions, epidemics, political unrest and other events beyond our control

Acts of war, terrorist attacks, natural disasters and other events beyond our control in the markets in which we operate may materially and adversely affect the global financial markets and consumer confidence. Our business may also be affected by macroeconomic factors, such as

social and political unrest, regulatory, fiscal and other governmental policies, all of which are beyond our control. Any such events may cause damage or disruption to our business, markets, customers and suppliers, any of which may materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, poor weather conditions surrounding concerts may affect sales of tickets, concessions and merchandise, among others, or may require us to cancel or postpone the concerts to another available day or a different venue, which may increase our costs and may negatively impact the attendance at the event. As a result, this may materially and adversely affect our business, financial condition, results of operations and prospects.

An epidemic or outbreak of communicable diseases such as COVID-19, Middle East Respiratory Syndrome, Ebola, Severe Acute Respiratory Syndrome or other contagious disease may have an adverse effect on our business, financial condition, results of operations and prospects. For instance, the recent global outbreak of COVID-19 resulted in temporary suspensions of the production schedule for our drama and film projects, as well as the postponement of concerts in Malaysia and Australia, as large gatherings were banned by the relevant government and regulatory authorities in such countries. Whilst our Group has had to delay production schedule and postpone scheduled concerts due to the outbreak of COVID-19 without incurring material additional costs, there can be no assurance that a prolonged outbreak, and hence extended delays and/or suspensions, will not cause a material and adverse impact on our business, financial condition, results of operations and prospects in the future. In this regard, a communicable disease, if uncontrolled, could materially and adversely affect our business and operations, particularly if our employees and/or employees of our suppliers or subcontractors are infected or suspected of being infected with any communicable diseases, which may result in the temporary closure of the affected premises or offices and quarantine of the relevant employees to prevent the spread of the disease. This may also further result in delays and may have a material and adverse impact on our business, financial condition, results of operations and prospects.

There can be no assurance that our business strategies and future plans will be commercially successful

We intend to expand our regional presence and enter into new markets, as well as expand our concert and event production business in the region in accordance with our business strategies and future plans as set out in the section entitled “History and Business – Our Business Strategies and Future Plans” of this Prospectus. Such expansion plans involve numerous risks, including but not limited to, our ability to secure locations for our production activities, book venues for concerts and/or events and engage third party suppliers and subcontractors to provide us with the necessary supplies and/or services in order to conduct our business and operations in new areas which may be unfamiliar to our Group. There can be no assurance that such expansion plans will be commercially successful or if we are able to enter new geographical markets to expand our business and operations. These expansion plans will require substantial capital expenditure, financial and management resources and are subject to factors beyond our control, such as government legislation, general economic conditions and global or local trends. As we expand our business to new regions, we may encounter regulatory, personnel, technological and other difficulties that may increase our expenses or delay our ability to start our operations.

Our business, financial condition, results of operations and prospects may be adversely affected by the exchange rate instability

The functional reporting currency for our statutory financial statements is presented in Singapore dollars. A significant portion of our business operations are in PRC, which accounted for approximately 94.7% and 21.4% of our total revenue for FY2019 and 6M2020, respectively. The financial results of our PRC subsidiaries and PRC Affiliated Entities whose functional currencies are in RMB, not in Singapore dollars, must be translated into Singapore dollars on every reporting

date. Any currency exchange gain or loss resulting from the translation is recognised as other comprehensive income and accumulated in the foreign currency translation reserve, under equity. If the resulting translation differences are significant, they may materially affect the results and shareholders' funds position of our Group.

Our audited combined financial statements are not comparable to one another and may vary from period to period and prospective investors should exercise caution when comparing our financial figures

We have a short operating history beginning from 22 March 2018, and as such, the only audited combined financial statements included in the Prospectus cover FP2018, FY2019 and 6M2020, with FY2019 being the only full year for which financial information has been provided. In addition, we had limited operations in FP2018. As a result, our audited combined financial statements for FP2018, FY2019 and 6M2020 are not comparable to one another and prospective investors should exercise caution when making comparisons of our financial figures for FP2018 and FY2019, as well as for 6M2019 and 6M2020. Further, due to our short operating history and the nature of our business, our revenue, operating expenses and results of operations may vary from period to period and from year to year in response to a variety of factors beyond our control, including general business and economic conditions, employment rates, inflation and interest rates, and consumer discretionary income, retail spending, and confidence. Owing to these factors and our short operating track record, among others, we believe that our historical results of operations and the year-to-year or even period-to-period comparisons of our historical results of operations may not be indicative of our future performance and undue reliance should not be placed on these historical results of operations and comparisons to predict our future financial performance or the future performance of our Shares.

Any limitations on the ability of our subsidiaries or our PRC Affiliated Entities to pay dividends or provide capital to us could have a material adverse effect on our ability to conduct our business

We are a holding company incorporated in Cayman Islands and operate a significant part of our businesses through our operating Group entities in the PRC, Singapore, Malaysia and Australia. Therefore, the availability of funds to pay dividends to our Shareholders depends upon dividends received from our subsidiaries. If our subsidiaries incur debts or losses, such indebtedness or loss may impair their ability to pay dividends or other distributions to us. As a result, our ability to pay dividends to our Shareholders will be restricted. Local laws and regulations have differing requirements and restrictions on the ability of a company to pay dividends to its shareholders.

In addition, while there are no restrictive covenants in the bank credit facilities or other agreements that our Group has entered into which could restrict the ability of our subsidiaries and/or our PRC Affiliated Entities from declaring dividends or providing capital to our Company as at the Latest Practicable Date, our Group may enter into bank credit facilities or other agreements with such restrictive covenants in the future, which may restrict the ability of such entities to declare dividends or provide capital to us and/or our ability to receive distributions.

RISKS RELATING TO THE PRC

While the risks described below pertain to risks more particularly faced by us in our operations in the PRC, such risks may also be applicable to us in the other countries in which we operate.

Adverse changes in economic and political policies of the PRC government could have a material adverse effect on overall economic growth in the PRC, which could materially and adversely affect our business

While economic, political and legal developments in any country in which we operate in will have an impact on our business, as we conduct a substantial part of our business and operations in the PRC, our results of business, financial condition, results of operations and prospects would be particularly influenced by economic, political and legal developments in the PRC, including but not limited to, the level of development, growth rate, control of foreign exchange, capital reinvestment, allocation of resources, rate of inflation and trade balance position. Economic reforms begun in the late 1970s have resulted in significant economic growth. However, economic reform policies or measures in the PRC may constantly evolve. The PRC economy differs from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth in the past 30 years, growth has been uneven across different regions and periods and among various economic sectors.

The PRC government exercises significant control over the PRC's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Since late 2003, the PRC government has implemented a number of measures, such as increasing the PBOC's statutory deposit reserve ratio and imposing commercial bank lending guidelines, which have had the effect of slowing the growth of credit availability. Since 2008, however, in response to the global financial crisis, the PRC government has loosened such requirements and adopted various measures aimed at expanding credit and stimulating economic growth, such as decreasing the statutory deposit reserve ratio of the PBOC and lowering benchmark interest rates. Particularly, any changes in the policies implemented by the PRC government which result in currency and interest rate fluctuations, capital restrictions, and changes in taxes detrimental to our business may materially and adversely affect our business, financial condition, results of operations and prospects.

Although the PRC economy has grown significantly in the past decade, that growth may not continue and any slow-down may have a negative effect on our business and operations. According to Frost & Sullivan, while the nominal GDP of the PRC witnessed stable growth at a CAGR of approximately 9.6% between 2015 to 2019, the PRC's economic growth model has begun to shift from an investment-driven model towards a consumption-driven model and the nominal GDP of the PRC is expected to grow at an estimated CAGR of approximately 6.1% between 2020 and 2024. Any adverse changes in economic conditions in the PRC, the policies of the PRC government or the PRC laws and regulations, could have a material and adverse effect on the overall economic growth of the PRC and investment in the industries in which our Group operates. Such developments could lead to reduction in demand for our services and adversely affect our competitive position. Under such circumstances, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business is sensitive to general economic conditions and a severe or prolonged downturn in the global and/or PRC economy could materially and adversely affect our business

Our business operations in the various jurisdictions are sensitive to global economic conditions. However, as we derive, and expect to continue to derive, a significant portion of our revenue from the PRC in the near future, our business operations may be more pronouncedly affected by the economic conditions in the PRC, which are subject to factors and events beyond our control. Entertainment-related expenditures are particularly sensitive to business and consumer discretionary spending levels, which tend to decline during general economic downturns, such as in the event of economic downturn, epidemics, natural disasters, political turmoil, social unrest and strikes. A protracted global recession could have a significant negative impact on our business, financial condition, results of operations and prospects. The availability of alternative forms of entertainment and leisure activities may also affect the market reception of dramas, films, concerts and other entertainment content. The above factors may materially and adversely affect the entertainment industry, and thus our business, financial condition, results of operations and prospects.

The PRC legal system is evolving and has inherent uncertainties that could limit the legal protection available to you

Our business and operations in the PRC are governed by the PRC legal system that is based on written statutes. Unlike common law systems, it is a system in which prior court decisions have limited value as precedents and the interpretation and enforcement of laws and regulations may involve greater uncertainties than those in other jurisdictions. Since the late 1970s, the PRC government has promulgated laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations continue to evolve, interpretation and enforcement of these laws and regulations involve significant uncertainties and different degrees of inconsistency. Some of the laws and regulations concerning the film and TV industry and Internet-related industries are still in the developmental stages and are therefore subject to policy changes. Many laws, regulations, policies and legal requirements have only been recently adopted by PRC central or local government agencies, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. We cannot predict the effect of future legal developments in the PRC, including the promulgation of new laws, changes in existing laws or their interpretation or enforcement, or the pre-emption of local regulations by national laws. As a result, there is substantial uncertainty as to the legal protection available to us and our Shareholders. Furthermore, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to us. In addition, any litigation in the PRC may be protracted and result in substantial costs and the diversion of resources and management attention.

Our operations in the PRC are subject to PRC laws and regulations governing PRC companies. These regulations contain provisions that are required to be included in the articles of association of PRC companies and are intended to regulate the internal affairs of these companies. PRC company law and regulations, in general, and the provisions for the protection of shareholders' rights and access to information, in particular, may be considered less developed than those applicable to companies incorporated in Singapore and other countries or regions. In addition, PRC laws and regulations applicable to companies listed overseas do not distinguish between minority and controlling shareholders in terms of their rights and protections. As such, our minority Shareholders may not have the same protections afforded to them by companies incorporated under the laws of Singapore and certain other jurisdictions.

We are subject to a filing and permit system in terms of TV dramas and films we produced or co-produced

Under the relevant PRC laws and regulations, the PRC government has implemented a system for the filing and examination of online dramas and microfilms, as well as a permit system for the operation, production and distribution of TV dramas and films. For example, production institutions are required to register the relevant information of the online drama or film through the information recording filing system operated by the National Radio and Television Administration (国家广播电视总局) before the production of (a) any major online dramas, including online drama series, films and cartoons with an investment amount exceeding RMB5.0 million; and (b) any major online films with an investment amount exceeding RMB1.0 million. In addition, we are also required to obtain the necessary permits from relevant administrative authorities at various stages of development of the TV dramas and films, including, among others, the Permit to Produce and Operate Radio or Television Programmes (广播电视节目制作经营许可证) and the TV Series Production Permit (电视剧制作许可证). Such permits may be granted for a fixed and short period of time, and need to be renewed upon expiry. The application for the renewal of such permits for the operation, production and distribution of TV dramas and films will usually be submitted to the relevant regulatory authorities approximately a month prior to the expiry of the permit. Whilst our Group has complied with the relevant filing and permit system for the TV dramas and films that we have produced or co-produced up to the Latest Practical Date and will obtain and renew the necessary licences and permits required for the production or co-production of the dramas and films we will undertake in the future, there can be no assurance that we will not encounter problems in the future in fulfilling the prevailing requirements to obtain such permits, and may as a result, not always be able to obtain or renew them in a timely manner, or at all.

If we fail to obtain or renew the requisite permits for the operation, production and distribution of TV dramas and films, we may have to temporarily suspend the operations of the relevant PRC Affiliated Entity and additional expenses may be incurred for the production and/or co-production of the affected TV dramas and/or films resulting from the delay in production. In the event that we continue operations and the production or co-production of the TV dramas and films without the requisite permit(s), we may be subject to administrative fines and other penalties. Any of the foregoing events may have a material and adverse effect on our business, financial condition, results of operations and prospects.

The TV dramas and films produced or co-produced by us are subject to content censorship imposed by the PRC government

Pursuant to the applicable laws and regulations in the PRC, the content examination and licensing system and the record-filing and announcing system shall be implemented for TV dramas and films by the distribution companies. Pursuant to the Administrative Provisions for Contents of Television Series (电视剧内容管理规定) and the Administrative Measures of Record-filing and Announcement for Filming and Production of TV Series (电视剧拍摄制作备案公示管理办法), certain content is prohibited from being contained in any TV dramas and films in the PRC, such as any content that advocates obscenity, gambling, violence, terrorism, drug-taking, abetting the commission of a crime or imparting methods for committing crimes. The Administrative Department of Radio, Film and Television, which performs the function of examining the TV dramas and films, shall announce that the content of the TV drama and/or film on which an application has been filed for record-filing and announcement violates any of the provisions mentioned above. In such event, we shall be required to re-apply for censorship approval after making modifications, when the content is deemed not to be in compliance with the related provisions. Furthermore, the TV networks usually examine the content of a TV drama or film before broadcasting and re-broadcasting. In order to obtain censorship approval, we may have to incur additional costs and expenses to revise or re-edit the content of our TV dramas and films, which may adversely affect the distribution or broadcasting schedule. In addition, if our TV drama or film fail to obtain censorship approval, we may have to discard the TV drama or film and could

incur a complete loss of our investment. If any of the aforesaid situations were to occur, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Distribution of our web dramas and films on the Internet may be found objectionable by the PRC regulatory authorities

The distribution of our web dramas and films to consumers on video streaming platforms is subject to the PRC regulations governing Internet access and the distribution of videos and other forms of information over the Internet. Under such regulations, Internet content providers and Internet publishers are prohibited from posting or displaying over the Internet any content that, among others, violates the PRC laws and regulations, impairs the national dignity of the PRC or the public interest, or is obscene, superstitious, frightening, gruesome, offensive, fraudulent or defamatory. Failure to comply with these requirements may result in monetary penalties, revocation of licences to provide Internet content or other licences, suspension of the concerned platforms and reputational harm. In addition, these laws and regulations are subject to interpretation by the relevant authorities, and it may not be possible to determine in all cases the types of content that could cause our customers to be held liable as an Internet content provider. Video streaming platform operators may also be held liable for the content displayed on or linked to their platforms that is subject to certain restrictions. Our video streaming platform customers may be subject to such restrictions. If we fail to identify and prevent illegal or inappropriate content from being distributed to our customers, we may subject our customers to liability, government sanctions or loss of licences and/or permits, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

To the extent that the PRC regulatory authorities find any of the web dramas and films produced or co-produced by our Group displayed on our customers' platforms objectionable, they may require our customers to limit or eliminate the dissemination of such content on their platforms in the form of take-down orders or otherwise. While there has not been any past incidents of objections to any of our web dramas and films as at the Latest Practicable Date, in the event that the PRC regulatory authorities find our web dramas and films objectionable and impose penalties or take other actions against our customers in the future, our customers may either terminate the agreement and require repayment of all or part of the fees paid to our Group or require us to re-edit, re-shoot or delete certain content that the Internet audio-visual program service providers or the competent Administrative Department of Radio, Film and Television in the PRC deemed not to satisfy the applicable laws, administrative regulations and state provisions and we may have to incur additional costs to fund the re-shooting or re-editing. In such event, our reputation as well as our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may incur additional costs should the PRC or local governments adopt stricter or additional laws or requirements

Should stricter or additional laws or requirements be introduced by the national or local governments in the PRC, we may have to incur additional costs and may need to suspend our operations in order to be in compliance with such new laws and regulations. In particular, the production and distribution of TV dramas and films are extensively regulated in the PRC. Such regulations extend to almost every aspect of the whole process, from selection of actors, content censorship to release or distribution, and many of them are promulgated without sufficient public consultation. All these aspects are generally subject to governmental approval. For instance, each TV drama has to obtain a TV Series Distribution Permit (电视剧发行许可证) before its release. Given the production of a TV drama or film is normally a lengthy process, in the event that any production is deemed improper for distribution under unexpected new regulations or industry policies, we may have to incur additional cost to further edit or even remake part of our dramas or films, which may result in delay in delivery of the final product to our customers and budget

overruns. Non-compliance with relevant industry regulations as well as the laws and regulations applicable to our operations may result in substantial penalties or fines, suspension or revocation of our licences and/or permits or suspension of our operations. Under such circumstances, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be deemed to be a PRC tax resident under the EIT Law and be subject to PRC taxation on our global income

Under the EIT Law and its implementation rules, an enterprise established under the laws of a foreign country or region whose “de facto management body” is located in the PRC is considered a “resident enterprise” and will generally be subject to a uniform 25.0% enterprise income tax on its global income. Under the implementation rules of the EIT Law, “de facto management body” is defined as the managing body that has the material and overall management control over the production, business, personnel, accounts and assets of an enterprise.

On 20 April 2009, the SAT issued the Notice on Issues Relating to Determination of PRC Controlled Offshore Enterprises as PRC Resident Enterprises by Applying the De Facto Management Body (关于境外注册中资控股企业依据实际管理机构标准认定为居民企业有关问题的通知) (“**SAT Circular No. 82**”) stipulating certain specific criteria for determining whether the “de facto management body” of a PRC-controlled offshore enterprise is located in the PRC. These criteria include, among others, (a) the location where the enterprise’s day-to-day operational management is primarily exercised; (b) whether decisions relating to the enterprise’s financial and human resource matters are made or subject to approval by organisations or personnel in the PRC; (c) the location of the enterprise’s primary assets, accounting books and records, company seals, and minutes of board and shareholders’ meetings; and (d) whether 50.0% or more of the voting board members or senior executives of the enterprise habitually reside in the PRC.

As at the Latest Practicable Date, our Company has not been deemed as a PRC resident enterprise and is therefore not subject to the 25.0% enterprise income tax. It is also not expected that the corporate structure of our Group (including the Contractual Arrangements) will have any implication(s) such that our Group will necessarily be deemed as a PRC resident enterprise under the EIT Law. While our PRC subsidiaries and PRC Affiliated Entities are subject to the statutory tax rate of 25.0%, our subsidiaries in Singapore, Malaysia and Australia are subject to the statutory tax rates of 5.0%, 24.0% and 30.0%, respectively, for both FY2019 and 6M2020. See the sections entitled “Regulations – PRC – Regulations on Tax in the PRC – Income Tax” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation – Principal Components of our Statement of Profit or Loss – Income Tax Expenses” of this Prospectus for further information on the applicable tax rates on our Group. While the PRC tax authorities have not raised any key comments and/or findings on our Group’s past tax filings (including on our PRC subsidiaries and our PRC Affiliated Entities) as at the Latest Practicable Date, it remains unclear how the tax authorities will treat an overseas company controlled by PRC natural person(s), such as our Company. Whilst our Company will not be subject to income tax if we are not a PRC resident enterprise, however, given that the Cayman Islands currently does not levy taxes on Cayman Islands exempted companies based upon profits, income, gains or appreciations, there can be no assurance that our Company will not be considered a PRC resident enterprise for PRC enterprise income tax purposes in the future and thus be subject to the uniform 25.0% enterprise income tax on our global income in the future. In such a case, our profitability and cash flow may be materially and adversely affected as a result of our global income being taxed under the EIT Law. Under such circumstances, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our Shareholders may be subject to PRC income tax on dividends from us or on any gain realised on the transfer of our Shares if we are deemed to be a PRC tax resident enterprise

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, a PRC withholding tax at the rate of 10.0% is normally applicable to dividends payable by a PRC “resident enterprise” to our Shareholders that are “non-resident enterprises” (those enterprises that do not have an establishment or place of business in the PRC, or those that have such an establishment or place of business but the relevant income of which is not effectively connected with the establishment or place of business) to the extent such dividends have their source within the PRC.

Any gain realised on the transfer of shares by such “non-resident enterprises” is subject to 10.0% PRC income tax if such gain is regarded as income derived from sources within the PRC, unless a treaty or similar arrangement otherwise provides. Under the PRC Individual Income Tax Law (中华人民共和国个人所得税法) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20.0% and gains from PRC sources realised by such investors on the transfer of shares are generally subject to 20.0% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws and regulations. See the section entitled “Regulations – Regulations on Tax in the PRC – Withholding Tax” of this Prospectus for further details. As at the Latest Practicable Date, our Company has not been deemed as a PRC resident enterprise and such PRC income tax as stipulated above would not be applicable to dividends payable or any gain realised on the transfer of our Shares. However, in the event that any relevant authority considers our Company to be a PRC “resident enterprise”, given that substantially all of our business and operations are in the PRC, the dividends we pay with respect to our Shares, or gains realised from the transfer of our Shares, would be treated as income derived from sources within the PRC and, as a result, be subject to PRC income tax as stipulated above. If PRC income tax is imposed on gains realised through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdiction of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies and heightened scrutiny over acquisition transactions by PRC authorities may have a negative impact on potential acquisitions we may pursue in the future

In October 2017, the SAT issued the Bulletin on Issues Concerning the Withholding of Non-PRC Resident Enterprise Income Tax at Source (国家税务总局关于非居民企业所得税源泉扣缴有关问题的公告) (“**Bulletin 37**”), amended on 15 June 2018, which replaced the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises (国家税务总局关于加强非居民企业股权转让所得企业所得税管理的通知) issued by the SAT on 10 December 2009 and partially replaced and supplemented rules under the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises (国家税务总局关于非居民企业间接转让财产企业所得税若干问题的公告) (“**Bulletin 7**”). Bulletin 7 does not apply to transactions involving the sale of shares by investors through a public stock exchange, where such shares were acquired from a transaction through a public stock exchange.

Pursuant to Bulletin 7, an “indirect transfer” of PRC assets, including a transfer of equity interests in an unlisted non-PRC holding company controlling a PRC-resident enterprise, by non-PRC resident enterprises may be characterised and treated as a direct transfer of the underlying PRC assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from

such indirect transfer may be subject to PRC enterprise income tax. According to Bulletin 7, “PRC taxable assets”, which include assets attributed to an establishment in the PRC, immovable properties located in the PRC, equity investments in PRC-resident enterprises and any gains from the transfer of such assets by a direct holder who is a non-PRC resident enterprise, would be subject to PRC enterprise income taxes.

When determining whether there is a “reasonable commercial purpose” in a transaction arrangement, factors to be taken into consideration include: (a) whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; (b) whether the assets of the relevant offshore enterprise mainly consist of direct or indirect investments in the PRC or if its income is mainly derived from the PRC; (c) whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have a commercial nature evidencing by their actual function and risk exposure; (d) the duration of shareholders, existence of the business model and organisational structure; (e) the information about the payment of income tax due outside the PRC on the indirect transfer of PRC taxable property; (f) the substitutability of the transaction by direct transfer of PRC taxable assets; and (g) the tax situation of such indirect transfer and applicable tax treaties or similar arrangements.

In the case of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and may consequently be subject to a PRC enterprise income tax at a rate of 25.0% where such transfer of assets does not have a reasonable commercial purpose. Where the underlying transfer relates to immovable properties located in the PRC or to equity investments in a PRC-resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax of 10.0% would apply where such transfer of assets does not have a reasonable commercial purpose, and the party who is obligated to make the transfer payments has the withholding obligation.

Pursuant to Bulletin 37, the withholding agent must declare and pay the withheld tax to the competent tax authority in the place where such withholding agent is located within seven days from the date of occurrence of the withholding obligation. In the event that the withholding agent fails to withhold the tax due or withhold the tax due in full, the transferor is required to declare and pay such tax to the competent tax authority within the statutory time limit according to Bulletin 7. Late payment of applicable tax will subject the transferor to default interest.

Notwithstanding that we will endeavour to fulfil our reporting obligations in the event of transfers which may be subject to Bulletin 37 and Bulletin 7, there is uncertainty as to the application of Bulletin 37 or previous rules under Bulletin 7, pursuant to which, we may face uncertainties as to the reporting and other implications of future transactions where PRC taxable assets are involved, such as offshore restructuring, or the sale of the shares in our offshore subsidiaries or investments. Our Company may be subject to filing obligations or taxes if our Company is the transferor in such transactions, and may be subject to withholding obligations if our Company is the transferee in such transactions, under Bulletin 37 and Bulletin 7. For transfers of Shares by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist with the filing under Bulletin 37 and Bulletin 7. In addition, while the entry into the Contractual Arrangements in itself (in particular with respect to the Equity Pledge Agreements and the Agreement on Exclusive Purchasing Power, where the relevant GHY WFOEs may acquire the equity interests held by the Individual Shareholders in Tianjin Changxin) is not subject to Bulletin 37, there is a possibility that Tianjin Changxin may be considered as part of a taxable PRC asset if a transfer of equity interests in an unlisted non-PRC holding company controlling a PRC-resident enterprise by non-PRC resident enterprises is characterised and treated as a direct transfer of the underlying PRC assets under Bulletin 37. In such event, if the transfer occurs, the non-PRC resident may be subject to a PRC enterprise income tax at the rate of 10.0% on the gains from the transfer of equity interests. As a result, we may be required to expend valuable resources to comply with Bulletin 37 and Bulletin 7 or to request the relevant transferors from whom we

purchase taxable assets to comply with these Bulletins, or to establish that our Company should not be taxed under these Bulletins, which may materially and adversely affect our business, financial condition, results of operations and prospects.

Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future and there can be no assurance that the tax authorities will not apply Bulletin 37 and/or Bulletin 7 to our offshore restructuring transactions where non-PRC resident enterprises are involved, if any of such transactions are determined by the tax authorities to lack reasonable commercial purpose for any reason whatsoever. As a result, we and investors that are non-PRC resident enterprises may be at risk of being taxed under Bulletin 37 and/or Bulletin 7 and may be required to comply with or to establish that we should not be taxed under Bulletin 37 and/or Bulletin 7, which may have a material and adverse effect on our business, financial condition, results of operations and prospects or such non-PRC resident investors' investments in us. There can also be no assurance that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto, which may have a material and adverse impact on our business, financial condition, results of operations and prospects.

We may be subject to limitations on the ability of our PRC subsidiaries to pay dividends to us

Under the Company Law of the PRC and other relevant PRC laws and regulations, the PRC subsidiaries, which are incorporated as foreign-invested enterprises in the PRC, may pay dividends only out of their respective accumulated after-tax profits, if any, determined based on PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including the Singapore Financial Reporting Standards (International). These laws and regulations also require our PRC subsidiaries to set aside at least 10.0% of its accumulated profits each year, if any, as statutory reserve funds, unless such reserves have reached 50.0% of the registered capital of our PRC subsidiaries. These statutory reserves are not available for distribution as cash dividends. Profits of our GHY WFOEs shall not be distributed before the losses thereof in the previous accounting years have been made up.

PRC regulations of loans to and direct investment in PRC entities by offshore holding companies may delay or prevent us from transferring funds to our PRC subsidiaries and PRC Affiliated Entities

We may transfer funds to our PRC subsidiaries and/or PRC Affiliated Entities or finance their operations by means of loans and/or capital contributions, including transferring the net proceeds from the Offering and the issuance of the New Cornerstone Shares to our PRC subsidiaries and/or PRC Affiliated Entities upon completion of the Offering. However, most of these uses, including by means of loans to our PRC subsidiaries and/or PRC Affiliated Entities, are subject to PRC regulations and approvals. For instance, under the Interim Measures on the Management of Foreign Debts (外债管理暂行办法), which was promulgated by the SAFE, the Ministry of Finance and the NDRC and became effective on 1 March 2003, any loans by our Company to our PRC subsidiaries and/or PRC Affiliated Entities are required to be registered with the SAFE or its local counterparts before being extended to our PRC subsidiaries and/or PRC Affiliated Entities. In addition to the foregoing, according to the Notice of PBOC on Matters Concerning Macro-prudential Management on All-round Cross-border Financing (中国人民银行关于全口径跨境融资宏观审慎管理有关事宜的通知) and the Notice of the PBOC and the SAFE on Adjustments to Macro-prudential Regulation Parameters for Full-covered Cross-border Financing (中国人民银行、国家外汇管理局关于调整全口径跨境融资宏观审慎调节参数的通知), the limit for the total amount of foreign debt is 2.5 times of their respective net assets. Under the Interim Measures on the Management of Foreign Debts (外债管理暂行办法), after a permanent body established according to law in the territory of the PRC, including but not limited to governmental agencies, domestic

financial institutions, enterprises, public administrative entities and social organisations, has executed a contract for foreign loans or guarantees, it shall, in accordance with relevant provisions, apply to the foreign exchange administration departments for registration. As at the Latest Practicable Date, none of our Company and our subsidiaries incorporated outside of the PRC has provided loans to our PRC subsidiaries and/or PRC Affiliated Entities.

Furthermore, any capital contributions we make to our PRC subsidiaries and/or PRC Affiliated Entities are subject to the requirement of necessary filings in the Enterprise Registration System and the National Enterprise Credit Information Publicity system operated by the State Administration for Market Regulation and registration with other governmental authorities in the PRC. Pursuant to the Notice on Further Simplifying and Improving the Direct Investment Foreign Exchange Administration Policies (国家外汇管理局关于进一步简化和改进直接投资外汇管理政策的通知) issued by the SAFE on 13 February 2015, with effect from 1 June 2015 and amended on 30 December 2019, capital contributions that we make to our PRC subsidiaries are exempted from the requirement of obtaining approval from the SAFE and need only be registered with the relevant banks.

On 30 March 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (国家外汇管理局关于改革外商投资企业外汇资本金结汇管理方式的通知) (“**SAFE Circular 19**”). SAFE Circular 19 reforms the administration of the settlement of the foreign exchange capital of foreign-invested enterprises by allowing foreign-invested enterprises to settle their foreign exchange capital at their discretion, but it continues to prohibit foreign-invested enterprises from using RMB funds converted from their foreign exchange capital for expenditures beyond their business scope. On 9 June 2016, the SAFE promulgated the Circular on Reforming and Standardising the Administrative Provisions over Capital Account Foreign Exchange (国家外汇管理局关于改革和规范资本项目结汇管理政策的通知) (“**SAFE Circular 16**”). SAFE Circular 16 continues to prohibit foreign-invested enterprises from using the RMB funds converted from its foreign exchange capital for expenditures beyond their business scope, investment and financing (except for securities investment or non-guaranteed bank products), providing loans to non-affiliated enterprises or constructing or purchasing real estate other than for self-use. On 23 October 2019, the SAFE issued the Notice of SAFE on Further Facilitating Cross-border Trade and Investment (国家外汇管理局关于进一步促进跨境贸易投资便利化的通知), which, among others, expanded the use of foreign exchange capital to domestic equity investment area. Non-investment foreign-funded enterprises are allowed to lawfully make domestic equity investments by using their capital on the premise of no violation of prevailing special administrative measures for access of foreign investments (the Negative List) and the authenticity and compliance with the regulations of domestic investment projects. While the restructuring of our Group (including our PRC subsidiaries and PRC Affiliated Entities) as set out in the section entitled “Corporate Structure and Ownership – Corporate Reorganisation” of this Prospectus and the Contractual Arrangements will not affect our compliance with the relevant SAFE regulations, SAFE Circular 19 and SAFE Circular 16, as well as other relevant foreign exchange rules may nonetheless significantly limit our ability to transfer and use the net proceeds from the Offering and the issuance of the New Cornerstone Shares, including transfers to our PRC Affiliated Entities (which financial results are consolidated with the financial statements of our Group through the Contractual Arrangements), in the PRC, which may adversely affect our business, financial condition, results of operations and prospects.

We undertake to continue to take all necessary steps and submit all relevant applications to the relevant government authorities in accordance with prevailing PRC laws and regulations for capital contributions and loans (if any) to our PRC subsidiaries and/or PRC Affiliated Entities following the admission of our Company to the Official List of the SGX-ST, in order to ensure that the relevant approvals and/or clearances will be obtained prior to or at the time of extension of the capital contributions and/or loans to our PRC subsidiaries and PRC Affiliated Entities. However, there can be no assurance that we will be able to obtain these government registrations or approvals on a timely basis, or at all. If we fail to receive such registrations or approvals, our ability

to provide loans and/or capital contributions to our PRC subsidiaries and PRC Affiliated Entities may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business. Under such circumstances, our business, financial condition, results of operations and prospects may be materially and adversely affected.

It may be difficult to effect service of process on our Directors or Executive Officers who reside in the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts

A substantial portion of our assets are located in the PRC. Substantially all of the assets of our Directors and Executive Officers who are resident in the PRC are located in the PRC. Therefore, it may be difficult for investors to effect service of process upon those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. The PRC has not entered into any treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands, the United States of America, the United Kingdom, Singapore, Japan and many other developed countries. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

We are subject to labour regulations in the PRC

We are required to comply with applicable PRC labour, social insurance and housing fund laws and regulations. For instance, the PRC Labour Contract Law (《中华人民共和国劳动合同法》), which became effective on 1 January 2008 and was amended on 28 December 2012, and the Implementing Rules for the PRC Labour Contract Law (《中华人民共和国劳动合同法实施条例》), which were promulgated and became effective on 18 September 2008, set forth workers' rights including overtime hours, pensions, layoffs, employment contracts and the role of trade unions, and specified standards and procedures for the termination of an employment contract. In addition, under the applicable PRC laws and regulations, companies must establish and implement a system of ensuring occupational safety and health, educate employees on occupational safety and health, prevent work-related accidents and reduce occupational hazards. Companies must also contribute to their employees' social insurance and housing fund. See "Regulations – PRC – Regulations on Labour Protection in the PRC" of this Prospectus for more details on the applicable PRC laws and regulations in relation to labour.

Accordingly, we are required to pay several statutory social welfare benefits for employees of our PRC subsidiaries and PRC Affiliated Entities, which include medical care insurance, occupational injury insurance, unemployment insurance, maternity insurance, pension and housing fund contributions. Due to differences in local regulation and inconsistent implementation and interpretation by the local authorities in the PRC, and different levels of acceptance of the social welfare system by employees, depending on their willingness to make their corresponding contribution thereto, we may not have paid in full certain statutory social welfare benefits for our employees. Any failure by us in complying with the applicable PRC labour, social insurance and housing fund laws and regulations may subject us to penalties and liabilities under PRC laws and regulations, including but not limited to the issue of warnings and imposition of fines. Under applicable PRC laws and regulations, employers failing to make sufficient statutory social welfare benefit payments may be ordered by the relevant authorities to contribute the shortfall within a prescribed period, and, additionally, in the case of failure to make sufficient payments of medical care insurance, occupational injury insurance, unemployment insurance, maternity insurance and pension, employers may be imposed with a daily late payment fee equivalent to 0.05% of the overdue payment from the date on which the payment became overdue and failing which, the relevant authorities may impose a fine of up to three times the overdue amount.

In addition, certain of our PRC subsidiaries and PRC Affiliated Entities were not in strict compliance with the relevant PRC laws and regulations as they did not open and register the accounts for social insurance and undertake payment and deposit registration of housing

provident funds. Under the applicable PRC laws and regulations, employers failing to process the social insurance registration may be imposed with fines in excess of the assessed outstanding social insurance contribution, but no more than triple of such amount, and employers failing to undertake payment and deposit registration of the housing provident funds may be imposed with fines of RMB10,000 to RMB50,000 if the employers fail to make the necessary rectifications within the prescribed time limit. Save for the aforementioned monetary fines and penalties, there are no other legal or regulatory consequences under the applicable PRC laws and regulations in relation thereto. As at the Latest Practicable Date, our Group has made payment of the social insurance and housing provident funds for our employees, save for the social insurance for one foreign employee of Beijing Changxin which is not expected to exceed RMB50,000. While we will pay the outstanding amount if requested by the relevant authorities, we have not received any notification from the relevant authorities requesting payment of the social insurance fund and/or housing provident funds as at the Latest Practicable Date and furthermore, based on the confirmation letter issued by the Human Resources and Social Security Bureau of Beijing Chaoyang District, Beijing Changxin has no record of violations of labour security laws, regulations and rules and Beijing Changxin has not received any administrative penalties or actions from such bureau due to violations of the relevant PRC laws and regulations during the reference period from January 2019 to October 2020. While there can be no assurance that we will not be requested to rectify the non-compliance incidents in the future or that no penalties or fines will be imposed by the relevant PRC authorities as a result of such non-compliance incidents, such penalties and fines are not expected to have any material impact on our business, financial condition, results of operations and prospects. As at the Latest Practicable Date, our Group has implemented measures to ensure that our PRC subsidiaries and PRC Affiliated Entities will register the accounts for social insurance and/or undertake payment and deposit registration of the housing provident funds by establishing the relevant human resources and legal functions in our PRC subsidiaries and PRC Affiliated Entities to oversee compliance with such labour regulations. Such compliance will be undertaken through the conduct of checks on a regular basis by the human resource function on such registration and payment requirements, and for such human resource personnel to report to the legal function on a regular basis on the ongoing compliance with such labour regulations. Notwithstanding that we will rectify the non-compliance incidents and make payment of any penalties or fines imposed if requested to by the relevant PRC authorities, and that we have established measures to monitor the compliance with such labour regulations on an ongoing basis in order to prevent the recurrence of such breaches, there can be no assurance that we will be able to fully comply with all applicable PRC labour, social insurance and housing fund laws and regulations in the future. In the event that we are found to be in breach of any other applicable PRC labour, social insurance and housing fund laws and regulations, which affect our usage of labour, our business, financial condition, results of operations and prospects may be materially and adversely affected.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC-resident Shareholders to personal liability and limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to distribute profits to us, or otherwise adversely affect our financial position.

The SAFE has promulgated the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment and Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (国家外汇管理局关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知) (“SAFE Circular 37”), which came into effect on 4 July 2014 and requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a “special purpose vehicle”. The term “control” under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles by such means as acquisition, trust, proxy, voting rights, repurchase, convertible

bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event.

We are committed to complying with, and ensuring that, our PRC-resident Shareholders and beneficial owners who are subject to these regulations will comply with SAFE Circular 37. However, due to inherent uncertainty in the implementation of the regulatory requirements by the relevant PRC authorities, such registration may not be always practically available in all circumstances as provided under SAFE Circular 37 or other related rules. As at the Latest Practicable Date, Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, who indirectly holds our Shares, has completed the foreign exchange registrations required under SAFE Circular 37. In addition, we have notified all residents or entities who directly or indirectly holds our Shares and who are known to us as being PRC residents or entities to complete their registration with the SAFE or its local counterpart if such registration is applicable to them.

Notwithstanding the foregoing, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interest in our Company, nor can we compel them to comply with SAFE registration requirements. As a result, there can be no assurance that all of our Shareholders who are PRC residents or entities will comply, or have complied, with our request to make or will in the future make, obtain or update any applicable registrations or approvals required by SAFE Circular 37 or other related rules. The failure or inability of our PRC-resident Shareholders and beneficial owners to make any required registrations or comply with other requirements under SAFE Circular 37 and other related rules may subject such PRC-resident Shareholders or our PRC subsidiaries to fines and legal sanctions and may also limit our ability to contribute additional capital into or provide loans (including using the net proceeds from the Offering) to our PRC subsidiaries, limit our PRC subsidiaries' ability to pay dividends or otherwise distribute profits to their respective direct shareholder(s), or otherwise adversely affect our business, financial condition, results of operation and prospects.

The M&A Rules and certain other PRC regulations may establish the complex procedures for certain acquisitions of PRC domestic companies by foreign investors

The M&A Rules include provisions that purport to require approval of the MOFCOM for acquisitions by offshore entities established or controlled by PRC companies, enterprises or natural persons of onshore entities that are related to such PRC companies, enterprises or natural persons. The M&A Rules and some other PRC regulations concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. For instance, the Anti-Monopoly Law (反垄断法) requires that the MOFCOM be notified in advance of any concentration of undertakings if certain thresholds are triggered. In addition, the Circular of the General Office of State Council on Establishing the Security Review System for Merger and Acquisition of Domestic Enterprises by Foreign Investors (国务院办公厅关于建立外国投资者并购境内企业安全审查制度的通知) specify that mergers and acquisitions by foreign investors that raise “national defence and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement.

We intend to expand our TV program and film production business and our concert production business via, among others, acquisitions. Complying with the requirements of the M&A Rules or other PRC regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the MOFCOM, may delay or inhibit the completion of such transactions, which could affect our ability to expand our business or maintain

our market share. If any of our acquisitions were subject to the M&A Rules or other PRC regulations and were found not to be in compliance with the requirements of the M&A Rules or other PRC regulations in the future, the relevant PRC regulatory authorities may impose fines and penalties on our operations in the PRC, limit our operating privileges in the PRC, or take other actions that could have a material adverse effect on our business, financial condition, results of operation and prospects.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans, when options or awards (as the case may be) are granted may subject PRC participants or us to fines and other legal or administrative sanctions

In February 2012, the SAFE promulgated the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Companies (国家外汇管理局关于境内个人参与境外上市公司股权激励计划外汇管理有关问题的通知) (“SAFE Circular 7”). Under SAFE Circular 7 and other relevant rules and regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with the SAFE or its local branches and complete certain other procedures, and must retain a qualified PRC agent which could be a PRC subsidiary of the overseas publicly listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stock or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. We and our PRC employees who may be granted options under the GHY Employee Share Option Scheme and awards under the GHY Performance Share Plan are subject to these regulations and failure of PRC share option holders or restricted shareholders to complete their SAFE registrations may subject these PRC residents to fines of up to RMB300,000 for entities, and up to RMB50,000 for individuals and may also limit our ability to contribute additional capital to our PRC subsidiaries and our PRC Affiliated Entities, limit the ability of our PRC subsidiaries to distribute dividends to us, or otherwise materially and adversely affect our business, financial condition, results of operation and prospects.

The SAT has also issued relevant rules and regulations concerning employee share incentives, such as the Notice of Ministry of Finance and SAT on Issues relating to Collection of Individual Income Tax on Personal Income from Shares and Options (关于个人股票期权所得徵收个人所得税问题的通知), effective on 1 July 2005, and the Notice about Issues Concerning the Individual Income Tax on Share-option Incentives of the SAT (国家税务总局关于股权激励有关个人所得税问题的通知), effective from 24 August 2009. Under these rules and regulations, our employees working in the PRC will be subject to PRC individual income tax upon exercise of the options granted under the GHY Employee Share Option Scheme or release of the awards under the GHY Performance Share Plan, and our PRC subsidiaries and PRC Affiliated Entities which implement share option schemes shall act as the withholding agent for individual income tax and shall withhold individual income taxes for their employees upon exercise of the options or release of the awards. If our PRC subsidiaries and PRC Affiliated Entities fail to withhold their individual income taxes according to the relevant rules and regulations, we may be ordered to pay within the specific time and/or fines imposed by the relevant tax authorities.

If the company chops of our PRC subsidiaries and our PRC Affiliated Entities are not kept safely, are stolen or are used by unauthorised persons or for unauthorised purposes, the corporate governance of these entities could be materially and adversely compromised

In the PRC, a company chop or seal serves as the legal representation of the company towards third parties even when unaccompanied by a signature. Each legally-registered company in the PRC is required to maintain a company chop, which must be registered with the local Public Security Bureau. In addition to this mandatory company chop, companies may have several other chops which can be used for specific purposes. The chops of our PRC subsidiaries and PRC Affiliated Entities are generally held securely by personnel designated or approved by us in accordance with our internal control procedures. While there has not been any past incidents of unauthorised use of the company chops of our PRC subsidiaries and PRC Affiliated Entities, in the event that the chops are not kept safely, are stolen or are used by unauthorised persons or for unauthorised purposes, the corporate governance of these entities could be materially and adversely compromised and those entities may be bound to abide by the terms of any documents so chopped, even if they were chopped by an individual who lacked the requisite power and authority to do so. In addition, if the chops are misused by unauthorised persons, we could experience disruption to our normal business operations and may have to take corporate or legal action, which could involve significant time and resources to resolve while distracting management from our operations.

Restrictions on our ability to convert RMB into foreign currency may adversely affect our operations

Governmental authorities in certain countries in which we operate impose restrictions on the convertibility of the local currency into foreign currencies. The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations. Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, approval from or registration or filing with the relevant government authorities is required where RMB is to be converted into foreign currency and remitted out of the PRC to pay capital expenses, such as the repayment of loans denominated in foreign currencies. The PRC government may also, at its discretion, restrict access to foreign currencies for current account transactions in future. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, our business, financial condition, results of operation and prospects may be adversely affected.

Inflation in the PRC could negatively affect our profitability and growth

The economy of the PRC has experienced significant growth, which has from time to time resulted in inflation and increased labour costs. The PRC's overall economy is expected to continue to grow. Future increases in inflation and material increases in labour costs in the PRC may materially and adversely affect our business, financial condition, results of operation and prospects, given that as at the Latest Practicable Date, a substantial portion of our business operations are in the PRC.

RISKS RELATING TO COUNTRIES IN WHICH WE OPERATE

The following is a description of the risks we generally face in the countries in which we operate.

Any adverse changes in the political, economic, legal, regulatory taxation or social conditions in the countries that we operate in or intend to expand our business may have a material adverse effect on our operations, financial performance and future growth

Our business, prospects, financial condition and results of operations are dependent on and may be adversely affected by political, economic, regulatory, social and legal developments that are beyond our control in each of the countries that we operate in or in which we intend to expand our business and operations. Such political and economic uncertainties may include risks of war, terrorism, nationalism, expropriation or nullification of contracts, changes in interest rates, economic growth, national fiscal and monetary policies, inflation, deflation, methods of taxation and tax policy. Negative developments in the socio-political climate of these countries may also adversely affect our business, prospects, financial condition and results of operations. These developments may include, but is not limited to, changes in political leadership, nationalisation, price and capital controls, sudden restrictive changes to government policies, introduction of new taxes on goods and services and introduction of new laws, as well as demonstrations, riots, coups and war. Regulatory changes can include, for instance, changes in accounting policies, standards and practices, environmental laws and regulations that may impact our business operations and processes, employment laws and regulations including occupational health and safety regulations. These may result in the nullification of contracts, prohibit us from continuing our business operations or require us to make changes to our business model, any of which may result in a material loss of our revenue and could adversely impact our financial performance.

Some of the countries that we operate in or intend to expand our business are in a state of rapid political, economic and social changes, which will entail risks to our business and operations if we are to expand in such countries in the future. As such, there can be no assurance that we will be able to adapt to the local conditions, regulations and business practices and customs of such countries. Any changes implemented by the government of these countries resulting in, among others, currency and interest rate fluctuations, capital restrictions and changes in duties and taxes detrimental to our business could materially and adversely affect our business, financial condition, results of operation and prospects.

The interpretation and application of laws and regulations in the jurisdictions in which we operate involve uncertainties

The courts in certain jurisdictions in which we operate may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. Accordingly, we could face risks such as (a) effective legal redress in the courts of such jurisdictions being more difficult to obtain, whether in respect of a breach of law or regulation, or in an ownership dispute; (b) a higher degree of discretion on the part of governmental authorities and therefore less certainty; (c) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (e) relative inexperience or unpredictability of the judiciary and courts in such matters.

Enforcement of laws in some of the jurisdictions in which we operate may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to us by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited or no relevant case law providing guidance on how courts would interpret such laws and the application of such laws to our contracts, joint operations, licences, licence applications or other arrangements.

There can be no assurance that there will be no unfavourable interpretation or application of the laws in the jurisdictions in which we operate or that such interpretation or application will not adversely affect our contracts, joint operations, licences, licence applications or other legal arrangements. In certain jurisdictions, the commitment of local businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be less certain and more susceptible to revision or cancellation, and legal redress may be uncertain or delayed. If the existing body of laws and regulations in the countries in which we operate are interpreted or applied, or relevant discretions exercised, in an inconsistent manner by the courts or applicable regulatory bodies, this could result in ambiguities, inconsistencies and anomalies in the enforcement of such laws and regulations, which in turn could hinder our long-term planning efforts and may create uncertainties in our operating environment.

We may be subject to additional taxes and penalties if we do not comply with transfer pricing and similar tax regulations in overseas jurisdictions

Currently, we have overseas business presence in Malaysia, Australia and the PRC. The jurisdictions in which we operate have transfer pricing and similar tax regulations designed to ensure that our intercompany transactions are entered into at prices that have not been manipulated to produce a desired tax result, that appropriate levels of income are reported as earned by our overseas subsidiaries and PRC Affiliated Entities and that we are taxed appropriately on such transactions. We have in the past conducted intercompany transactions without proper transfer pricing documents in place to document and ascertain whether such intercompany transactions are conducted on an arm's length basis or how these transaction prices are determined. These jurisdictions may require transfer pricing documentation, such as in Singapore, Malaysia and the PRC. In the event that the relevant tax authorities determine that we are in breach of the transfer pricing and similar tax regulations, additional taxes and penalties may be assessed and we will be required to pay the assessments. However, such taxes and penalties are not expected to have any material impact on our Group's financials. In this regard, the penalty for non-compliance with transfer pricing documentation requirements in Singapore is S\$10,000 and the Inland Revenue Authority of Singapore may also apply a 5.0% surcharge on any transfer pricing adjustments made, whereas the penalty for non-compliance with transfer pricing documentation requirements in Malaysia may be up to 50.0% of the total transfer pricing adjustment. The fine for non-compliance with transfer pricing documentation requirements is up to RMB10,000 in the PRC and we may also be subject to an additional 5.0% interest payment. Based on the respective laws and regulations of Singapore, Malaysia and the PRC, our Independent Tax Adviser, Deloitte & Touche LLP, is of the view that save for the aforementioned monetary penalties, there does not appear to be any other regulatory action that the respective regulatory authorities can take with regard to non-compliance with transfer pricing requirements. During the Period Under Review and up to the Latest Practicable Date, and to the best of our knowledge, there have not been any challenges by the tax authorities in the relevant jurisdictions and we have not been required to pay any additional taxes or penalties due to breach of transfer pricing or similar tax regulations. As at the Latest Practicable Date, our Group has implemented the relevant transfer pricing documentation and will enter into similar transfer pricing documentation in respect of future intercompany transactions.

We are subject to various labour laws and regulations in the jurisdictions in which we operate in and any non-compliance may materially and adversely affect our operations

We are required to comply with the applicable labour laws and regulations in the jurisdictions in which we operate in. See the section entitled “Regulations” of this Prospectus for further information and the section entitled “Risk Factors – Risks Relating to the PRC – We are subject to labour regulations in the PRC” for further information on the risks associated with our compliance with applicable PRC labour regulations. There can be no assurance that we will be able to fully comply with the applicable labour laws and regulations in the future and any breach of such applicable labour laws and regulations in the respective jurisdictions in which we operate in may affect our usage of labour and staff morale, which may have materially and adversely affect our business, prospects, financial condition and results of operation.

Any acts of bribery, money laundering, corrupt practices or other misconduct of our employees or working partners may materially and adversely affect our business and reputation

While there may be efforts by governmental bodies to combat bribery, money laundering, corrupt practices and other improper conducts in the countries in which we operate, there can be no assurance that our employees and/or our working partners, including, among others, our suppliers, customers and working partners, will not be engaged in acts of bribery, money laundering, corruption or other misconduct. There can also be no assurance that our internal control and risk management systems will prevent any improper or illegal acts of our employees or working partners. The failure of our employees to comply with any anti-bribery, anti-corruption and other related laws and regulations in the countries in which we operate, may subject us to substantial financial losses and may have a negative impact on our reputation. In addition, if our working partners are subject to investigations, claims or legal proceedings as a result of such improper or illegal acts, they may be subject to fines and penalties and thus may not be able to contribute their portion of investment funds to our drama and film projects on schedule or at all, thereby delaying the projects’ progress. Any of the abovementioned circumstances may materially and adversely affect our reputation as well as our business, financial condition, results of operations and prospects.

Government control of currency conversion may have a material adverse effect on your investment

At present, the RMB and MYR are not freely convertible to other foreign currencies, and conversion and remittance of foreign currencies are subject to the relevant foreign exchange regulations. See the section entitled “Exchange Controls” of this Prospectus for more information. See also the section entitled “Risk Factors – Risks Relating to the PRC – Restrictions on our ability to convert RMB into foreign currency may adversely affect our operations” of this Prospectus for further information on the risks associated with PRC government control on the convertibility of RMB into foreign currencies.

There are foreign exchange control policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange control framework in Malaysia is governed by Financial Services Act 2013 and the Malaysian central bank, Bank Negara Malaysia (“**BNM**”), has issued foreign exchange administration notices which embodies BNM’s general policies, rules, permissions and directions (“**FEA Rules**”). These regulations regulate both residents and non-residents of Malaysia and set out the circumstances in which residents and non-residents must seek the specific approval of the Foreign Exchange Administration Department to remit funds to and from Malaysia. Under the current FEA Rules, non-residents are free to repatriate funds from Malaysia, including any income earned or proceeds from divestment of Ringgit Asset (as defined in the FEA Rules), provided that such repatriation is made in foreign currency and the conversion of Ringgit Malaysia is made in

accordance with the FEA Rules. The repatriation of funds is subject to the applicable reporting requirements and any withholding tax. In the event that the BNM introduces any restrictions in the future, we may be affected in our ability to repatriate dividends from Malaysia to Singapore.

Government regulation of loans and direct investments by our Company to our foreign subsidiaries may delay or prevent us from making loans or additional capital contribution, which could materially and adversely affect our liquidity and ability to expand our business and operations in such jurisdictions

Local laws and regulations may also have differing requirements and restrictions on the ability of a foreign holding company to make loans, direct investments or additional capital contribution to our operating subsidiaries and affiliated entities in the PRC, Malaysia and Australia. This may impede our ability to expand our business and operations and increase our presence in these jurisdictions, such that our future plans and growth may be adversely affected.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

Our Controlling Shareholders will retain significant control over our Company after the Offering, which will allow our Controlling Shareholders to influence the outcome of matters submitted to Shareholders for approval

Upon the completion of the Offering and the issuance of the New Cornerstone Shares, Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, will beneficially own 640,000,000 Shares, or approximately 59.6% of our issued Shares. G.Y Media & Entertainment Limited, Da Yuan Developments Limited, Guo Yue Family Trust and Vistra Trust (Singapore) Pte. Limited are also our Controlling Shareholders, through their respective deemed interests in all of our Shares held by Kang Ru Investments Limited. Each of Mr. Guo Jingyu, G.Y Media & Entertainment Limited, Da Yuan Developments Limited, Guo Yue Family Trust and Vistra Trust (Singapore) Pte. Limited is deemed to have an interest in all our Shares held by Kang Ru Investments Limited by virtue of Section 4 of the SFA. See the section entitled “Share Capital and Shareholders – Ownership Structure” of this Prospectus for further information.

Our Executive Chairman and Group CEO and Controlling Shareholder will therefore be able to exercise significant influence over matters requiring Shareholders’ approval, including the election of Directors and the approval of significant corporate transactions. He will also have veto power with respect to any shareholder action or approval requiring a majority vote except where he is required by the rules of the Listing Manual to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company, or otherwise discourage a potential acquirer from attempting to obtain control of our Company through corporate actions such as merger or takeover attempts, notwithstanding that the same may be synergistic or beneficial to our Group or our Shareholders.

Our Shares may not be a suitable investment for all investors

Each prospective investor in the Offering Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Offering Shares, our Company, the merits and risks of investing in the Offering Shares and the information contained in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Offering Shares and the effect the Offering Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Offering Shares, including where the currency of the Offering Shares is different from the prospective investor’s currency;
- understand thoroughly the terms of the Offering Shares; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Any future sales of our Shares by us or our Controlling Shareholder following the Offering could adversely affect our Share price

Following the completion of the Offering and the issuance of the New Cornerstone Shares, we will have 1,073,792,000 issued Shares, of which our Controlling Shareholders, including Mr. Guo

Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder will beneficially own 640,000,000 Shares, or approximately 59.6% of our issued Shares. Our Shares will be traded on the Main Board of the SGX-ST following Listing. For varying periods after the Listing Date, we and certain of our Shareholders are restricted from selling Shares. For more information, see the section entitled “Plan of Distribution – No Sale of Similar Securities and Lock-up Arrangements” of this Prospectus.

After the respective lock-up periods have expired, we will be able to issue new Shares and certain of our Shareholders will be able to sell their Shares. Any future issuance or sale or an increased availability of our Shares may have a downward pressure on our Share price. The sale of a significant number of Shares in the public market after the Offering, including by our Controlling Shareholders, or the issuance of further new Shares by us, or the perception that such sales may occur, could materially affect the market price of our Shares. These factors also affect our ability to sell additional equity securities at a time and at a price favourable to us. Except as otherwise described in the section entitled “Plan of Distribution – No Sales of Similar Securities and Lock-up Arrangements” of this Prospectus, there are no restrictions on the ability of our Controlling Shareholder to dispose of his/its Shares.

We are a Cayman Islands incorporated company and the rights and protection accorded to our Shareholders may not be the same as those of other jurisdictions

Our Company is incorporated in the Cayman Islands as an exempted company with limited liability and is subject to the Cayman Islands Companies Law and we will also have to comply with the Listing Manual upon our admission to the Main Board of the SGX-ST. The Singapore Companies Act may provide shareholders of Singapore-incorporated companies certain rights and protections of which there may be no corresponding rights or protections under the Cayman Islands Companies Law. As such, if you invest in our Shares, you may or may not be accorded the same level of shareholder rights and protections that a shareholder of a Singapore-incorporated company would be accorded under the Singapore Companies Act.

The rights of our Shareholders and the responsibilities of our management and our Board under Cayman Islands law may be different from those applicable to a company incorporated in another jurisdiction, including Singapore. Our corporate affairs are governed by our Memorandum and Articles of Association, the Cayman Islands Companies Law and the common law of the Cayman Islands. The rights of Shareholders to take legal action against us and our Directors, the protection of the interests of minority Shareholders, and fiduciary responsibilities owed by our Directors to Shareholders under Cayman Islands law are, to a large extent, governed by the common law of the Cayman Islands, the Cayman Islands Companies Law and our Articles of Association. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which may have persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our Shareholders and the fiduciary responsibilities of our Directors under Cayman Islands law may not be as clearly established as they would be under statutes or judicial precedents in Singapore, the United States or other jurisdictions where investors may be located. The Cayman Islands may have a less developed body of securities law than Singapore. In addition, the laws of the Cayman Islands relating to the protection of the interests of minority shareholders may differ in some respects from those established under statutes and under judicial precedents in Singapore or other jurisdictions.

As a result, our public Shareholders may have more difficulty in protecting their interests in connection with actions taken by our management, our Directors or our principal Shareholders than they would as shareholders of a company incorporated in another jurisdiction. See “Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company” and “Appendix E – Comparison of Selected Singapore Corporate Law and Cayman Islands Corporate Law Provisions” to this Prospectus for further details.

There has been no prior market for our Shares

Prior to the Offering, there has been no public market for our Shares. Although we have applied for our Shares to be listed on the Main Board of the SGX-ST, there can be no assurance that an active public market for our Shares will develop or, if it develops, be sustained, or that the market price of our Shares will not decline below the Offering Price.

The Offering Price of our Shares may not be indicative of prices that will prevail in the trading market. You may not be able to resell our Shares at the Offering Price or at a price that is attractive to you. The trading prices of our Shares could be subject to fluctuations in response to variations in our results of operations, changes in general economic conditions, changes in accounting principles or other developments affecting us, our customers or our competitors, changes in financial estimates by securities analysts, the operating and stock price performance of other companies and other events or factors, many of which are beyond our control. Volatility in the price of our Shares may be caused by factors outside of our control or may be unrelated or disproportionate to our results of operations. There can also be no assurance as to the liquidity of our Shares. Although it is intended that our Shares will remain listed on the SGX-ST, there is no guarantee of the continued Listing of our Shares.

Our Share price may fluctuate following the Offering and could result in losses for investors purchasing our Shares pursuant to the Offering

The market price of our Shares may fluctuate as a result of, among others, the following factors, some of which are beyond our control:

- variations in our operating results;
- changes in research analysts' recommendations, perceptions or estimates of our financial performance;
- announcements by our competitors or ourselves of the gain or loss of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- involvement in litigation or arbitration;
- changes in market valuations and share prices of companies with similar business to our Group which are listed and/or based in Singapore or the countries in which we operate;
- changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- success or failure of our management team in implementing business and growth strategies;
- additions or departures of key personnel;
- discrepancies between our actual operating results and those expected by securities analysts;
- fluctuations in stock market prices and volume; and
- negative publicity involving our Company, any of our Directors, Executive Officers or Substantial Shareholders, whether or not it is justified. Some examples are unsuccessful attempts in joint ventures, takeovers or involvement in insolvency proceedings.

For these reasons, among others, our Shares may trade at prices that are higher or lower than the NAV per Share. These fluctuations may be exaggerated if the trading volume of our Shares is low. Volatility in the price of our Shares may be unrelated or disproportionate to our results of operations. In addition, our Shares are not capital-safe products and there is no guarantee that investors of our Shares can realise a higher amount or even the principal amount of their investments.

Investors in our Shares will suffer immediate dilution, and may experience further dilution, in the net asset value of our Shares

The Offering Price of our Shares is higher than our NAV per Share after adjusting for the estimated net proceeds from the Offering and based on the post-Offering share capital. If we were liquidated immediately following the Offering, each investor subscribing to the Offering may receive less than the price paid for their Shares. See the section entitled “Dilution” of this Prospectus for further details. In addition, we may issue Award Shares pursuant to the vesting of share awards under the GHY Performance Share Plan and Option Shares upon the exercise of the share options under the GHY Employee Share Option Plan. To the extent that such Award Shares and Option Shares are issued under the GHY Performance Share Plan and the GHY Employee Share Option Scheme, there may be further dilution to investors in the Offering. See “Appendix H – Rules of the GHY Performance Share Plan” and “Appendix I – Rules of the GHY Employee Share Option Scheme” to this Prospectus for further information. We may, in the future, expand our capabilities and business through acquisitions, joint ventures and strategic partnerships. If we were to raise funds in the future to finance such acquisitions, joint ventures and strategic partnerships by way of a placement of Shares, rights issue or other equity-linked securities, and if any Shareholders are unable or unwilling to participate in such fundraising, such Shareholders will experience a dilution in their ownership of our Shares.

As a result of adjustments from rights offerings, certain issuances of new Shares (including under the GHY Employee Share Option Scheme and the GHY Performance Share Plan) and certain other actions we may take to modify our capital structure, Shareholders may experience a dilution in their ownership of our Shares. There can be no assurance that we will not take any of the foregoing actions, and such actions in the future may adversely affect the market price of our Shares.

Singapore law contains provisions that could discourage a take-over of our Company

The Singapore Take-over and Merger Provisions contain certain provisions that may delay, deter or prevent a future take-over or change in control of our Company for so long as our Shares are listed for quotation on the SGX-ST. Except with the consent of the Securities Industry Council, any person acquiring an interest, whether by a series of transactions over a period of time or otherwise, either on his own or together with parties acting in concert with him, in 30.0% or more of our voting Shares is required to extend a take-over offer for our remaining voting Shares in accordance with the Singapore Take-over and Merger Provisions. Except with the consent of the Securities Industry Council, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of our voting Shares (either on his own or together with parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period. While the Singapore Take-over Code seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and their ability to realise any benefit from a potential change of control.

We may not be able to pay dividends in the future

Our ability to declare and pay dividends in relation to our Shares will depend on, among others, our operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements, the ability of our subsidiaries to pay dividends to us, other contractual restrictions and other factors deemed relevant by our Directors. This, in turn, depends on our strategies, the successful implementation of our strategies and on financial, competitive, regulatory, general economic conditions and other factors that may be specific to us or specific to our industry, many of which are beyond our control.

In addition, our Company is a holding company and we operate our business through our subsidiaries and PRC Affiliated Entities. Therefore, our ability to pay dividends will be affected by the ability of our subsidiaries to declare and pay us dividends or other distributions and the ability of our PRC Affiliated Entities to pay service fees under the terms of the Exclusive Business Cooperation Agreements to our GHY WFOEs, which will be declared and paid as dividends and other distributions (after deducting relevant taxes which are payable and contributions to the statutory reserve fund, if any) by the respective GHY WFOEs to GHY Hong Kong and will ultimately be received by our Company (after deducting relevant taxes which are payable, if any) from GHY Hong Kong in the form of dividends and other distributions to be declared and paid in the same manner. See the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Operational Control and Economic Benefits under the Contractual Arrangements” of this Prospectus for further information of the payment of service fees by our PRC Affiliated Entities to our GHY WFOEs under the Contractual Arrangements. The ability of our subsidiaries to declare and pay dividends and the ability of our PRC Affiliated Entities to pay service fees to us will be dependent on the cash income of, the cash available and profits available for distribution to, such subsidiary and/or PRC Affiliated Entity and the operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements and other contractual restrictions of the relevant subsidiary and/or PRC Affiliated Entity and may be restricted under applicable laws or regulations. Whilst there are no terms of borrowing arrangements or other contractual restrictions which restrict the ability of our Company to pay dividends to our Shareholders following the Listing, there can be no assurance that we will be able to pay dividends in the future.

Exchange rate fluctuations may materially and adversely affect any future dividend distributions

Our Shares will be quoted in Singapore dollars on the SGX-ST. Dividends, if any, in respect of our Shares will be paid in Singapore dollars. Exchange rate gains or losses will arise when the assets and liabilities of our PRC subsidiaries and our PRC Affiliated Entities are translated into Singapore dollars for repatriation purposes. If the functional and reporting currencies of our subsidiaries depreciate against the Singapore dollar, this may materially and adversely affect our Group’s reported dividends, if any. See the section entitled “Dividends” of this Prospectus for further details.

Overseas Shareholders may not be able to participate in future offerings or certain other equity issues we may make

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we may be subject to regulations as to the procedure to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. We may also choose not to offer such rights or other equity issues to our Shareholders having an address in a jurisdiction outside Singapore. Accordingly, our Shareholders may be unable to participate in future offerings of our Shares and may experience dilution of their shareholdings as such.

USE OF PROCEEDS

Based on the Offering Price of S\$0.66, the gross proceeds from the Offering and the issuance and sale of the Cornerstone Shares will be approximately S\$121.7 million. The net proceeds from the Offering and the issuance and sale of the Cornerstone Shares (after deducting underwriting commissions and the estimated offering expenses, but excluding any discretionary incentive fees, where applicable), will be approximately S\$115.1 million, of which approximately S\$101.0 million will be due to us.

We will not receive any proceeds from the sale of the Vendor Cornerstone Shares by the Vendors.

USE OF PROCEEDS

We intend to apply the net proceeds due to us from the Offering and the issuance of the New Cornerstone Shares towards the following:

- expansion of our TV program and film production business via investment in production, acquisitions, joint ventures and/or strategic alliances;
- expansion of our concert production business via investment in production, acquisitions, joint ventures and/or strategic alliances; and
- general corporate and working capital purposes.

The following table, which is included for the purpose of illustration, sets out the intended purposes of the gross proceeds due to us from the Offering and the issuance of the New Cornerstone Shares:

Use of Gross Proceeds	Estimated amount	As a dollar amount for each S\$1.00 of the gross proceeds due to us from the Offering and the issuance of the New Cornerstone Shares
	(S\$ million)	
Expansion of our TV program and film production business via investment in production ⁽¹⁾ , acquisitions, joint ventures and/or strategic alliances ⁽²⁾	64.5	0.60
Expansion of our concert production business via investment in production ⁽³⁾ , acquisitions, joint ventures and/or strategic alliances	21.5	0.20
General working capital purposes	15.0	0.14
Issue expenses	6.5	0.06
Total	107.5	1.00

Notes:

- (1) Such investments may include, but are not limited to, the production of dramas, films, online video series, musicals and stage plays. As at the Latest Practicable Date, none of the proceeds due to us from the Offering and the issuance of the New Cornerstone Shares have been committed for the purpose of, directly or indirectly, acquiring or refinancing the acquisition of any asset, business or entity, in respect of our TV program and film production business.
- (2) It is intended that out of the gross proceeds to be used for expansion of our TV program and film production business via investment in production, acquisitions, joint ventures and/or strategic alliances, 70.0% will be used for the expansion of our TV program and film production business in the PRC and 30.0% will be used for the expansion of our TV program and film production business in other countries.
- (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. As at the Latest Practicable Date, none of the proceeds due to us from the Offering and the issuance of the New Cornerstone Shares have been committed for the purpose of, directly or indirectly, acquiring or refinancing the acquisition of any particular asset, business or entity, in respect of our concert production business.

The foregoing represents our best estimate of our allocation of the proceeds due to us from the Offering and the issuance of the New Cornerstone Shares based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates, and we may find it necessary or advisable to re-allocate our net proceeds within the categories described above or to use portions of our net proceeds for other purposes. In the event that we decide to reallocate the net proceeds due to us from the Offering and the issuance of the New Cornerstone Shares or use portions of our net proceeds for other purposes, we will publicly announce our intention to do so through a SGXNET announcement to be posted on the internet at the SGX-ST website, <http://www.sgx.com>.

Pending the use of our net proceeds in the manner described above, we may place the funds in fixed deposits with banks and financial institutions or use the funds to invest in short-term money market instruments, as our Directors may deem appropriate in their absolute discretion. The net proceeds due to us from the Offering and the issuance of the New Cornerstone Shares and/or funds (if any) raised through secondary fundraising in the future may be transferred to our PRC subsidiaries and/or PRC Affiliated Entities or be used to finance their operations by means of loans and/or capital contributions, subject to the applicable PRC laws and regulations on foreign exchange and foreign debts in the PRC. See the section entitled “Regulations – PRC – Regulations on Tax in the PRC – Regulations on Foreign Exchange and Foreign Debts in the PRC” for further information on such applicable PRC laws and regulations. See also the section entitled “Risk Factor – Risks Relating to the PRC – PRC regulations of loans to and direct investment in PRC entities by offshore holding companies may delay or prevent us from transferring funds to our PRC subsidiaries and PRC Affiliated Entities” of this Prospectus for further information on the related risks.

None of the net proceeds due to us from the Offering and the issuance of the New Cornerstone Shares will be used for payment of the interim dividends of S\$10.0 million by our Company, further details of which are set out in the section entitled “Dividend Policy – Past Dividends” of this Prospectus.

We will make periodic announcements on the use of proceeds as and when material amounts of proceeds from the Offering and the issuance of the New Cornerstone Shares are disbursed, and provide a status report on the use of proceeds in our annual report. The announcement will state whether the use of the proceeds is in accordance with the stated use and the percentage allocated disclosed above.

Issue Expenses

We estimate that the costs and expenses payable by us in connection with the Offering, and the issuance of the New Cornerstone Shares and the application for Listing, including underwriting commissions, professional fees and expenses and all other incidental expenses relating to the Offering and the issuance of the New Cornerstone Shares (but excluding discretionary incentive fees which we may pay, and the underwriting commissions, professional fees and other expenses and all other incidental expenses relating to the sale of the Vendor Cornerstone Shares payable by the Vendors) will be approximately S\$6.5 million. A breakdown of these estimated expenses is as follows⁽¹⁾:

	Estimated amount	As a percentage of the gross proceeds due to us from the Offering and the issuance of the New Cornerstone Shares
	(S\$ million) ⁽¹⁾	
Listing and application fees	0.1	0.1%
Professional fees and expenses ⁽²⁾ and underwriting commission ⁽³⁾	6.3	5.8%
Miscellaneous expenses ⁽⁴⁾	0.1	0.1%
Total	6.5	6.0%

Notes:

- (1) Amounts exclude GST, where applicable.
- (2) Includes, among others, legal advisers' fees and fees for the Independent Auditor and Reporting Accountant, the Industry Consultant, the Independent Financial Adviser, the Share Registrar and Share Transfer Agent and other professionals' fees (but does not include the professional fees and expenses attributable to and payable by the Vendors).
- (3) The underwriting commission (excluding any discretionary incentive fees and GST) payable by us in connection with the Offering and the issuance of the New Cornerstone Shares is up to 3.0% of the gross proceeds due to us from the Offering and the issuance of the New Cornerstone Shares (but does not include the discretionary incentive fee which may be payable by us or the underwriting commission attributable to and payable by the Vendors). For more details on the discretionary incentive fee, see the description below.
- (4) Includes the estimated cost of production of this Prospectus, road show and other marketing expenses and certain other expenses incurred or to be incurred in connection with the Offering and the Cornerstone Tranche (but does not include expenses attributable to and payable by the Vendors).

We will pay the Joint Underwriters and Bookrunners, as compensation for their services in connection with the Offering, an underwriting commission of up to 3.0% of the amount equal to the aggregate value of the Offering Shares and the New Cornerstone Shares at the Offering Price. The underwriting commission will be up to S\$0.02 for each Offering Share and New Cornerstone Share, excluding GST.

The Vendors will pay the Joint Underwriters and Bookrunners an underwriting commission of up to 3.0% of the amount equal to the aggregate value of the Vendor Cornerstone Shares at the Offering Price. The professional fees and expenses and all other incidental expenses relating to the sale of the Vendor Cornerstone Shares which are payable by the Vendors (excluding the underwriting commission, any discretionary incentive fees and GST) are estimated to amount to approximately S\$0.04 million.

We may, at our sole discretion, pay the Joint Underwriters and Bookrunners an incentive fee of up to 0.5% of the amount equal to the aggregate value of the Offering Shares and the New Cornerstone Shares. The discretionary incentive fee, if it is to be paid to the Joint Underwriters and Bookrunners, will be up to approximately S\$0.003 for each Offering Share and New Cornerstone Share, excluding GST.

Purchasers and/or subscribers of the Placement Shares will be required to pay to the Joint Underwriters and Bookrunners a brokerage fee of up to 1.0% of the Offering Price, as well as stamp duty and other similar charges to the relevant authorities in accordance with the laws and practices of the country of purchase, at the time of settlement.

No fee is payable by applicants for the Public Offer Shares, save for an administration fee of S\$2.00 for each application made through ATMs, the internet banking websites of the Participating Banks or the mobile banking interface of DBS Bank Ltd..

See the section entitled "Plan of Distribution" of this Prospectus for further details.

DIVIDENDS

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us, the Vendors, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners, or any other person. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. See “Notice to Investors – Forward-looking Statements”.

Past Dividends

Our Board has on 18 November 2020 declared interim dividends of S\$10.0 million in respect of FY2020 to be paid to the persons who were registered Shareholders of our Company as at 30 September 2020 (“**Existing Shareholders**”), which were determined based on the available profits of our Group as at 30 June 2020, as set out in our audited combined financial statements for 6M2020 (“**Interim Dividends**”). As at the Latest Practicable Date, the Interim Dividends have not yet been paid to the Existing Shareholders as the payment of the Interim Dividends is conditional upon the fulfilment of certain conditions, including the entry into the Contractual Arrangements, the receipt by the Company of dividend payment(s) from the relevant subsidiaries and PRC Affiliated Entities for distribution to the Existing Shareholders and the Listing of our Company on the Main Board of the SGX-ST. Subject to the fulfilment of the conditions, the Interim Dividends will be paid within six months from the date of the Listing, subject to the level of our cash and retained earnings, actual and projected financial performance, expected future earnings, cash flow, working capital requirements, general business and financing conditions, as well as other factors which our Directors may determine appropriate and which our Audit and Risk Management Committee will monitor until the Interim Dividends have been fully paid. Upon fulfilment of the relevant conditions, the unpaid Interim Dividends will be deemed as being advanced to our Group by the Existing Shareholders on a non-interest bearing basis. The source of funds for the Interim Dividends will be from our Group’s internal resources. See the section entitled “Appendix B – Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020” to this Prospectus for further details.

Save for the Interim Dividends as set out above, our Company and our subsidiaries and PRC Affiliated Entities have not declared or paid any dividends in FP2018, FY2019 and 6M2020 and from 1 July 2020 to the Latest Practicable Date.

Dividend Policy

The declaration and payment of future dividends will be subject to the factors outlined below, as well as other factors deemed relevant by our Directors:

- the level of our cash and retained earnings;
- our actual and projected financial performance;
- our projected levels of capital expenditure and expansion plans;
- our working capital requirements and general financial condition; and
- the terms of borrowing arrangements (if any).

We do not have a fixed dividend policy. Currently, our Board intends to recommend dividends of at least 30.0% of our net profit after tax generated in FY2020 (excluding the Interim Dividends of S\$10.0 million declared by our Board in FY2020) and FY2021 (collectively, the “**Proposed Dividend**”). However, investors should note that the foregoing statements, including the statement on the Proposed Dividend, are merely statements of our present intention and shall not constitute legally binding obligations on our Company or legally binding statements in respect of our future dividends (including those proposed for FY2020 and FY2021), which may be subject to modification (including reduction or non-declaration thereof) at our Directors’ sole and absolute discretion. As we do not have a fixed dividend policy, investors should not treat the Proposed Dividend as an indication of our future dividend policy.

As at the Latest Practicable Date, there are no existing loans and/or terms in the Contractual Arrangements which restrict the payment of dividends and/or distributions by our Group. Subject to the Cayman Islands Companies Law and our Articles of Association, our Shareholders in general meeting may, from time to time, declare a dividend but no dividend shall be declared in excess of the amount recommended by our Board. Our Board may, without the approval of our Shareholders, also declare interim dividends. All dividends will be paid in accordance with our Articles of Association and the laws of the Cayman Islands.

Payment of cash dividends and distributions, if any, will be declared in Singapore dollars and paid in Singapore dollars to CDP on behalf of holders of our Shares who maintain, either directly or through depository agents, Securities Accounts.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends. See the section entitled “Risk Factors – Risks Relating to an Investment in our Shares – We may not be able to pay dividends in the future” of this Prospectus for further details.

See the section entitled “Taxation – Singapore Taxation – Dividend Distribution” of this Prospectus for a description of Singapore taxation on dividends.

CAPITALISATION AND INDEBTEDNESS

The table below sets out our capitalisation and indebtedness based on the unaudited financial statements of our Group as of 31 October 2020 on an actual basis and as adjusted to reflect the issuance of the Offering Shares and the New Cornerstone Shares, and the application of net proceeds due to us from the Offering in the manner described in the section entitled “Use of Proceeds” of this Prospectus.

The information in this table should be read in conjunction with the sections entitled “Use of Proceeds”, “Selected Audited Combined Financial Information”, “Selected Unaudited Pro Forma Combined Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Prospectus and our historical financial statements and the notes thereto included in this Prospectus.

	As of 31 October 2020	
	Actual	As adjusted⁽¹⁾
	(S\$’000)	
Cash and cash equivalents	12,348	113,302
Current Indebtedness		
Secured and guaranteed bank loans	1,003	1,003
Unsecured lease liabilities	1,492	1,492
Unsecured and non-guaranteed shareholder’s loans	5,519	5,519
Non-Current Indebtedness		
Secured and guaranteed bank loans	–	–
Unsecured lease liabilities	3,495	3,495
Unsecured and guaranteed bonds payable	–	–
Unsecured and non-guaranteed bonds payable	–	–
Total loans and borrowings	11,509	11,509
Capital and reserves attributable to equity holders of our Company	56,405	157,359
Total capitalisation	67,914	168,868

Note:

- (1) Adjusted to reflect the issuance of 21,696,000 Offering Shares and 141,166,000 New Cornerstone Shares at the Offering Price and the application of the net proceeds from the Offering and the issuance of the New Cornerstone Shares in the manner described in the section entitled “Use of Proceeds” of this Prospectus, after deducting the underwriting commissions and other estimated expenses (excluding any discretionary incentive fees and GST) payable in relation to the Offering and the issuance of the New Cornerstone Shares.

Banking and Credit Facilities of our Group

As at 30 June 2020, our Group's banking and credit facilities (utilised and unutilised) amounted to an aggregate of RMB50.0 million (approximately S\$10.2 million) and the aggregate outstanding amount was approximately RMB26.2 million (approximately S\$5.4 million).

Details of our Group's banking and credit facilities as at 30 June 2020 are as follows:

Type of Facilities	Amount of Facilities granted ⁽⁴⁾	Utilised and Outstanding ⁽⁴⁾	Unutilised ⁽⁴⁾	Interest rate per annum	Maturity profile
Bank of Beijing Co., Ltd., Liulichang sub-branch					
Credit line ⁽¹⁾	RMB45,000,000 (S\$9,210,000)	RMB24,947,552 (S\$5,105,000)	RMB20,052,448 (S\$4,103,000)	Fixed rate of 5.01%	9 July 2020 to 22 August 2020 ⁽²⁾
Bank of Beijing Co., Ltd., Youanmen sub-branch					
Credit line ⁽³⁾	RMB5,000,000 (S\$1,023,000)	RMB1,245,163 (S\$255,000)	RMB3,754,837 (S\$768,000)	Fixed rate of 4.35%	27 May 2021

Notes:

- (1) Under the terms of the credit line facility, the facility is to be utilised to finance general corporate purposes or for any other purposes stipulated in the relevant documents relating to the credit line facility, such as remuneration of actors and staff, production, costume, make-up and prop design, venue rental, equipment rental, purchase of script rights and post-production costs. The credit line facility has been utilised for the purposes of funding working capital of our Group. As at the Latest Practicable Date, the utilised amounts have been repaid and there are no outstanding amounts under this subsisting credit line facility.
- (2) Beijing Changxin has utilised working capital facilities of RMB10.0 million and RMB15.0 million, which were sub-facilities of the credit line facility granted by Bank of Beijing Co., Ltd., Liulichang sub-branch. RMB10.0 million and RMB15.0 million were drawn between 9 July 2019 and 19 August 2019 and between 22 August 2019 and 5 November 2019, respectively. We have utilised such short-term loan financing for our working capital requirements as there may be differences in timing between the funds received from our customers and the initial production costs and day-to-day working capital requirements of our Group.
- (3) Under the terms of the credit line facility, the facility is to be utilised to finance general corporate purposes or for any other purposes stipulated in the relevant documents relating to the credit line facility, such as replenishing working capital and paying rent.
- (4) RMB amounts have been translated into approximate Singapore dollar amounts based on the exchange rate of S\$1: RMB4.8867 as quoted by Bloomberg L.P. on the Latest Practicable Date. Bloomberg L.P. has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the exchange rate quoted above and is thereby not liable for such information under Sections 253 and 254 of the SFA. While we, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, have taken reasonable actions to ensure that the above exchange rates have been reproduced in their proper form and context, none of us, the Vendors, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners nor any other party have conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

As at the Latest Practicable Date, our Group has been granted a credit line facility of up to RMB30.0 million (approximately S\$6,139,000) by China Merchants Bank. The applicable interest rate is a fixed rate of 3.84% per annum and is to be repaid within 24 months from the date of drawdown of the facility. The amounts of RMB10.0 million (approximately S\$2,046,000), approximately RMB7.2 million (approximately S\$1,468,000) and approximately RMB2.8 million (approximately S\$578,000) were drawn down from such credit line facility on 16 November 2020, 20 November 2020 and 27 November 2020, respectively. The credit line facility is to be utilised for general working capital purposes and has been utilised for such purposes by our Group.

The credit line facility granted by the Bank of Beijing Co., Ltd., Liulichang sub-branch is secured by personal guarantees provided by Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, and Ms. Yue Lina, our Executive Director, as well as a corporate guarantee provided by Beijing Shouchuang Financing Guarantee Co., Ltd. (the “**Shouchuang Corporate Guarantee**”). The Shouchuang Corporate Guarantee is in turn secured by back-to-back guarantees provided by Tianjin Changxin, Mr. Guo Jingyu and Ms. Yue Lina, and we had paid a fee of RMB500,000 to Beijing Shouchuang Financing Guarantee Co., Ltd. in August to September 2019 to obtain the Shouchuang Corporate Guarantee.

The credit line facility granted to our Group by the Bank of Beijing, Youanmen sub-branch is secured by personal guarantees provided by Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, and Ms. Yue Lina, our Executive Director, as well as a corporate guarantee provided by Beijing Haidian Science and Technology Enterprise Financing Guarantee Co., Ltd. (the “**Haidian Corporate Guarantee**”). The Haidian Corporate Guarantee is in turn secured by back-to-back guarantees provided by Beijing Changxin, Mr. Guo Jingyu and Ms. Yue Lina, and we had paid a fee of RMB90,000 to Beijing Haidian Science and Technology Enterprise Financing Guarantee Co., Ltd. in May 2020 to obtain the Haidian Corporate Guarantee.

The credit line facility granted to our Group by China Merchants Bank is secured by personal guarantees provided by Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, and Ms. Yue Lina, our Executive Director, as well as a corporate guarantee provided by Beijing Beitou Financing Guarantee Co., Ltd. (the “**Beijing Beitou Corporate Guarantee**”). The Beijing Beitou Corporate Guarantee is in turn secured by back-to-back guarantees provided by Tianjin Changxin, Mr. Guo Jingyu and Ms. Yue Lina, and we had paid a fee of RMB750,000 to Beijing Beitou Financing Guarantee Co., Ltd. in November 2020 to obtain the Beijing Beitou Corporate Guarantee.

Beijing Shouchuang Financing Guarantee Co., Ltd., Beijing Haidian Science and Technology Enterprise Financing Guarantee Co., Ltd. and Beijing Beitou Financing Guarantee Co., Ltd. are third party corporate guarantors, which are financing companies that provide corporate guarantees as its business, and are unrelated to our Group as well as unrelated to Mr. Guo Jingyu and Ms. Yue Lina. We are required by the respective banks to obtain corporate guarantees in respect of the respective credit line facilities from unrelated third party corporate guarantors, which to the best of our knowledge and belief, are arrangements commonly required by banks when granting banking and credit facilities to companies with short operating history in the PRC. There are no terms and conditions or covenants associated with the above credit line facilities which could materially affect our Group’s financial position and results or business operations.

See the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Provision of Personal Guarantees by Interested Persons” of this Prospectus for further details on the provision of such personal guarantees by our interested persons.

Save as disclosed above, our Group has not provided corporate guarantees to any unrelated third parties in the past and as at the Latest Practicable Date. For the avoidance of doubt, our Group has only provided corporate guarantees solely for the purposes of obtaining requisite corporate guarantees from such financing companies which are required by the relevant banks granting the banking and/or credit facilities to our Group. Following the admission of our Company to the Official List of the SGX-ST, where our Group is required by the relevant banks to obtain corporate guarantee(s) from third party corporate guarantors, which in turn require our Group to provide corporate guarantees as back-to-back guarantees, we will continue to do so. Save for the foregoing, we do not intend to provide corporate guarantees or to rely on third party guarantors following the admission of our Company to the Official List of the SGX-ST.

Save as disclosed above, our Group does not have any material unused sources of liquidity as at the Latest Practicable Date. While the outbreak of COVID-19 has not had any impact on our level of borrowings and we do not have any intention to obtain further short-term financing as at the Latest Practicable Date, we may nonetheless obtain further short-term financing as and when the need arises. As at the Latest Practicable Date, our Group is not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Group's financial position and results or business operations, or the investments by our Shareholders.

Contingent Liabilities

As at the Latest Practicable Date, we did not have any material contingent liabilities.

DILUTION

New investors subscribing for and/or purchasing the Offering Shares or the New Cornerstone Shares at the Offering Price will experience an immediate dilution to the extent of the difference between the Offering Price per Share and the NAV per Share immediately after the completion of the Offering and the issuance of the New Cornerstone Shares. Dilution is determined by subtracting the NAV per Share immediately after the completion of the Offering and the issuance of the New Cornerstone Shares from the Offering Price paid by the new investors. NAV per Share is determined by subtracting our total liabilities and minority interests from our total assets, and dividing the difference by the number of Shares deemed to be outstanding on the date as of which the book value is determined. Our pro forma NAV per Share as of 30 June 2020 as adjusted for the Share Split, the completion of the Offering and the issuance of the New Cornerstone Shares was S\$0.03.

The Offering Price of S\$0.66 per Offering Share exceeds the pro forma NAV per Share of S\$0.03 as of 30 June 2020⁽¹⁾, as adjusted for the Share Split, the completion of the Offering and the issuance of the New Cornerstone Shares by approximately 2,100%. Since the Offering Price exceeds the pro forma NAV per Share after the Offering immediately after the completion of the Offering and the issuance of the New Cornerstone Shares, there is an immediate dilution to new investors. Such dilution is illustrated in the table below:

Offering Price per Offering Share	S\$0.66
NAV per Share as of 30 June 2020, before adjusting for the Share Split (as defined herein), the completion of the Offering and the issuance of the New Cornerstone Shares	S\$0.42
Pro forma adjusted NAV per Share as of 30 June 2020, as adjusted for the Share Split, the completion of the Offering and the issuance of the New Cornerstone Shares ⁽¹⁾	S\$0.03
Dilution in adjusted NAV per Share to new investors	S\$0.63
Dilution in NAV per Share to new investors as a percentage of the Offering Price	95.5%

Note:

- (1) Based on our unaudited pro forma combined financial information for the six months ended 30 June 2020 set out in "Appendix B – Independent Auditor's Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020" to this Prospectus.

The following table summarises the total number of Shares acquired during the period from 29 May 2018, being the date of incorporation of our Company, to the date of lodgement of this Prospectus by our Substantial Shareholders, Director and CEO or their respective associates, the total consideration paid by them and the effective cash cost per Share to them. The following table also sets out the total number of Shares to be acquired by new investors in the Offering, the total consideration paid and the effective cash cost per Share to them. The following table has been adjusted to reflect the Share Split.

	Number of Shares Acquired or to be Acquired⁽¹⁾	Total Consideration	Effective Cash Cost per Share
Taiho Holding Ltd ⁽²⁾	80,000,000	S\$2,000,000	S\$0.025
Mr. John Ho ⁽³⁾	130,000,000	S\$3,250,001	S\$0.025
Ms. Lian Lee Lee ⁽⁴⁾	30,000,000	S\$750,001	S\$0.025
Kang Ru Investments Limited ⁽⁵⁾	640,000,000	US\$6,400	US\$0.00001
New investors pursuant to the Offering and the issue and sale of the Cornerstone Shares	184,402,000	S\$121,705,320	S\$0.66

Notes:

- (1) After adjusting for the Share Split.
- (2) Taiho Holding Ltd had acquired shares in GHY Singapore with an issue price of S\$1.00 per share on 21 June 2018, being an aggregate of S\$2,000,000, which were swapped for the Shares currently held by Taiho Holding Ltd pursuant to and in connection with the Share Exchanges. The consideration for the Shares acquired by Taiho Holding Ltd in exchange for its shares in GHY Singapore pursuant to the Share Exchanges was determined on a willing-buyer, willing-seller basis, with reference to the fair value of the shares in GHY Singapore at the time. The total consideration and effective cash cost for each Share adjusted to reflect the Share Split is hence calculated based on the initial price paid by Taiho Holding Ltd for the shares in GHY Singapore. Taiho Holding Ltd is the investment holding vehicle of Mr. Yang Jun Rong, our Non-Executive Director, and Mdm. Yeh Hui Mei, both of whom are our Substantial Shareholders. See the section entitled "Corporate Structure and Ownership – Corporate Reorganisation" of this Prospectus for further details of the Share Exchanges.
- (3) Bestin B & J Holding Ltd. and Bestin J & B Holding Ltd. had acquired shares in GHY Singapore with an issue price of S\$1.00 per share on 21 June 2018, being an aggregate of S\$3,250,001, which were swapped for the Shares currently held by Mr. John Ho pursuant to and in connection with the Share Exchanges. The consideration for the Shares acquired by Bestin B & J Holding Ltd. and Bestin J & B Holding Ltd. in exchange for their respective shares in GHY Singapore pursuant to the Share Exchanges was determined on a willing-buyer, willing-seller basis, with reference to the fair value of the shares in GHY Singapore at the time. The total consideration and effective cash cost for each Share adjusted to reflect the Share Split is hence calculated based on the initial price paid by Bestin B & J Holding Ltd. and Bestin J & B Holding Ltd. for the shares in GHY Singapore. The Shares were later acquired by Mr. John Ho from Bestin B & J Holding Ltd. and Bestin J & B Holding Ltd. for an aggregate consideration of US\$202 on 1 December 2019. Bestin B & J Holding Ltd. and Bestin J & B Holding Ltd. were the investment holding vehicles of Mr. John Ho. See the section entitled "Corporate Structure and Ownership – Corporate Reorganisation" of this Prospectus for further details of the Share Exchanges.
- (4) Sweet B & J Holding Ltd. had acquired shares in GHY Singapore with an issue price of S\$1.00 per share on 21 June 2018, being an aggregate of S\$750,001, which were swapped for the Shares currently held by Ms. Lian Lee Lee pursuant to and in connection with the Share Exchanges. The consideration for the Shares acquired by Sweet B & J Holding Ltd. in exchange for its shares in GHY Singapore pursuant to the Share Exchanges was determined on a willing-buyer, willing-seller basis, with reference to fair value of the shares in GHY Singapore at the time. The total consideration and effective cash cost for each Share adjusted to reflect the Share Split is hence calculated based on the initial price paid by Sweet B & J Holding Ltd. for the shares in GHY Singapore. The Shares were later acquired by Ms. Lian Lee Lee from Sweet B & J Holding Ltd. for a consideration of US\$101 on 1 December 2019. Sweet B & J Holding Ltd. was the investment holding vehicle of Ms. Lian Lee Lee and she had acquired these Shares pursuant to the Share Exchanges. Ms. Lian Lee Lee is the spouse of Mr. John Ho, our Substantial Shareholder. See the section entitled "Corporate Structure and Ownership – Corporate Reorganisation" of this Prospectus for further details of the Share Exchanges.
- (5) G.Y Media & Entertainment Limited had acquired these Shares for a consideration of US\$6,400 in May and June 2018 pursuant to (a) transfer of one initial ordinary share of par value US\$1.00 from Sertus Nominees (Cayman) Limited to G.Y Media & Entertainment Limited, which was split into 10,000 ordinary shares with par value of US\$0.0001 per

ordinary share; and (b) an allotment of the remaining ordinary shares with par value of US\$0.0001 per ordinary share. G.Y Media & Entertainment Limited is the investment holding vehicle of Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, and the sole shareholder and director of G.Y Media & Entertainment Limited is Mr. Guo Jingyu. The total consideration and effective cash cost for each Share adjusted to reflect the Share Split is hence calculated based on the initial price paid by G.Y Media & Entertainment Limited. The Shares were later acquired by Kang Ru Investments Limited from G.Y Media & Entertainment Limited for nil consideration on 6 December 2019. See the section entitled “Share Capital and Shareholders – Ownership Structure” of this Prospectus for further details of Mr. Guo Jingyu’s interest in the Shares held by Kang Ru Investments Limited.

Save as disclosed above, there has been no acquisition of any of our existing Shares by our Substantial Shareholders, Directors and CEO or their respective Associates, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, from three years before the date of lodgement of this Prospectus up to the date of lodgement of this Prospectus by the Authority. See the section entitled “Share Capital and Shareholders – Ownership Structure” of this Prospectus for further information regarding the interest of our Substantial Shareholders.

GHY SHARE INCENTIVE SCHEMES

In addition, the issue of Shares pursuant to the vesting of awards which may be granted under the GHY Performance Share Plan and/or the exercise of options which may be granted under the GHY Employee Share Option Scheme would have a further dilutive effect on investors in the Offering. See the sections entitled “Summary of the GHY Share Incentive Schemes”, “Appendix H – Rules of the GHY Performance Share Plan” and “Appendix I – Rules of the GHY Employee Share Option Scheme” to this Prospectus for further details.

EXCHANGE CONTROLS

Singapore

There are currently no exchange control restrictions in Singapore.

Cayman Islands

There are currently no exchange control regulations or currency restrictions in the Cayman Islands.

PRC

The PRC exercises controls on foreign exchange. The principal regulation governing foreign currency exchange in the PRC is the Regulations on the Control of Foreign Exchange of the PRC (《中华人民共和国外汇管理条例》) which was issued by the State Council on 29 January 1996, came into effect on 1 April 1996 and was amended on 14 January 1997 and 5 August 2008. Under these rules, RMB is freely convertible for payments of current account items, including trade and service-related foreign exchange transactions and dividend payments, but not for capital account expenses, including direct investment, loan or investment in securities outside of the PRC. RMB may only be converted for capital account expenses once prior approval from the SAFE has been obtained. Under the Regulations on the Control of Foreign Exchange of the PRC, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of the SAFE for trade and service-related foreign exchange transactions by providing commercial documents evidencing such transactions to commercial banks which are allowed to engage in foreign exchange business.

Whilst the payment of dividends by our Company to Shareholders is not restricted by the Regulations on the Control of Foreign Exchange of the PRC and does not require prior approval from the SAFE under the PRC foreign exchange control system, the relevant document(s) in respect of such payment of dividends must be presented at designated foreign exchange banks within the PRC, which are licensed to carry out foreign exchange business. Such repatriation of dividends is subject to the procedural process of presentation of the relevant documents(s) and payment of the applicable withholding tax, the failure of which would prohibit our Company from such repatriation of dividends until such procedural processes are completed.

Malaysia

There are foreign exchange control policies in Malaysia that serve to monitor capital inflows and outflows into and out of the country. The relevant legislation governing foreign exchange controls in Malaysia is the Financial Services Act 2013 (“**FSA**”), which is administered by the Controller of Foreign Exchange under the Malaysian central bank, Bank Negara Malaysia (“**BNM**”). The BNM has, under the FSA, issued foreign exchange administration notices which embodies BNM’s general policies, rules, permissions and directions (“**FEA Rules**”).

The FEA Rules apply to both resident and non-residents of Malaysia, and the approval of the BNM is required in certain instances. Under Notice 4 of the FEA Rules, a non-resident is allowed to repatriate funds from Malaysia, including any income earned or proceeds from divestment of Ringgit Asset (as defined in the FEA Rules), provided that the repatriation is made in foreign currency and the conversion of MYR into foreign currency is undertaken in accordance with Part B of Notice 1 of the FEA Rules.

Any person who is not in compliance with any requirement, restriction or condition imposed in granting of the approval by the BNM in relation to any transaction set out under the FEA Rules commits an offence and shall, on conviction, be liable to imprisonment for a term not exceeding 10 years or to a fine not exceeding MYR50,000,000 or to both.

Australia

There are currently no general exchange control restrictions on the flow of currency in to or out of Australia.

However, under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act), there are reporting obligations which apply in respect of certain transfers of currency. For example, “reporting entities” (which include banks) are required to report to the Australian Transaction Reports and Analysis Centre (“**AUSTRAC**”) any transfer of physical currency of AUD10,000 or more (or the foreign currency equivalent) in or out of Australia. Reporting entities may also be required to report transactions that relate to transfers of money or property into or out of Australia to AUSTRAC.

There are also broad prohibitions covering a range of activities relating to making funds, assets or financial services available, directly or indirectly, to a person or entity that is either itself subject to Australian sanctions or is controlled by a person subject to Australian sanctions. There are two main types of Australian sanction laws:

- those that the Australian government implements in response to resolutions by the United Nations Security Council which are contained in the Charter of the United Nations Act 1945 (Cth) and regulations made under that Act; and
- those that the Australian government imposes independently of the United Nations Security Council which are contained in the Autonomous Sanctions Act 2011 (Cth) and the Australian Autonomous Sanctions Regulations 2011 (Cth). The Criminal Code Act 1995 (Cth) also creates offences for funding, supporting and associating with a terrorist organisation. These prohibiting laws may affect dealings in Australia.

In addition, some investments into Australia are regulated by the Foreign Acquisitions and Takeovers Act 1975 (Cth).

Hong Kong

There are currently no exchange control restrictions in Hong Kong.

SELECTED AUDITED COMBINED FINANCIAL INFORMATION

You should read the following selected audited combined financial information for the periods and as of the dates indicated in conjunction with the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Prospectus and our financial statements, the accompanying notes and the related independent auditor’s report included in this Prospectus. Our financial statements are reported in Singapore dollars and are prepared and presented in accordance with the SFRS(I)s, which may differ in certain significant respects from generally accepted accounting principles in other countries.

The following selected audited combined financial information have been derived from the audited combined financial statements of our Group for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months period ended 30 June 2020 included in this Prospectus and should be read together with those financial statements and the notes thereto. A review of the interim financial information for the six months period ended 30 June 2019 has been included as comparative figures in the combined financial statements for the six months period ended 30 June 2020.

AUDITED COMBINED STATEMENTS OF FINANCIAL POSITION

	31 December 2018 (Audited) (S\$’000)	31 December 2019 (Audited) (S\$’000)	30 June 2020 (Audited) (S\$’000)
ASSETS			
Current assets			
Cash and cash equivalents	13,778	17,356	14,233
Trade receivables	174	44,166	11,914
Other receivables	2,190	5,041	10,991
Amount due from related parties	31	9,082	1,235
Contract assets	–	4,956	21,364
Contract costs	–	577	847
Inventories	–	–	159
Finance lease receivables	3	3	–
Income tax recoverable	9	–	–
Films and drama productions in progress	22,085	23,307	29,027
Films and drama products	–	–	2,489
	38,270	104,488	92,259
Non-current assets			
Plant and equipment	590	3,670	4,023
Right-of-use assets	860	2,620	5,389
Finance lease receivables	8	5	–
Goodwill	1,111	1,111	1,111
Intangible assets	225	327	794
Other receivables	103	83	7
Deferred tax assets	360	203	221
Investment in associates	–	422	–
	3,257	8,441	11,545
Total assets	41,527	112,929	103,804

	31 December 2018 (Audited)	31 December 2019 (Audited)	30 June 2020 (Audited)
	(S\$'000)	(S\$'000)	(S\$'000)
LIABILITIES			
Current liabilities			
Trade and other payables	14,411	38,059	36,072
Film investment funds from investors	2,692	2,708	4,145
Contract liabilities	9,951	21,629	8,206
Amount due to related parties	45	23,229	5,628
Lease liabilities	417	1,251	1,484
Borrowings	5,873	4,825	5,170
Income tax payable	–	2,582	996
	33,389	94,283	61,701
Non-current liabilities			
Lease liabilities	309	1,228	3,732
Deferred tax liabilities	–	–	68
	309	1,228	3,800
Total liabilities	33,698	95,511	65,501
NET ASSETS	7,829	17,418	38,303
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	642	641	641
Share premium	8,512	5,713	13,449
Statutory reserve	–	297	297
(Accumulated losses) Retained earnings	(1,472)	10,665	23,675
Translation reserves	147	102	241
Total equity	7,829	17,418	38,303

AUDITED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	FP2018 (Audited)	FY2019 (Audited)	6M2019 (Unaudited)	6M2020 (Audited)
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue	3,442	66,000	41,622	37,152
Cost of sales	(334)	(47,184)	(29,707)	(17,594)
Gross profit	3,108	18,816	11,915	19,558
Other income	12	6,575	6,151	4,178
Share of result from associate	–	35	(41)	(11)
Administrative expenses	(1,969)	(5,177)	(2,151)	(5,000)
Selling and distribution expenses	(375)	(1,887)	(350)	(2,859)
Other expenses	(1,288)	(2,035)	(1,195)	(518)
Finance costs	(56)	(931)	(350)	(606)
(Loss) Profit before income tax	(568)	15,396	13,979	14,742
Income tax expense	(174)	(2,962)	(2,350)	(1,732)
(Loss) Profit for the period	(742)	12,434	11,629	13,010
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	147	(45)	161	139
Total comprehensive (loss) income for the period	(595)	12,389	11,790	13,149
(Loss) Profit for the period attributable to:				
Owners of the Group	(1,472)	12,434	11,629	13,010
Non-controlling interests	730	–	–	–
	(742)	12,434	11,629	13,010
Total comprehensive (loss) income attributable to:				
Owners of the Group	(1,325)	12,389	11,790	13,149
Non-controlling interests	730	–	–	–
	(595)	12,389	11,790	13,149
Earnings per Share				
Basic and diluted (cents) ⁽¹⁾	(0.16)	1.36	1.28	1.43
Adjusted (cents) ⁽²⁾	(0.14)	1.16	1.08	1.21

Notes:

- (1) For comparative purposes, the basic and diluted EPS have been computed based on the profit for the period/year and 910,930,000 Shares immediately prior to the completion of Offering and the issuance of the New Cornerstone Shares.
- (2) For comparative purposes, the adjusted EPS have been computed based on the profit for the period/year and 1,073,792,000 Shares immediately following the completion of Offering and the issuance of the New Cornerstone Shares.

AUDITED COMBINED STATEMENT OF CASH FLOWS

	FP2018 (Audited)	FY2019 (Audited)	6M2019 (Unaudited)	6M2020 (Audited)
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Operating activities				
(Loss) Profit before income tax	(568)	15,396	13,979	14,742
Adjustments for:				
Amortisation of films and drama products	–	30,359	29,512	2,473
Amortisation of intangible assets	3	7	3	3
Depreciation of plant and equipment	111	315	122	360
Depreciation of right-of-use assets	221	993	326	825
Allowance for (Net reversal of) expected credit losses	–	89	42	(18)
Written-off of inventories	–	–	–	14
Written-off of plant and equipment	–	–	–	8
Impairment loss of contract costs	–	–	–	716
Gain on disposal of right-of-use assets	–	–	–	(35)
Gain on disposal of investment in associate	–	–	–	(3,135)
Fair value gain on previously held interest in associate	–	–	–	(61)
Gain from bargain purchase of investment in subsidiary	–	–	–	(155)
Interest income	(6)	(51)	(11)	(45)
Interest expense	56	931	350	606
Gain on structured deposits	–	(15)	(1)	(18)
Share of result from associate	–	(35)	41	11
Fair value gain in amount due to an external investor	907	1,523	955	297
Net foreign exchange difference	113	148	273	162
Operating cash flows before movements in working capital	837	49,660	45,591	16,750
Trade and other receivables	(2,184)	(52,749)	(36,060)	29,410
Amount due from related parties	(31)	(9,051)	31	7,847
Contract assets	–	(4,962)	–	(16,409)
Contract costs	–	(577)	(56)	(986)
Films and drama productions in progress	(20,801)	(31,727)	(17,592)	(3,976)
Films and drama products	214	–	–	–
Trade and other payables	4,434	20,144	4,049	1,894
Amount due to related parties	45	6,886	(45)	(6,931)
Inventories	–	–	–	(173)
Contract liabilities	9,951	11,678	(8,543)	(14,093)
Cash (used in) generated from operations	(7,535)	(10,698)	(12,625)	13,333
Interest income received	5	50	10	44
Interest paid	(22)	(285)	(32)	(548)
Income tax paid	(64)	(103)	(9)	(3,377)
Net cash (used in) generated from operating activities	(7,616)	(11,036)	(12,656)	9,452

	FP2018 (Audited)	FY2019 (Audited)	6M2019 (Unaudited)	6M2020 (Audited)
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Investing activities				
Purchase of plant and equipment	(295)	(2,871)	(46)	(1,040)
Purchase of intangible assets	(34)	(238)	–	(483)
Repayments of finance lease receivables	2	4	2	–
Advance to a related party	–	(2,083)	(905)	(1,772)
Proceeds from advance to a related party	–	2,083	–	–
Investment in structured deposits	–	15	(985)	18
Additions to investment in an associate	–	(393)	–	–
Acquisition of subsidiaries	4,005	–	–	3,270
Net cash from (used in) investing activities	3,678	(3,483)	(1,934)	(7)
Financing activities				
Repayment of lease liabilities	(212)	(968)	(202)	(730)
Proceeds from issuance of shares	627	–	–	–
Proceeds from borrowings	5,873	4,825	–	247
Proceeds from amount due to a third party	–	7,500	–	–
Proceeds of film investment funds from an external investor at amortised cost	–	2,708	–	1,386
Proceeds of film investment funds from investors at FVTPL	1,820	6,977	6,977	–
Proceeds from (repayment of) amount due to related parties	–	16,298	–	(11,041)
Proceeds of loan from an entity connected to a non-controlling shareholder	4,118	–	–	–
Proceeds from loan due to director of a subsidiary	5,490	–	–	–
Repayment of film investment funds to an external investor at FVTPL	–	(11,256)	–	–
Repayment of loan due to an entity connected to a non-controlling shareholder	–	(4,118)	–	–
Repayment of loan due to director of a subsidiary	–	(3,859)	–	(1,631)
Shares buy-back	–	–	–	(800)
Net cash from (used in) financing activities	17,716	18,107	6,775	(12,569)
Net increase (decrease) in cash and cash equivalents	13,778	3,588	(7,815)	(3,124)
Cash and cash equivalents at date of incorporation/beginning of period/year	–	13,778	13,778	17,356
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	–	(10)	7	1
Cash and cash equivalents at end of period/year	13,778	17,356	5,970	14,233

SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

You should read the following selected unaudited pro forma financial information for the periods and as of the dates indicated in conjunction with the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Prospectus and our financial statements, the accompanying notes and the related independent auditor’s report included in this Prospectus. Our financial statements are reported in Singapore dollars and are prepared and presented in accordance with the SFRS(I)s, which may differ in certain significant respects from generally accepted accounting principles in other countries.

The unaudited pro forma combined financial information of our Group, as included in “Appendix B – Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020” to this Prospectus, has been prepared for illustrative purposes, and is arrived at based on the following assumptions and after making certain adjustments to illustrate the impact of:

- (a) the capitalisation of the outstanding loan and accrued interest of an aggregate amount of S\$7.7 million due from our Company to Mr. Ong Pang Aik and the issuance of 1,093,000 Shares to Mr. Ong Pang Aik in March 2020; and
- (b) the interim dividends of S\$10.0 million in respect of FY2020 which was declared in November 2020 to the existing Shareholders of our Company,

(collectively, the “**Pro Forma Adjustment Events**”), as of 31 December 2019 and 30 June 2020, respectively, for our selected pro forma statement of financial position data. The unaudited pro forma combined financial information of our Group for FY2019 and 6M2020 has been prepared based on paragraph 24(b) of Part 9 of the Fifth Schedule to the SFR as the Pro Forma Adjustment Events constitute significant changes to the capital structure (including any material distribution) of our Company during the period between the end of the most recently completed financial year and the date of registration of this Prospectus by the Authority. This selected pro forma financial data has been derived from, and should be read in conjunction with, our unaudited pro forma combined financial statements and the related notes thereto included in “Appendix B – Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020” to this Prospectus.

In preparing our unaudited pro forma combined financial statements, we have made a number of assumptions and adjustments. Consequently, these financial statements are not necessarily indicative of the results of operations that we would have presented if the Pro Forma Adjustment Events had occurred prior to the relevant periods presented, or of the results of operations that we will realise in the future. Due to the nature of the unaudited pro forma combined financial information, such unaudited pro forma combined financial information may not give a true picture of the actual financial position or performance of our Group.

No adjustment was made to the audited combined statement of profit or loss and other comprehensive income and cash flows for FY2019 and 6M2020 as the unaudited pro forma statement of profit or loss and other comprehensive income and cash flows for FY2019 and 6M2020 is the same, in all material respects, as the audited statement of profit or loss and other comprehensive income and cash flows for FY2019 and 6M2020.

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION

	31 December 2019 (Audited)	Unaudited pro forma adjustments		31 December 2019 (Unaudited pro forma)
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
ASSETS				
Current assets				
Cash and cash equivalents	17,356	–	–	17,356
Trade receivables	44,166	–	–	44,166
Other receivables	5,041	–	–	5,041
Amount due from related parties	9,082	–	–	9,082
Contract assets	4,956	–	–	4,956
Contract costs	577	–	–	577
Inventories	–	–	–	–
Finance lease receivables	3	–	–	3
Income tax recoverable	–	–	–	–
Films and drama productions in progress	23,307	–	–	23,307
Films and drama products	–	–	–	–
Total current assets	104,488	–	–	104,488
Non-current assets				
Plant and equipment	3,670	–	–	3,670
Right-of-use assets	2,620	–	–	2,620
Finance lease receivables	5	–	–	5
Goodwill	1,111	–	–	1,111
Intangible assets	327	–	–	327
Other receivables	83	–	–	83
Deferred tax assets	203	–	–	203
Investment in associates	422	–	–	422
	8,441	–	–	8,441
Total assets	112,929	–	–	112,929
LIABILITIES				
Current liabilities				
Trade and other payables	38,059	–	(7,736)	30,323
Dividend payable	–	10,000	–	10,000
Film investment funds from investors	2,708	–	–	2,708
Contract liabilities	21,629	–	–	21,629
Amount due to related parties	23,229	–	–	23,229
Lease liabilities	1,251	–	–	1,251
Borrowings	4,825	–	–	4,825
Income tax payable	2,582	–	–	2,582
	94,283	10,000	(7,736)	96,547
Non-current liabilities				
Lease liabilities	1,228	–	–	1,228
Deferred tax liabilities	–	–	–	–
	1,228	–	–	1,228
Total liabilities	95,511	10,000	(7,736)	97,775
NET ASSETS	17,418	(10,000)	7,736	15,154
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	641	–	– ⁽¹⁾	641
Share premium	5,713	–	7,736	13,449
Statutory reserve	297	–	–	297
Retained earnings	10,665	(10,000)	–	665
Translation reserves	102	–	–	102
Total equity	17,418	(10,000)	7,736	15,154

Note:

(1) Amount less than S\$1,000.

	30 June 2020 (Audited)	Unaudited pro forma adjustments		30 June 2020 (Unaudited pro forma)
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
ASSETS				
Current assets				
Cash and cash equivalents	14,233	–	–	14,233
Trade receivables	11,914	–	–	11,914
Other receivables	10,991	–	–	10,991
Amount due from related parties	1,235	–	–	1,235
Contract assets	21,364	–	–	21,364
Contract costs	847	–	–	847
Inventories	159	–	–	159
Finance lease receivables	–	–	–	–
Income tax recoverable	–	–	–	–
Films and drama productions in progress	29,027	–	–	29,027
Films and drama products	2,489	–	–	2,489
Total current assets	92,259	–	–	92,259
Non-current assets				
Plant and equipment	4,023	–	–	4,023
Right-of-use assets	5,389	–	–	5,389
Finance lease receivables	–	–	–	–
Goodwill	1,111	–	–	1,111
Intangible assets	794	–	–	794
Other receivables	7	–	–	7
Deferred tax assets	221	–	–	221
Investment in associates	–	–	–	–
	11,545	–	–	11,545
Total assets	103,804	–	–	103,804
LIABILITIES				
Current liabilities				
Trade and other payables	36,072	–	–	36,072
Dividend payable	–	10,000	–	10,000
Film investment funds from investors	4,145	–	–	4,145
Contract liabilities	8,206	–	–	8,206
Amount due to related parties	5,628	–	–	5,628
Lease liabilities	1,484	–	–	1,484
Borrowings	5,170	–	–	5,170
Income tax payable	996	–	–	996
	61,701	10,000	–	71,701
Non-current liabilities				
Lease liabilities	3,732	–	–	3,732
Deferred tax liabilities	68	–	–	68
	3,800	–	–	3,800
Total liabilities	65,501	10,000	–	75,501
NET ASSETS	38,303	(10,000)	–	28,303
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	641	–	–	641
Share premium	13,449	–	–	13,449
Statutory reserve	297	–	–	297
Retained earnings	23,675	(10,000)	–	13,675
Translation reserves	241	–	–	241
Total equity	38,303	(10,000)	–	28,303

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We discuss below our historical results of operations and financial condition as of and for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months period ended 30 June 2020, and our assessment of the factors that may affect our prospects and performance in future periods. You should read the following discussion together with the audited combined financial statements of our Group for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months period ended 30 June 2020. We have prepared our financial statements in accordance with the SFRS(I)s, which may differ in certain significant respects from generally accepted accounting principles in other countries. A review of the interim financial information for the six months period ended 30 June 2019 has been included as comparative figures in the combined financial statements for the six months period ended 30 June 2020.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in this section and under the sections entitled "Risk Factors" and "Notice to Investors – Forward-Looking Statements" of this Prospectus. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

We have a short operating history beginning from 22 March 2018, and as such, the only audited combined financial statements included in the Prospectus cover FP2018, FY2019 and 6M2020, with FY2019 being the only full year for which financial information has been provided. In addition, we had limited operations in FP2018. As a result, our audited combined financial statements for FP2018, FY2019 and 6M2020 are not comparable to one another. See the section entitled "Risk Factors – Risks Relating to our Business and the Industry in which we Operate – Our audited combined financial statements are not comparable to one another and may vary from period to period and prospective investors should exercise caution when comparing our financial figures" of this Prospectus.

OVERVIEW

Our Group is an entertainment business that focuses on the production and promotion of dramas, films and concerts in the Asia-Pacific region. We have produced TV and web dramas and films in the PRC, Singapore and Malaysia which have been broadcasted and/or distributed on TV networks, such as CCTV, and video streaming platforms in the PRC, such as iQIYI and YOUKU. We have also started production of our first online short drama series in October 2020. Our Group has undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Singapore, Malaysia and Australia. In addition, we also provide talent management services and costumes, props and make-up services in the PRC and Singapore.

AUDITED COMBINED FINANCIAL STATEMENTS

The audited combined financial statements of our Group have been prepared on the basis that the entities in our Group came under common control from 22 March 2018. Accordingly, the audited combined financial statements of our Group have been prepared for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months period ended 30 June 2020.

Consolidation of Financial Results of our PRC Affiliated Entities

Under the Exclusive Business Cooperation Agreements, it was agreed that, in consideration of our GHY WFOEs providing management, consultation, technical and business support to our PRC Affiliated Entities and comprehensive services related to the business activities of our PRC Affiliated Entities to the extent permitted under relevant laws and regulations, our PRC Affiliated Entities will pay services fees to our GHY WFOEs, which shall be 100% of the remaining amount of the pre-tax profit of each of our PRC Affiliated Entities, after deducting related costs and reasonable expenses, to the extent permitted under the applicable PRC laws and regulations.

In addition, our GHY WFOEs are granted certain rights under the terms of the Exclusive Business Cooperation Agreements, including but not limited to (i) the sole responsibility for the selection, finance, management and daily operations of the senior executives and employees or our PRC Affiliated Entities; (ii) the right to enjoy and bear substantially all of the economic benefits and risks arising out of the business of our PRC Affiliated Entities; and (iii) the right to consolidate the financial results of our PRC Affiliated Entities, each as a wholly-owned subsidiary of Tianjin Xinyuan or Beijing Xinyuan, as the case may be, in accordance with the applicable accounting standards.

Basis of Consolidation

The Contractual Arrangements may not be as effective as direct legal ownership in providing our Group with direct control over our PRC Affiliated Entities and such uncertainties presented by the PRC legal system could impede our Group's beneficiary rights of the results, assets and liabilities of our PRC Affiliated Entities. See the section entitled "Risk Factors – Risks Relating to our Corporate Structure – The Contractual Arrangements in respect of our PRC Affiliated Entities may not be as effective in providing control over our PRC Affiliated Entities as direct ownership" of this Prospectus for further information. Our Directors are of the view that the Contractual Arrangements confer operational control and economic benefits from our PRC Affiliated Entities to our Group and that the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations, save for the exceptions as disclosed in the section entitled "Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Legality of the Contractual Arrangements" of this Prospectus. See also the section entitled "Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Board's Views on the Contractual Arrangements" of this Prospectus for further details of our Board's views on the Contractual Arrangements.

As a result of the Contractual Arrangements between our GHY WFOEs, our PRC Affiliated Entities and the Individual Shareholders, the Contractual Arrangements confer operational control and economic rights over our PRC Affiliated Entities to our Group, which enables our Group to exercise power over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities, and enables our Company, through our GHY WFOEs, to have rights to variable returns from our involvement with our PRC Affiliated Entities and to have the ability to use our power to affect the returns from our PRC Affiliated Entities. Therefore, our Company is considered to control our PRC Affiliated Entities. Consequently, our Company regards our PRC Affiliated Entities as controlled structured entities and consolidates the financial positions and results of operations of these entities in the financial statements of our Group.

The basis of consolidation of the results of our PRC Affiliated Entities with our Group is described in Notes 3.3 and 4(i) to our audited combined financial statements set out in "Appendix A – Independent Auditor's Report and the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020" to this Prospectus. Our audited combined financial statements as of and for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months period ended 30 June 2020 have been prepared in accordance with the SFRS(I)s.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT OR LOSS

Revenue

Our revenue is derived from the following four business segments:

- TV program and film production business

Revenue derived from the TV program and film production business comprises revenue from the production of dramas and films and script production. Revenue from the TV program and film production business accounted for approximately 93.6%, 91.9%, 100.0% and 58.9% of our revenue in FP2018, FY2019, 6M2019 and 6M2020, respectively.

- Concert production business

Revenue derived from the concert production business comprises revenue from the provision of Concert Organisation and Concert Management, sponsorship income and rental of concert equipment. The concert production business started in the second half of FY2019 and revenue from the concert production business accounted for approximately 1.9% and 39.8% of our revenue in FY2019 and 6M2020, respectively.

- Talent management services business

Revenue derived from the talent management services business comprises fees earned from the participation and engagement of the artistes managed by our Group in the projects and events which are procured by our Group as their talent management agency on a project basis. Revenue from the talent management services business accounted for approximately 6.4%, 2.2%, less than 0.1% and approximately 0.4% of our revenue in FP2018, FY2019, 6M2019 and 6M2020, respectively.

- Costumes, props and make-up services business

Revenue derived from the costumes, props and make-up services business comprises revenue from the provision of such services to artistes and third party production companies. The costumes, props and make-up services business started in the second half of FY2019 and revenue from the costumes, props and make-up services business accounted for approximately 4.0% and 0.9% of our revenue in FY2019 and 6M2020, respectively.

In FP2018, FY2019, 6M2019 and 6M2020, our revenue amounted to approximately S\$3.4 million, S\$66.0 million, S\$41.6 million and S\$37.2 million, respectively.

TV Program and Film Production Business

Revenue from our TV program and film production business is generated from drama and film production, as well as script production. Our revenue is mainly dependent on the following factors:

- our ability to consistently produce scripts, dramas and films that have strong consumer appeal;
- our ability to remain competitive in the media and entertainment industry and the markets that we operate in;
- the popularity of the actors featured in the dramas and films and the experience and skills of the actors and other cast members and production crew involved;

- our ability to identify and work together with suitable working partners for the production of the dramas and films that are co-produced;
- our ability to enter into partnerships and collaborations with reputable distributors such as TV networks and video streaming platforms, which have the platforms and channels to reach out and engage with a wide spectrum of consumers; and
- changes in general economic conditions and consumer preferences, such as consumer preferences for certain genres of dramas or films.

We operate our TV program and film production business under three different revenue models:

- (a) Engaged by our customer for production by our Group for a fixed fee

Where we are engaged by our customer for production for a fixed fee, our customer will typically hold the rights to the drama or film, including the copyright and ancillary rights to the drama or film under the terms of the production contract entered into between our Group and such customer. Revenue and cost of sales are generally recognised over time for this revenue model, regardless of whether the drama or film is produced or co-produced by our Group with other co-production parties, and percentage of revenue recognition is based on cost-to-cost method (i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs).

- (b) Developed for production by our Group and licensed or sold to our customer(s) for fixed fees

Where the drama or film is developed and produced by our Group, we will either:

- (i) license the copyright and ancillary rights to such dramas and films to our customers for a certain period of time and/or geographic region. Revenue is generally recognised upon delivery of the final product to and acceptance of the final product by the customer, as control of the entertainment content is transferred at this point in time so that the customer can direct the use and obtain the associated benefits during the period of time of the licence. Revenue and cost of sales are generally recognised at the point in time for this revenue model, regardless of whether the drama or film is produced or co-produced by our Group with other co-production parties; or
- (ii) sell and transfer the copyright and ancillary rights to such dramas and films to our customers. Revenue and cost of sales are generally recognised over time based on the stages of completion of the contract as the customer simultaneously receives and consumes the benefits provided by our performance of the contract, regardless of whether the drama or film is produced or co-produced by our Group with other co-production parties, and percentage of recognition is based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

- (c) Developed for production by our Group and licensed to our customer(s) for variable fees

Where the drama or film is developed by our Group, we may also license the copyright and ancillary rights to such dramas and films to our customers for a certain period of time and/or geographic region under the terms of the licensing agreement(s) for variable fees, which is determined based on user clicks or viewership for each episode of the drama or the film on the video streaming platform. This constitutes a variable consideration and such revenue is only recognised to the extent that it is highly probable that there will be no significant reversal when the uncertainty is resolved whereby there is certainty on the number of user clicks or viewership for each episode of the drama or film on the video streaming platform. As the

number of user clicks or viewership for each episode of the drama or film on the video streaming platform increases with time, revenue will only be recognised when there is certainty from the distributor of such viewership figures, which is typically upon receipt of confirmation of the viewership details from the distributor. Revenue and cost of sales are generally recognised at the point in time for this revenue model, regardless of whether the drama or film is produced or co-produced by our Group with other co-production parties.

We have had informal arrangements with one of our distributors (“**said distributor**”) in the past for two of our dramas, which were released for broadcast in the PRC in June 2020 and September 2020, respectively, as we were unable to finalise the terms of the respective formal agreements prior to the handover of the final product to the said distributor and the broadcast and release of such drama by the said distributor. In such instances, as the formal agreement was or will be signed after the final product had been handed over to the said distributor, the revenue and cost of sales in respect of such dramas was or will be recognised in full only after the relevant formal agreement has been signed with the said distributor, notwithstanding that the revenue and cost of sales ought to have been recognised either (i) over time; or (ii) at the point in time upon delivery of the final product to and acceptance of the final product by the said distributor, under the respective revenue models. See the section entitled “Risk Factors – Risks Relating to our Business and the Industry in which we Operate – We may on occasion have informal arrangements with a distributor for the broadcast and/or distribution of our dramas and films and thus may not realise expected benefits from such arrangements but may nonetheless be subject to taxation” of this Prospectus for further information on such informal arrangements.

Revenue derived from script production and sale of the script rights is recognised at the point in time as and when the script rights or distribution rights are transferred in accordance with the terms of the underlying contract.

Concert Production Business

Revenue from our concert production business is mainly dependent on the following factors:

- our ability to secure the rights to undertake the production of concerts for popular artistes, who typically conduct performance tours within a specific region only once every two or three years;
- changes in economic conditions and consumer preferences, such as consumer preferences for certain artistes and the popularity of the artistes; and
- events such as the outbreak of diseases, natural disasters and adverse weather conditions affecting the viability of holding the concerts at the concert venues.

Recognition of revenue from the concert productions depend on whether we undertake the Concert Organisation or the Concert Management of the concert. Where we undertake Concert Organisation, revenue is recognised when events take place. Where we undertake Concert Management, revenue is recognised at the point of time when the services are rendered.

Customers who lease concert equipment from our Group are charged a fixed monthly fee and revenue is recognised on a straight-line basis over the term of the relevant lease.

Talent Management Services Business

Our Group manages artistes and revenue is derived from the artistes' participation in projects and events procured by our Group as their talent management agency, such as drama and film projects and other entertainment projects. Such revenue is based on an agreed fee-sharing arrangement under the terms of the talent management services contract entered into with each artiste, pursuant to which the fees paid to our Group typically ranges from 5.0% to 30.0% of the fees paid for such projects and events. The fees paid to our Group exclude the costs and expenses borne by our Group as the talent management agency, including telecommunications, transportation and promotional costs and expenses incurred for any activities and/or events organised by our Group for the artistes, as well as costs and expenses incurred in the course of their participation and engagement in any projects and/or events such as make-up, hair, clothing, transportation, food and other related expenses.

Revenue from the talent management services business is recognised upon completion of the projects and events after the services have been rendered and our Group has no remaining obligations to perform under the terms of the contracts entered into for such projects and events.

Costumes, Props and Make-up Services Business

Our Group provides costumes, props and make-up services to artistes and third party production companies in relation to production activities such as designing and creating costumes and make-up for artistes and props for dramas and films. Revenue is recognised upon completion of the events after the services have been rendered and our Group has no remaining obligations to perform under the terms of the contracts entered into for such costumes, props and make-up services.

Cost of Sales

Our cost of sales mainly comprises the following items for the respective business segments:

- in respect of the TV program and film production business, production costs for the drama or film which mainly comprise the acting services fees of the artistes, fees for the production crew, costs of the copyright for the script, filming costs, subcontracting costs and post-production costs;
- in respect of the concert production business, production costs for the concert which mainly comprise the performance fee of the artistes, fees for technical services, venue costs and costs of the rights to undertake the Concert Organisation or Concert Management of the concerts;
- in respect of the talent management services business, marketing and advertising costs and costs for management of the artistes, such as fees for managing their appearance and grooming their talent for singing, acting and hosting; and
- in respect of the costumes, props and make-up services business, subcontracting costs for the engagement of subcontractors to provide costumes, props and make-up services.

Our cost of sales is mainly dependent on our ability to manage the production costs of the dramas and films within the agreed production budget and to avoid cost overruns.

Our cost of sales accounted for approximately 9.7%, 71.5%, 71.4% and 47.4% of our revenue in FP2018, FY2019, 6M2019 and 6M2020, respectively.

Other Income

Other income comprises mainly government grants received by our Group for the production of dramas under the TV program and film production business segment and gain arising from disposal of an associate. Other income was approximately S\$0.01 million, S\$6.6 million, S\$6.2 million and S\$4.2 million in FP2018, FY2019, 6M2019 and 6M2020, respectively.

Government grants comprise mainly (a) the Film in Malaysia Incentive Plus Grant in respect of our Singapore drama and film projects which are filmed in Malaysia, which is a 30.0% cash rebate on all qualifying Malaysia production expenditure which meets the prescribed criteria and is available for both Malaysian and foreign production activities; (b) grants in respect of our PRC drama and film production activities from the relevant PRC local government authorities; and (c) grants from government relief schemes. Such government grants amounted to approximately S\$6.5 million and S\$0.4 million in FY2019 and 6M2020, respectively.

Administrative Expenses

Administrative expenses comprise mainly employee wages and salaries, employer's contribution to defined contribution plans and staff welfare and allowances. Employee wages and salaries, and employer's contribution to defined contribution plans accounted for 39.4%, 42.7%, 43.6% and 26.5% of our total administrative expenses for FP2018, FY2019, 6M2019 and 6M2020, respectively.

Other administrative expenses mainly include depreciation of plant and equipment, right-of-use assets (which comprise several assets including office premises, office equipment and motor vehicles) and rental expenses on short-term operating leases, professional expenses and other miscellaneous costs, such as travelling expenses and telecommunication expenses. Depreciation and amortisation expenses accounted for 17.0%, 17.9%, 17.0% and 11.5% of our total administrative expenses for FP2018, FY2019, 6M2019 and 6M2020, respectively.

Administrative expenses accounted for appropriately 57.2%, 7.8%, 5.2% and 13.5% of our revenue in FP2018, FY2019, 6M2019 and 6M2020, respectively.

Selling and Distribution Expenses

Selling and distribution expenses comprise mainly include advertising and promotional expenses, employee wages and salaries, employer's contribution to defined contribution plans and depreciation expenses for right-of-use assets attributed to marketing activities. Selling and distribution expenses accounted for approximately 10.9%, 2.9%, 0.8% and 7.7% of our revenue in FP2018, FY2019, 6M2019 and 6M2020, respectively.

Advertising and promotional expenses accounted for approximately 96.0%, 26.7%, 10.1% and 33.6% of our total selling and distribution expenses for FP2018, FY2019, 6M2019 and 6M2020, respectively. There was no employee wages and salaries, and employer's contribution to defined contribution plans attributed to marketing activities in FP2018. The employee wages and salaries, and employer's contribution to defined contribution plans attributed to marketing activities accounted for approximately 49.9%, 61.2% and 26.5% of our total selling and distribution expenses for FY2019, 6M2019 and 6M2020, respectively. There were no depreciation expenses attributable to marketing activities incurred in FP2018 and such depreciation expenses accounted for approximately 17.9%, 24.1% and 14.6% of our total selling and distribution expenses in FY2019, 6M2019 and 6M2020, respectively.

Other Expenses

Other expenses comprise mainly net foreign currency exchange loss and fair value gain in amount due to an external investor (which comprise the share of the proceeds payable to the investor, where such proceeds are higher than the corresponding film investment funds received from such investor). Other expenses accounted for approximately 37.4%, 3.1%, 2.9% and 1.4% of our revenue in FP2018, FY2019, 6M2019 and 6M2020, respectively.

Finance Expenses

Finance expenses comprise mainly interest expense on borrowings, lease liabilities, amount due to an entity connected to a non-controlling Shareholder and amounts due to third party. Finance expenses were approximately S\$0.1 million, S\$0.9 million, S\$0.4 million and S\$0.6 million in FP2018, FY2019, 6M2019 and 6M2020, respectively.

Income Tax Expenses

Income tax expenses comprise mainly current taxes, deferred taxes and withholding taxes.

Current taxes are the expected taxes payable on the taxable income, using tax rates enacted or substantially enacted at balance sheet dates, and any adjustment to income tax payable in respect of previous financial years. The statutory tax rates for Singapore, Malaysia, Australia and the PRC for FP2018 were 17.0% before incentive (before 1 July 2018) and 5.0% after incentive (from 1 July 2018), 24.0%, 30.0% and 25.0%, respectively. The statutory tax rates for Singapore, Malaysia and Australia and the PRC for both FY2019 and 6M2020 are 5.0%, 24.0%, 30.0% and 25.0%, respectively.

GHY Singapore was awarded a concessionary income tax rate of 5.0% under the Development and Expansion Incentive implemented by the Singapore government on 11 May 2018, for an incentive period of five years from 1 July 2018 to 30 June 2023. As such, the income tax expenses on the qualifying profits of GHY Singapore have been determined by applying the concessionary income tax rate of 5.0% from the period beginning 1 July 2018.

The tax expenses for FP2018 were mainly due to the script production and sale of the copyright for one script by GHY Singapore under the TV program and film production business segment which was recognised prior to 1 July 2018, before the concessionary income tax rate of 5.0% became effective for GHY Singapore. The effective tax rates for FY2019 and 6M2020 were 19.2% and 11.7%, respectively. The higher tax rate for FY2019 was mainly due to the effect of the different tax rates of our subsidiaries operating in other jurisdictions.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

This Prospectus contains our audited combined financial statements as of and for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months period ended 30 June 2020 have been prepared in accordance with the SFRS(I)s.

In the application of our Group's accounting policies, which are described in Note 4 to our audited combined financial statements included in "Appendix A – Independent Auditor's Report and the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020" to this Prospectus, our management is required to make judgments, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised

in the period in which the estimate is revised (if the revision affects only that period) or in the period of the revision and future periods (if the revision affects both current and future periods).

This Prospectus also contains the interim financial information for the six months period ended 30 June 2019, which was included as comparative figures for the six months period ended 30 June 2020 in the audited combined financial statements of our Group for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months period ended 30 June 2020, and was reviewed in accordance with the Singapore Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

Critical Judgments in Applying our Group’s Accounting Policies

The following is the critical judgment that our management has made in the process of applying our Group’s accounting policies and that has a significant effect on the amounts recognised in the financial statements.

Determining Control over our PRC Affiliated Entities

A subsidiary is an entity in which our Group (a) directly or indirectly controls more than 50.0% of the voting power; or (b) has the power to appoint or remove the majority of the members of the board of directors or to cast a majority of votes at the meetings of the board of directors or to govern the financial and operating policies of the investee pursuant to a statute or under an agreement among the shareholders or equity holders. However, there are situations in which consolidation is required even though these usual conditions of consolidation do not apply. Generally, this occurs when an entity holds an interest in another business enterprise that was achieved through contractual arrangements that do not involve voting interests, which results in a disproportionate relationship between the entity’s voting interests in, and its exposure to the economic risks and potential rewards of, the other business enterprise. This proportionate relationship results in what is known as a variable interest, and the entity in which our Group has the variable interest is referred to as a variable interest entity. The Contractual Arrangements may not be as effective as direct legal ownership in providing our Group with direct control over our PRC Affiliated Entities and uncertainties presented by the PRC legal system could impede our Group’s beneficiary rights of the results, assets and liabilities of our PRC Affiliated Entities. See the section entitled “Risk Factors – Risks relating to our Corporate Structure – The Contractual Arrangements in respect of our PRC Affiliated Entities may not be as effective in providing control over our PRC Affiliated Entities as direct ownership” of this Prospectus for further information. Our Directors are of the view that the Contractual Arrangements confer operational control and economic benefits from our PRC Affiliated Entities to our Group and that the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations, save for the exceptions as disclosed in the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Legality of the Contractual Arrangements” of this Prospectus. See also the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Board’s Views on the Contractual Arrangements” of this Prospectus for further details of our Board’s views on the Contractual Arrangements.

As a result of the Contractual Arrangements between our GHY WFOEs, our PRC Affiliated Entities and the Individual Shareholders, the Contractual Arrangements confer operational control and economic rights over our PRC Affiliated Entities to our Group, which allow our Group to exercise control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities, and enables our Company, through our GHY WFOEs, to have rights to variable returns from our involvement with our PRC Affiliated Entities and to have the ability to use our power to affect the returns from our PRC Affiliated Entities. Therefore, our Company is considered to control our PRC Affiliated

Entities. Consequently, our Company regards our PRC Affiliated Entities as controlled structured entities and consolidates the financial positions and results of operations of these entities in the financial statements of our Group.

Classification of Film Investment

Our Group sometimes participates in drama and film projects as a co-producer and we will assess whether to undertake a particular drama or film project with other co-production parties, prior to the commencement of production for such drama or film. Determining whether the film investment is considered in substance a joint operation requires judgment and consideration of all the relevant facts and circumstances, including whether our Group is involved in and participates in the determination of idea origination, script, budget, production crew, cast selection, shooting, post-production, and distribution plan for the drama or film with the other co-producers. When the key relevant activities of the drama or film project are discussed and jointly determined by our Group with the other co-producers, the arrangement is considered in substance as a joint operation.

When our Group has joint control on the key relevant activities of the drama and film production under the contractual agreements, the arrangement is considered in substance as a joint operation as unanimous consent is required from all parties to direct the key relevant activities. When joint control cannot be demonstrated, the funds received from film investors are classified as “film investment funds from investors”, which are financial liabilities at fair value through profit and loss, and is thus a film investment instead of a joint operation. The determination of the relevant activities under joint arrangements requires our management’s significant judgement.

Classification of Rights to the Film Set

Our Group has entered into a 10 year agreement with a joint investor to operate and manage the business of licensing and exploiting a jointly-owned film set. Our Group has a 50.0% share of rights to the film set located in Malaysia. The rights to the film set are used to obtain benefits for the venturers. Each venturer may take a share of the output from the rights to the film set and each venturer bears an agreed share of the expenses incurred. These joint arrangements do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves.

As at the Latest Practicable Date, the construction for the film set has been completed. The construction of the film set was contracted by our Group to a third party contractor who had billed the construction costs incurred to our Group. Our Group recorded our proportionate share of 50.0% of the construction cost billed by the third party contractor as “Intangible Assets – Rights to the film set under construction” in our Group’s financials with the remaining 50.0% of the construction cost incurred by the joint operator to be settled with advances obtained from the joint operator. The measures in place for the construction cost incurred are in accordance with the internal controls surrounding our Group’s expenditure process.

Our management exercises judgment in ascertaining the nature and classification of the rights to the film set as intangible asset, which is carried at cost less any accumulated amortisation and any accumulated impairment losses. Subsequently upon completion of the construction, our management exercises judgment in accounting for our Group’s proportionate share of the rights to the film set, rental income received and expenses as joint operation.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue Recognition from Production of Dramas and Films

In respect of revenue from the production of certain dramas and films which were developed for production by our Group, which our Group thereafter sold and transferred the copyright and ancillary rights of such dramas and films to our customers, revenue is generally recognised over time based on stages of completion of the contract as the customer simultaneously receives and consumes the benefits provided by our Group's performance as our Group performs. Management has assessed that the stages of completion by reference to the actual costs incurred up to the balance sheet date as a proportion of the total estimated costs for each contract is an appropriate measure of progress towards complete satisfaction of the performance obligations under SFRS(I) 15. Revenue is therefore generally recognised over time on cost-to-cost method (i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs).

Notwithstanding that our management reviews and revises the estimates of costs for the production of the drama or film as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates, which will affect the revenue and profit recognised.

Calculation of Loss Allowance

When measuring expected credit loss, our Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring expected credit loss. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Impairment Loss on Films and Drama Productions in Progress and Films and Drama Products

Our management carries out its review of the films and drama productions in progress and films and drama products on a project-by-project basis at the end of each reporting period, and makes allowances for such films and drama productions in progress and films and drama products identified. Our management estimates the recoverable amount of such films and drama productions in progress and films and drama products based primarily on our Group's target market and business plan, and after taking into consideration factors including but not limited to, 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 our Group which are distributed in that particular jurisdiction or region.

CHANGES IN ACCOUNTING POLICIES

There has been no significant change in the accounting policies for our Group during the Period Under Review. The accounting policies have been consistently applied to our Group during the Period Under Review as discussed in “Appendix A – Independent Auditor’s Report and the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020” to this Prospectus. Subject to adoption of the new and revised SFRS(I)s in the future, our Group has no intention of changing our accounting policies post-Listing.

FINANCIAL PERFORMANCE

The following discussion of our business, financial position and financial performance has been prepared by our management and should be read in conjunction with our audited combined financial statements and the related notes as set out in “Appendix A – Independent Auditor’s Report and the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020” to this Prospectus.

Breakdown of Past Performance

Revenue by Business Segment

A breakdown of our revenue by business segment for FP2018, FY2019, 6M2019 and 6M2020 is as follows:

Revenue	FP2018 ⁽¹⁾ (Audited)		FY2019 (Audited)		6M2019 (Unaudited)		6M2020 (Audited)	
	(S\$’000)	%	(S\$’000)	%	(S\$’000)	%	(S\$’000)	%
TV Program and Film Production	3,222	93.6	60,651	91.9	41,606	100.0	21,884	58.9
Concert Production	– ⁽²⁾	–	1,256	1.9	– ⁽²⁾	–	14,780	39.8
Talent Management Services	220	6.4	1,450	2.2	16	n.m.	140	0.4
Costumes, Props and Make-up Services	– ⁽³⁾	–	2,643	4.0	– ⁽³⁾	–	348	0.9
	3,442	100.0	66,000	100.0	41,622	100.0	37,152	100.0

Notes:

- (1) We have a short operating history beginning from 22 March 2018, and as such, the only audited combined financial statements included in the Prospectus cover FP2018, FY2019 and 6M2020, with FY2019 being the only full year for which financial information has been provided. In addition, we had limited operations in FP2018. As a result, our audited combined financial statements for FP2018 and FY2019 are not comparable to one another. See the section entitled “Risk Factors – Risks Relating to our Business and the Industry in which we Operate – Our audited combined financial statements are not comparable to one another and may vary from period to period and prospective investors should exercise caution when comparing our financial figures” of this Prospectus.
- (2) The concert production business of our Group commenced in the second half of FY2019 and hence, no revenue was recorded for the concert production business in FP2018 and 6M2019.
- (3) The costumes, props and make-up services business of our Group commenced in the second half of FY2019 and hence, no revenue was recorded for the costumes, props and make-up services business in FP2018 and 6M2019.

Revenue by Geographical Segmentation

A breakdown of our revenue by geographical segmentation for FP2018, FY2019, 6M2019 and 6M2020 is as follows:

Revenue	FP2018 ⁽¹⁾ (Audited)		FY2019 (Audited)		6M2019 (Unaudited)		6M2020 (Audited)	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Singapore	220	6.4	924	1.4	16	n.m.	29,156	78.5
PRC	3,222	93.6	65,076	98.6	41,606	100.0	7,996	21.5
	3,442	100.0	66,000	100.0	41,622	100.0	37,152	100.0

Note:

(1) We have a short operating history beginning from 22 March 2018, and as such, the only audited combined financial statements included in the Prospectus cover FP2018, FY2019 and 6M2020, with FY2019 being the only full year for which financial information has been provided. In addition, we had limited operations in FP2018. As a result, our audited combined financial statements for FP2018 and FY2019 are not comparable to one another. See the section entitled "Risk Factors – Risks Relating to our Business and the Industry in which we Operate – Our audited combined financial statements are not comparable to one another and may vary from period to period and prospective investors should exercise caution when comparing our financial figures" of this Prospectus.

In presenting the revenue by geographical segmentation, revenue is based on geographical locations of the external customers' operations which the revenue is derived from. Our revenue from customers located outside Singapore accounted for approximately 93.6%, 98.6%, 100.0% and 21.5% of our total revenue in FP2018, FY2019, 6M2019 and 6M2020, respectively.

Our revenue from customers located within Singapore decreased from approximately 6.4% of our revenue in FP2018 to approximately 1.4% of our revenue in FY2019. This was mainly due to the completion of the filming and production of two dramas under the TV program and film production business segment in FY2019 and the distribution rights for both dramas were sold to customers located in the PRC in FY2019, which contributed to approximately 91.9% of our revenue in FY2019.

Our revenue from customers located within Singapore increased from approximately 1.4% of our revenue in FY2019 to approximately 78.5% of our revenue in 6M2020. This was mainly due to the two concert productions which were held in Singapore under the concert production business segment in 6M2020 and the ongoing filming and production of one drama under the TV program and film production business segment in 6M2020, for which the copyright and ancillary rights to this drama were sold to a customer located in Singapore.

Revenue for TV Program and Film Production Business by Revenue Model

A breakdown of our revenue for our TV program and film production business segment⁽¹⁾ by revenue model is as follows:

Revenue Model	FP2018 ⁽²⁾ (Audited)		FY2019 (Audited)		6M2019 (Unaudited)		6M2020 ⁽³⁾ (Audited)	
	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%	(S\$'000)	%
Engaged by customer for production for a fixed fee	–	–	15,717	25.9	–	–	1,935	8.8
Developed for production by our Group and licensed to customer for fixed fee	–	–	44,934	74.1	41,606	100.0	1,357	6.2
Developed for production by our Group and sold to customer for fixed fee	–	–	–	–	–	–	14,377	65.7
Developed for production by our Group and licensed/sold to customer for variable fees	–	–	–	–	–	–	4,215	19.3
	–	–	60,651	100.0	41,606	100.0	21,884	100.0

Notes:

- (1) In FP2018, our Group did not undertake any drama or film production and had only sold the script rights for one drama to Young & Young International Corporation. Our Group commenced the production of dramas and films under our TV program and film production business under the respective revenue models in FY2019.
- (2) We have a short operating history beginning from 22 March 2018, and as such, the only audited combined financial statements included in the Prospectus cover FP2018, FY2019 and 6M2020, with FY2019 being the only full year for which financial information has been provided. In addition, we had limited operations in FP2018. As a result, our audited combined financial statements for FP2018 and FY2019 are not comparable to one another. See the section entitled “Risk Factors – Risks Relating to our Business and the Industry in which we Operate – Our audited combined financial statements are not comparable to one another and may vary from period to period and prospective investors should exercise caution when comparing our financial figures” of this Prospectus.
- (3) Revenue was recognised in 6M2020 in respect of (i) “Dance of the Sky Empire 天舞纪” which was engaged by our customer for production for a fixed fee, which had completed production; (ii) “The Little Nyonya 小娘惹” and “Perfect Village 最美的乡村” which were developed for production by our Group and licensed to our customer for a fixed fee, which had completed production; (iii) “The Ferryman – Legends of Nanyang 灵魂摆渡 – 南洋传说” which was developed for production by our Group and sold to our customer for a fixed fee, which is in the process of production; and (iv) three films of the film series “I Come From Beijing 我来自北京” which was developed for production by our Group and licensed to our customers for variable fees, which had completed production, as at 30 June 2020.

Review of Past Performance

FP2018 vs FY2019

The audited combined financial statements of our Group have been prepared on the basis that the entities in our Group came under common control from 22 March 2018. Accordingly, the audited combined financial statements of our Group have been prepared for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the financial period for the six months ended 30 June 2020. The following discussion of our financial performance is thus based on our revenue for FY2019 as compared to FP2018, being the respective previous corresponding period.

In addition, we had limited operations in FP2018. As a result, our audited combined financial statements for FP2018 and FY2019 are not comparable to one another. See the section entitled “Risk Factors – Risks Relating to our Business and the Industry in which we Operate – Our audited combined financial statements are not comparable to one another and may vary from period to period and prospective investors should exercise caution when comparing our financial figures” of this Prospectus.

Revenue

Our revenue increased by approximately S\$62.6 million from approximately S\$3.4 million in FP2018 to approximately S\$66.0 million in FY2019. This was mainly due to the following factors:

- (a) an increase in revenue contribution from our TV program and film production business segment of approximately S\$57.4 million from the completion of the filming and production of two dramas in FY2019, as compared to FP2018 which only had the sale of the copyright for one script but no production of any dramas or films;
- (b) revenue contribution from our concert production business segment which commenced in FY2019 of approximately S\$1.3 million, comprising mainly of ticket sales and sponsorship income from a concert held in Singapore;
- (c) an increase in revenue contribution from our talent management services business of approximately S\$1.2 million due to an enlarged portfolio of artistes managed by our Group and thus a corresponding increase in the participation of our artistes in projects and engagements, which were mainly from their participation and provision of their acting services in drama productions; and
- (d) revenue contribution from our costumes, props and make-up services business segment which commenced in FY2019 of approximately S\$2.6 million.

Cost of Sales

Our cost of sales increased by approximately S\$46.9 million from approximately S\$0.3 million in FP2018 to approximately S\$47.2 million in FY2019. This was mainly due to an increase in (a) production costs incurred for the production of two dramas under the TV program and film production business segment; (b) production costs incurred for the Concert Organisation of a concert held in Singapore under the concert production business segment and leasing of concert equipment; and (c) subcontracting costs for the engagement of subcontractors for the provision of costumes, props and make-up services in FY2019.

Gross Profit Margin

There was a higher gross profit margin of approximately 90.3% recorded in FP2018 as compared to approximately 28.5% in FY2019, mainly due to the sale of the copyright for one script under the TV program and film production business segment, which commands a higher gross profit margin as compared to the gross profit margin from the completion of filming and production of two dramas in FY2019 which involved acting services fees of the artistes, fees for the production crew, costs of the copyright for the script, filming costs, subcontracting costs and post-production costs.

Other Income

Our other income increased by approximately S\$6.6 million from approximately S\$0.01 million in FP2018 to approximately S\$6.6 million in FY2019. This was mainly due to government grants received for the production of dramas under the TV program and film production business segment.

Administrative Expenses

Our administrative expenses increased by approximately S\$3.2 million from approximately S\$2.0 million in FP2018 to approximately S\$5.2 million in FY2019, in line with the increase in operating activities in FY2019 and full year impact of administrative expenses in FY2019 as compared to FP2018. This was mainly due to an increase in headcount, higher depreciation expense from additional plant and equipment acquired and extension of office leases resulting in additional right-of-use assets.

Selling and Distribution Expenses

Our selling and distribution expenses increased by approximately S\$1.5 million from approximately S\$0.4 million in FP2018 to approximately S\$1.9 million in FY2019, in line with the increase in operating activities in FY2019.

Other Expenses

Our other expenses increased by approximately S\$0.7 million or 58.0% from approximately S\$1.3 million in FP2018 to approximately S\$2.0 million in FY2019, due to higher fair value gain in amount due to an external investor in FY2019.

Finance Expenses

Our finance expenses increased by approximately S\$0.9 million from approximately S\$0.06 million in FP2018 to approximately S\$0.9 million in FY2019. This was mainly due to interest expenses incurred on the borrowings and amounts due to a third party, being the OPA Loan provided by Mr. Ong Pang Aik (see the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Provision of Personal Guarantee by an Interested Person” of this Prospectus for further details of the OPA Loan), which was obtained in FY2019, and the full year impact of interest expenses on the amount due to an entity connected to a non-controlling Shareholder, being Perfect Pictures Co., Ltd., which is a subsidiary of Perfect World (which is the holding company of our non-controlling Shareholder, Epical Entertainment Limited) for the drama “The Little Nyonya 小娘惹”.

Profit or Loss Before Taxation

Profit before taxation increased by approximately S\$16.0 million from a loss of approximately S\$0.6 million in FP2018 to a profit of approximately S\$15.4 million in FY2019, mainly due to the increase in revenue.

6M2019 vs 6M2020

Revenue

Our revenue decreased by approximately S\$4.5 million or 10.7% from approximately S\$41.6 million in 6M2019 to approximately S\$37.2 million in 6M2020. This is mainly due to the different mix of revenue models under our TV program and film production business segment in 6M2020 as compared to 6M2019 and the timing of recognition of revenue for each revenue model, which was offset by revenue recognised from the two concerts held in 6M2020.

In 6M2019, there was only one drama which was developed for production by our Group and licensed to customer for fixed fees, and 100.0% of the revenue was recognised at the point in time upon delivery in 6M2019. This drama was of a comparatively larger scale of production, as compared to the four dramas and one film series which revenue was recognised in 6M2020.

In 6M2020, revenue was recognised mainly for the four dramas, one film series and two concerts held in 6M2020. In 6M2020, approximately 43.9% of the revenue was recognised over time based on stages of completion of the contract and approximately 56.1% of the revenue was recognised at the point in time upon delivery of the final product to, and acceptance of the final product by, the customer or when the concert takes place. In addition, of the four dramas which revenue was recognised in 6M2020, the revenue for the drama “The Ferryman Legends of Nanyang 灵魂摆渡—南洋传说” was recognised over time based on cost-to-cost method (i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs) and only approximately 60.2% of the revenue was recognised in 6M2020, and the revenue for the film series “I Come From Beijing 我来自北京” was recognised based on viewership. See the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operation – Financial Performance – Breakdown of Past Performance – Revenue for TV Program and Film Production Business by Revenue Model” of this Prospectus for further details of the breakdown by revenue model for such dramas and film series.

Cost of Sales

Our cost of sales decreased by approximately S\$12.1 million or 40.8% from approximately S\$29.7 million in 6M2019 to approximately S\$17.6 million in 6M2020. This was mainly due to the decrease in revenue pursuant to the different mix of revenue models under our TV program and film production business in 6M2020 as compared to 6M2019 and the timing of recognition of cost of sales for each revenue model, which was partially offset by the costs incurred for the Concert Organisation of the two concerts which took place in 6M2020.

Gross Profit Margin

There was a higher gross profit margin of approximately 52.6% recorded in 6M2020 as compared to approximately 28.6% in 6M2019. This was mainly due to (a) the higher gross profit margin for the two concerts held in 6M2020, given that the two concerts which took place in 6M2020 were held in the same venue on two consecutive days, resulting in only incremental costs for the concert held on the second day; and (b) the higher average gross profit margin from the four dramas and one film series in 6M2020 as compared to the gross profit margin for one drama in 6M2019.

Other Income

Our other income decreased by approximately S\$2.0 million or 32.1% from approximately S\$6.2 million in 6M2019 to approximately S\$4.2 million in 6M2020. This was mainly due to a decrease in government grants of approximately S\$5.7 million from approximately S\$6.1 million received in 6M2019 to approximately S\$0.4 million received in 6M2020, which was offset by a gain of approximately S\$3.1 million on the disposal of an associate, being Beijing Honghaier Film & Culture Co., Limited, and approximately S\$0.3 million of net foreign currency exchange gain.

In 6M2019, we received government grants of approximately S\$6.1 million subsequent to the completion of production of dramas under our TV program and film production business segment. In 6M2020, as the production for most of our dramas and the film series under our TV program and film production business segment was ongoing, we had only received government grants of approximately S\$0.4 million.

Administrative Expenses

Our administrative expenses increased by approximately S\$2.8 million from approximately S\$2.2 million in 6M2019 to approximately S\$5.0 million in 6M2020. This was mainly due to approximately S\$2.1 million incurred for listing expenses, an increase of approximately S\$0.4 million for employee benefits expenses (which includes salaries and defined contribution plans) due to additional headcount and an increase of approximately S\$0.2 million due to depreciation of expense.

Selling and Distribution Expenses

Our selling and distribution expenses increased by approximately S\$2.5 million from approximately S\$0.4 million in 6M2019 to approximately S\$2.9 million in 6M2020. This was mainly due to (a) an increase of approximately S\$0.9 million for advertising and promotional activities for the three dramas and one film series which were released in 2020; (b) an increase in employee benefit expenses (which includes salaries and defined contribution plans) of approximately S\$0.5 million due to an increase in headcount for the business development, branding and marketing team; (c) an increase of approximately S\$0.3 million in depreciation expenses; and (d) costs of approximately S\$0.5 million arising from the postponement and rescheduling of the concerts for Jay Chou to be held in Malaysia and Australia.

Other Expenses

Our other expenses decreased by approximately S\$0.7 million or 56.7% from approximately S\$1.2 million in 6M2019 to approximately S\$0.5 million in 6M2020. This was mainly due to a decrease of approximately S\$0.7 million in fair value gain in amount due to an external investor in 6M2020.

Finance Expenses

Our finance expenses increased by approximately S\$0.3 million from approximately S\$0.4 million in 6M2019 to approximately S\$0.6 million in 6M2020. This was mainly due to an increase of approximately S\$0.2 million in finance costs for filming investment funds from investors.

Profit Before Taxation

Profit before taxation increased by approximately S\$0.8 million from approximately S\$14.0 million in 6M2019 to approximately S\$14.7 million in 6M2020, mainly due to an increase in gross profit.

REVIEW OF FINANCIAL POSITION

As at 31 December 2019

A review of our financial position as at 31 December 2019 is as follows:

Current Assets

As at 31 December 2019, our current assets amounted to approximately S\$104.5 million or 92.5% of our total assets. Our current assets comprise mainly cash and cash equivalents, trade and other receivables, amounts due from related parties, contract assets and films and drama productions in progress.

Trade receivables comprise mainly receivables owing from third parties. Amounts due from related parties comprise receivables owing from entities associated with a non-controlling Shareholder and our Non-Executive Director, Mr. Yang Jun Rong, being (i) Eastern Eagle, for the grant of rights for concert production in the PRC of approximately S\$7.0 million, which has been collected in 6M2020; and (ii) Sure Legend, for the prepayment for grant of rights for concert production in Singapore and Malaysia of approximately S\$2.1 million. Contract assets are initially recognised for revenue earned from drama and film production to represent our Group's right to consideration for the services transferred to date, and amounted to approximately S\$5.0 million as at 31 December 2019. Films and drama productions in progress represents the production costs, costs of services, direct labour costs, facilities and raw materials consumed under the production of the dramas and films, and amounted to approximately S\$23.3 million as at 31 December 2019.

Current assets increased by approximately S\$66.2 million or 173.0% from approximately S\$38.3 million as at 31 December 2018 to approximately S\$104.5 million as at 31 December 2019. The increase was mainly due to the following factors:

- (a) an increase in trade receivables of approximately S\$44.0 million, of which 0.06% of the trade receivables are aged 90 days and above, which was mainly due to (i) the issuance of the invoices for two drama projects completed by our Group in FY2019 under our TV program and film production business segment to the relevant customers near the end of FY2019, based on the billing milestones under the terms of the respective contracts; and (ii) receivables due from ticketing agents for concert tickets sold in advance;
- (b) an increase in prepayments and contract costs by approximately S\$1.2 million and S\$0.6 million, respectively, due to costs prepaid or incurred in respect of the production of the concerts to be held in Singapore, Malaysia and Australia;
- (c) contract assets of approximately S\$5.0 million and an increase in films and drama productions in progress by approximately S\$1.2 million or 5.5%, mainly due to the increase in number of drama and film projects undertaken by our Group in FY2019; and
- (d) an increase in amount due from related parties by approximately S\$9.1 million, which was mainly due to receivables of (i) approximately S\$7.0 million owing from an entity connected to a non-controlling Shareholder and our Non-Executive Director, Mr. Yang Jun Rong, being Eastern Eagle, for the grant of rights for concert production in the PRC, which has been collected in 6M2020; and (ii) approximately S\$2.1 million for prepayment of grant of rights for concert production in Singapore and Malaysia to an entity associated to a non-controlling Shareholder and our Non-Executive Director, Mr. Yang Jun Rong, being Sure Legend.

Non-Current Assets

As at 31 December 2019, our non-current assets amounted to approximately S\$8.4 million or 7.5% of our total assets, which comprised mainly plant and equipment, right-of-use assets, goodwill, intangible assets and investment in associates.

Non-current assets increased by approximately S\$5.2 million from approximately S\$3.3 million as at 31 December 2018, mainly due to an increase in plant and equipment and right-of-use assets.

Current Liabilities

As at 31 December 2019, our current liabilities amounted to approximately S\$94.3 million or 98.7% of our total liabilities, which comprised mainly of contract liabilities, fixed interest rate instruments (comprising amounts due to an entity connected to a non-controlling Shareholder and borrowings from financial institutions, film investment funds from investors), lease liabilities, current tax liabilities, trade and other payables and non-trade amounts due to related parties.

Contract liabilities relate to payment received in advance from customers and amounted to approximately S\$21.6 million as at 31 December 2019.

Trade and other payables amounted to approximately S\$38.1 million as at 31 December 2019, which comprised mainly: (a) trade payables, which relate to payments due to vendors in the ordinary course of business; (b) other payables, which relate to payables to third parties, mainly in respect of the OPA Loan payable to Mr. Ong Pang Aik and the purchase price payable to a third party in respect of the purchase of concert equipment by our Group; (c) advance receipts from joint operators, which relate to receipts from joint operators for their investment in the respective dramas and films, and which comprised the advances obtained from entities connected to Perfect World, which is the holding company of our Shareholder, Epical Entertainment Limited, as our working partner for various drama projects; (d) loan from a director of a subsidiary, being Mr. Stephen Quek, who was a past director of GHY Singapore, which had been obtained by our Group to finance the initial phase of production of the drama “The Little Nyonya 小娘惹”; (e) accrued interest for the loan from an entity connected to a non-controlling Shareholder, Epical Entertainment Limited, being Perfect Pictures Co., Ltd. for the drama “The Little Nyonya 小娘惹”; (f) accruals, which mainly relate to accruals for production cost and employee benefit expense; (g) provision for unutilised leave; and (h) deferred income, being amounts received by our Group for government grants received from drama productions in progress, which will be recognised in profit or loss when our Group recognises as expenses the related costs for which the grants are intended to compensate.

Lease liabilities relate to all lease arrangements in which our Group is the lessee, except for short-term leases (which are leases with a lease term of 12 months or less) and leases of low value assets.

Current liabilities increased by approximately S\$60.9 million from approximately S\$33.4 million as at 31 December 2018, mainly due to the following factors:

- (a) an increase in contract liabilities of approximately S\$11.7 million, which was mainly due to an increase in payments received in advance from customers;
- (b) an increase in trade and other payables of approximately S\$23.6 million, which was mainly due to (i) advance receipts from joint operators of approximately S\$11.8 million; (ii) proceeds from amount due to a third party, being Mr. Ong Pang Aik, of approximately S\$7.5 million in relation to the OPA Loan; and (iii) payables of S\$2.8 million due to a non-controlling Shareholder, being Epical Entertainment Limited arising from the repurchase of Shares by our Company;

- (c) an increase in income tax payable of approximately S\$2.6 million; and
- (d) an increase in the amount due to related parties of approximately S\$23.2 million, which was mainly due to (i) proceeds from amounts due to a related party, being Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, of approximately S\$14.9 million; and (ii) payables due to a company associated with a non-controlling Shareholder and Non-Executive Director, Mr. Yang Jun Rong, being JVR Music for grant of rights for concert production in the PRC of approximately S\$6.8 million.

Non-Current Liabilities

As at 31 December 2019, our non-current liabilities amounted to approximately S\$1.2 million or 1.3% of our total liabilities, which comprised mainly lease liabilities. Lease liabilities relate to all lease arrangements in which our Group is the lessee, except for short-term leases (which are leases with a lease term of 12 months or less) and leases of low value assets.

Non-current liabilities increased by approximately S\$0.9 million from approximately S\$0.3 million as at 31 December 2018, mainly due to the addition of new office leases which resulted in an increase in lease liabilities.

Shareholders' Equity

As at 31 December 2019, our shareholder's equity amounted to approximately S\$17.4 million, comprising issued and fully-paid share capital of approximately S\$0.6 million, share premium of approximately S\$5.7 million, statutory reserve of approximately S\$0.3 million, retained earnings of approximately S\$10.7 million and translation reserves of approximately S\$0.1 million.

Shareholders' equity increased by approximately S\$9.6 million from approximately S\$7.8 million as at 31 December 2018, mainly due to (a) an increase in retained earnings from a loss of approximately S\$1.5 million to a profit of approximately S\$10.7 million which was due to net profit recognised in FY2019; and (b) the reduction in share premium of S\$2.8 million due to the shares repurchased and cancelled in FY2019.

Net Working Capital

Our net working capital amounted to approximately S\$4.9 million as at 31 December 2018 and S\$10.2 million as at 31 December 2019, further details are as set out below:

	As at 31 December 2018	As at 31 December 2019
	(S\$'000)	(S\$'000)
Cash and cash equivalents	13,778	17,356
Trade receivables	174	44,166
Other receivables	2,190	5,041
Amount due from related parties	31	9,082
Contract assets	–	4,956
Contract costs	–	577
Finance lease receivables	3	3
Films and drama productions in progress	22,085	23,307
Income tax recoverable	9	–

	As at 31 December 2018	As at 31 December 2019
	(S\$'000)	(S\$'000)
Less:		
Trade and other payables	14,411	38,059
Contract liabilities	9,951	21,629
Film investment funds from investors	2,692	2,708
Amount due to related parties	45	23,229
Lease liabilities	417	1,251
Borrowings	5,873	4,825
Income tax payable	–	2,582
	<u>4,881</u>	<u>10,205</u>

As at 30 June 2020

A review of our financial position as at 30 June 2020 is as follows:

Current Assets

As at 30 June 2020, our current assets amounted to approximately S\$92.3 million or 88.9% of our total assets. Our current assets comprise mainly cash and cash equivalents, trade and other receivables, contract assets, films and drama productions in progress and films and drama products.

Contract assets amounted to approximately S\$21.4 million as at 30 June 2020. Films and drama productions in progress and films and drama products amounted to approximately S\$31.5 million as at 30 June 2020.

Current assets decreased by approximately S\$12.2 million or 11.7% from approximately S\$104.5 million as at 31 December 2019 to approximately S\$92.3 million as at 30 June 2020. The decrease was mainly due to the following factors:

- (a) a decrease in trade receivables of approximately S\$32.3 million, which was mainly due to (i) receipts for two drama projects completed by our Group in FY2019 under our TV program and film production business segment; and (ii) receipts for the two concerts held in 6M2020; and
- (b) a decrease in amount due from related parties by approximately S\$7.8 million, which was mainly due to receipt of S\$7.0 million owing from an entity connected to a non-controlling Shareholder and Non-Executive Director, Mr. Yang Jun Rong, being Eastern Eagle, for the grant of rights for concert production in the PRC.

The decrease is offset by the following factors:

- (i) an increase in contract assets by approximately S\$16.4 million, which was mainly due to ongoing drama productions as contract assets were initially recognised for revenue earned from drama and film productions to represent our Group's right to consideration for the services transferred to-date;

- (ii) an increase in films and drama productions in progress by approximately S\$5.7 million which was mainly due to ongoing drama and film productions, representing the production costs, costs of services, direct labour costs, facilities and raw materials consumed under productions;
- (iii) an increase in films and drama products by approximately S\$2.5 million which was mainly due to completion of the production of a drama as at 30 June 2020; and
- (iv) an increase in other receivables by approximately S\$6.0 million which was mainly due to an amount of approximately S\$3.5 million due from an entity connected to a non-controlling Shareholder for disposal of 27.6% equity interest in Beijing Honghaier Film & Culture Co., Limited (which was received subsequent to 30 June 2020), an increase of approximately S\$0.8 million of value-added tax receivables, an increase of approximately S\$0.4 million in prepayments and approximately S\$0.4 million of deferred issue costs.

During 6M2020, we entered into a contract for the sale of 70.0% of the interest in “Make a Wish Miss Xianqi 仙琦小姐许愿吧” to an unrelated third party for a consideration of RMB70.0 million (approximately S\$14.3 million), which was determined on a willing-buyer, willing-seller basis, with reference to the production costs for such drama. The transfer of the 70.0% interest in the drama was completed after 30 June 2020 and we received payments of the consideration in July 2020 and August 2020.

Non-Current Assets

As at 30 June 2020, our non-current assets amounted to approximately S\$11.5 million or 11.1% of our total assets, which comprised mainly plant and equipment, right-of-use assets, goodwill and intangible assets.

Non-current assets increased by approximately S\$3.1 million or 36.8% from approximately S\$8.4 million as at 31 December 2019, mainly due to an increase in right-of-use assets.

Current Liabilities

As at 30 June 2020, our current liabilities amounted to approximately S\$61.7 million or 94.2% of our total liabilities, which comprised mainly of trade and other payables, film investment funds from investors, contract liabilities, amounts due to related parties and borrowings from financial institutions and current tax liabilities.

Contract liabilities amounted to approximately S\$8.2 million as at 30 June 2020. Trade and other payables amounted to approximately S\$36.1 million as at 30 June 2020, which comprised mainly (a) trade payables, which relate to payments due to vendors in the ordinary course of business; (b) other payables, which relate to payables to third parties, being the OPA Loan payable to Mr. Ong Pang Aik and the purchase price payable to a third party in respect of the purchase of concert equipment; (c) amount due to a non-controlling Shareholder; (d) advance receipts from joint operators, which relate to receipts from joint operators for their investment in the respective dramas and films; (e) accruals, which relate to accrued bonus and amounts to be paid to production crew; (f) deferred income, which relate to amounts received by our Group for government relief schemes and government grants received from drama productions in progress, which will be recognised in profit or loss when our Group recognises as expenses the related costs as expense for which the grants are intended to compensate; and (h) listing expenses payable and accrued listing expenses.

Lease liabilities relate to all lease arrangements in which our Group is the lessee, except for short-term leases (which are leases with a lease term of 12 months or less) and leases of low value assets.

Current liabilities decreased by approximately S\$32.6 million or 34.6% from approximately S\$94.3 million as at 31 December 2019, mainly due to the following factors:

- (a) a decrease in contract liabilities of approximately S\$13.4 million, which was mainly due to revenue recognised upon the completion of two concerts in 6M2020, of which advance receipts from concert tickets were received in FY2019;
- (b) a decrease in the amount due to related parties of approximately S\$17.6 million, which was mainly due to (i) payment of approximately S\$9.3 million to a related party, being Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder; (ii) payments to a company associated with a non-controlling Shareholder and Non-Executive Director, Mr. Yang Jun Rong being JVR Music, for grant of rights for concert production in the PRC of approximately S\$6.8 million; and (iii) repayment of approximately S\$1.4 million to an associate company; and
- (c) a decrease in trade and other payables of approximately S\$2.0 million, which was mainly due to capitalisation of the OPA Loan and accrued interest of approximately S\$7.7 million due to a third party, being Mr. Ong Pang Aik, in March 2020 and repayment of share buy-back of approximately S\$0.8 million, which was partially offset by accrued listing expenses of approximately S\$1.9 million and an increase in trade payables of approximately S\$3.8 million.

Non-Current Liabilities

As at 30 June 2020, our non-current liabilities amounted to approximately S\$3.8 million or 5.8% of our total liabilities, which comprised mainly lease liabilities. Lease liabilities relate to all lease arrangements in which our Group is the lessee, except for short-term leases (which are leases with a lease term of 12 months or less) and leases of low value assets.

Non-current liabilities increased by approximately S\$2.6 million from approximately S\$1.2 million as at 31 December 2019, mainly due to the addition of a new lease arrangement for a filming studio.

Shareholders' Equity

As at 30 June 2020, our shareholder's equity amounted to approximately S\$38.3 million, comprising issued and fully-paid share capital of approximately S\$0.6 million, share premium of approximately S\$13.4 million, statutory reserve of approximately S\$0.3 million, retained earnings of approximately S\$23.7 million and translation reserves of approximately S\$0.2 million.

Shareholders' equity increased by approximately S\$20.9 million from approximately S\$17.4 million as at 31 December 2019, mainly due to (a) an increase in retained earnings of approximately S\$13.0 million from approximately S\$10.7 million to approximately S\$23.7 million due to net profit recognised during the period; and (b) an increase in share premium of approximately S\$7.7 million due to capitalisation of the loan due to a third party, being Mr. Ong Pang Aik, in March 2020.

Net Working Capital

Our net working capital amounted to approximately S\$10.2 million as at 31 December 2019 and approximately S\$30.6 million as at 30 June 2020, further details are as set out below:

	As at 31 December 2019	As at 30 June 2020
	(S\$'000)	(S\$'000)
Cash and cash equivalents	17,356	14,233
Trade receivables	44,166	11,914
Other receivables	5,041	10,991
Contract assets	4,956	21,364
Contract costs	577	847
Inventories	–	159
Amount due from related parties	9,082	1,235
Finance lease receivables	3	–
Films and drama productions in progress	23,307	29,027
Films and drama products	–	2,489
Less:		
Trade and other payables	38,059	36,072
Contract liabilities	21,629	8,206
Film investment funds from investors	2,708	4,145
Amount due to related parties	23,229	5,628
Lease Liabilities	1,251	1,484
Borrowings	4,825	5,170
Income tax payable	2,582	996
	<u>10,205</u>	<u>30,558</u>

RECONCILIATION OF UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Current and Total Assets

Based on the unaudited pro forma statement of financial position as at 31 December 2019, the pro forma adjustments do not have an impact on the current and total assets as at 31 December 2019.

Current and Total Liabilities

Based on the unaudited pro forma statement of financial position as at 31 December 2019, our current liabilities would increase by approximately S\$2.3 million as a result of the interim dividend payable of S\$10.0 million, which would be offset by a decrease of approximately S\$7.7 million in other payables due to a third party, representing the capitalisation of the outstanding loan and accrued interest of an aggregate amount of approximately S\$7.7 million due from our Company to Mr. Ong Pang Aik and the issuance of 1,093,000 Shares to Mr. Ong Pang Aik.

Based on the unaudited pro forma statement of financial position as at 31 December 2019, the pro forma adjustments do not have an impact on the non-current liabilities as at 31 December 2019.

Shareholders' Equity

Based on the unaudited pro forma statement of financial position as at 31 December 2019, our shareholders' equity would decrease by approximately S\$2.3 million due to a reduction of S\$10.0 million in retained earnings as a result of the interim dividend payable of S\$10.0 million, which would be offset by an increase of S\$7.7 million in share premium.

As at 30 June 2020

Current and Total Assets

Based on the unaudited pro forma statement of financial position as at 30 June 2020, the proforma adjustments would not have an impact on the current and total assets as at 30 June 2020.

Current and Total Liabilities

Based on the unaudited pro forma statement of financial position as at 30 June 2020, current liabilities would increase by S\$10.0 million as a result of the interim dividend payable of S\$10.0 million.

As the capitalisation of the outstanding loan and accrued interest of an aggregate amount of approximately S\$7.7 million due from our Company to Mr. Ong Pang Aik and the issuance of 1,093,000 Shares to Mr. Ong Pang Aik occurred in March 2020, this pro forma adjustment would not have an impact on current liabilities as at 30 June 2020.

Based on the unaudited pro forma statement of financial position as at 30 June 2020, the pro forma adjustments would not have an impact on the non-current liabilities as at 30 June 2020.

Shareholders' Equity

Based on the unaudited pro forma statement of financial position as at 30 June 2020, our shareholders' equity will decrease by S\$10.0 million due to a reduction of S\$10.0 million in retained earnings as a result of the interim dividend payable of S\$10.0 million.

As the capitalisation of the outstanding loan and accrued interest of an aggregate amount of approximately S\$7.7 million due from our Company to Mr. Ong Pang Aik and the issuance of 1,093,000 Shares to Mr. Ong Pang Aik occurred in March 2020, this pro forma adjustment would not have an impact on shareholders' equity as at 30 June 2020.

LIQUIDITY AND CAPITAL RESOURCES

As at the Latest Practicable Date, we financed our operations through both internal and external sources of funds. Our internal sources of funds comprise mainly cash generated from our operating activities. Our external sources of funds comprise mainly borrowings from related parties, banking facilities from financial institutions and film investment funds from investors and joint operators.

As at 30 June 2020, our Group's borrowings comprised banking and credit facilities from the Bank of Beijing Co., Ltd. which amounted to an aggregate of RMB50.0 million (or approximately S\$10.2 million), of which approximately RMB23.8 million (or approximately S\$4.9 million) remains unutilised. As at the Latest Practicable Date, the outbreak of COVID-19 has not had any impact on the material sources of liquidity of our Group. See the section entitled "Capitalisation and

Indebtedness – Banking and Credit Facilities of our Group” of this Prospectus for more details of such banking and credit facilities. Save for the foregoing, our Group does not have any material unused sources of liquidity as at the Latest Practicable Date.

As at 30 June 2020, our Group had cash and cash equivalents of approximately S\$14.2 million. Based on the unaudited pro forma statement of cash flows for 6M2020, the pro forma adjustments would not have an impact on the cash and cash equivalents of our Group as at 30 June 2020.

Our Group generated a net increase in cash and cash equivalents of approximately S\$13.8 million and S\$3.6 million in FP2018 and FY2019, respectively. There was a net decrease in cash and cash equivalents of approximately S\$7.8 million and S\$3.1 million in 6M2019 and 6M2020, respectively.

We expect to receive approximately S\$101.0 million from the net proceeds of the Offering and the issuance of the New Cornerstone Shares. See the section entitled “Use of Proceeds” of this Prospectus for a description of the proceeds we expect to receive from the Offering and the issuance of the New Cornerstone Shares and how we intend to use them.

Our Directors are of the reasonable opinion that, after taking into consideration the above, having made due and careful enquiry and after taking into account the expected cash flows generated from our Group’s operations, our banking and credit facilities, our existing cash and cash equivalents, the impact of the outbreak of COVID-19 on our Group, the interim dividends of S\$10.0 million payable by our Company (payment of which is subject to the level of cash and retained earnings, general business and financing conditions, as well as other factors which our Directors may determine appropriate and which our Audit and Risk Management Committee will monitor until the Interim Dividends have been fully paid, as set out in the section entitled “Dividend Policy – Past Dividends” of this Prospectus) and the net proceeds from the Offering, the material sources of liquidity and the working capital available to our Group as at the date of lodgement of this Prospectus is sufficient for present requirements and for at least 12 months after the Listing of our Company on the Main Board of the SGX-ST.

The following table sets out a summary of our Group’s net cash flow for FP2018, FY2019, 6M2019 and 6M2020:

	FP2018 (Audited)	FY2019 (Audited)	6M2019 (Unaudited)	6M2020 (Audited)
	(S\$’000)	(S\$’000)	(S\$’000)	(S\$’000)
Net cash (used in) generated from operating activities	(7,616)	(11,036)	(12,656)	9,452
Net cash generated from (used in) investing activities	3,678	(3,483)	(1,934)	(7)
Net cash from (used in) financing activities	17,716	18,107	6,775	(12,569)
Net increase (decrease) in cash and cash equivalents	13,778	3,588	(7,815)	(3,124)
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	–	(10)	7	1
Cash and cash equivalents at date of incorporation/beginning of the year/period	–	13,778	13,778	17,356
Cash and cash equivalents at end of the period/year	13,778	17,356	5,970	14,233

FP2018

Net Cash Used in Operating Activities

We generated cash inflows from operating activities before movement in working capital of approximately S\$0.8 million, with net changes in working capital of approximately S\$8.4 million and income tax paid, interest paid and interest income received of approximately S\$0.08 million in aggregate.

Our net working capital outflow was mainly due to cash outflow from (a) a net increase in films and drama productions in progress and films and drama products of approximately S\$20.6 million due to an increase in production costs incurred in FP2018; and (b) an increase in trade and other receivables of approximately S\$2.2 million mainly due to advances given to third party contractors. This was partially offset by cash inflows from (i) an increase in contract liabilities of approximately S\$10.0 million due to payments received in advance from customers; and (ii) an increase in trade and other payables of approximately S\$4.4 million, which was in line with the increase in drama and film production.

Net cash used in operating activities amounted to approximately S\$7.6 million.

Net Cash Generated from Investing Activities

Net cash generated from investing activities amounted to approximately S\$3.7 million, which was attributable to the acquisition of subsidiaries in FP2018 of S\$4.0 million. This was partially offset by the purchase of plant and equipment of approximately S\$0.3 million.

Net Cash from Financing Activities

Net cash inflows from financing activities amounted to approximately S\$17.7 million, which was mainly attributable to (a) proceeds from borrowings of approximately S\$5.9 million; (b) proceeds from loan of approximately S\$4.1 million from an entity connected to a non-controlling Shareholder, being Perfect Pictures Co., Ltd., which is a subsidiary of Perfect World (which is the holding company of our non-controlling Shareholders, Epical Entertainment Limited) for the drama “The Little Nyonya 小娘惹”; (c) proceeds from loan of S\$5.5 million due to director of a subsidiary, being Mr. Stephen Quek, who was a past director of GHY Singapore, which had been obtained by our Group to finance the initial phase of production of the drama “The Little Nyonya 小娘惹”, which had been accounted for in the drama bank account for such drama and had been fully repaid in 6M2020; (d) proceeds from issuance of Shares of approximately S\$0.6 million; and (e) an increase in film investment funds from an external investor at fair value through profit or loss of approximately S\$1.8 million. This was offset by the repayment of lease liabilities of approximately S\$0.2 million.

As at 31 December 2018, our cash and cash equivalents were approximately S\$13.8 million.

FY2019

Net Cash Used in Operating Activities

We generated cash inflows from operating activities before movement in working capital of approximately S\$49.7 million, with net changes in working capital of approximately S\$60.4 million and income tax paid, interest paid and interest income received of approximately S\$0.3 million in aggregate.

Our net working capital outflow was mainly due to (a) an increase in trade and other receivables of approximately S\$52.7 million due to billings during the year; (b) an increase in contract assets of approximately S\$5.0 million due to the completion of drama and film productions not yet billed at the reporting date; (c) an increase in contract costs of approximately S\$0.6 million; (d) an increase in films and drama productions in progress of approximately S\$31.7 million due to an increase in production costs incurred in FY2019; and (e) an increase in net amount due from related parties of approximately S\$2.2 million. This was offset by cash inflows from (i) an increase in trade and other payables of approximately S\$20.1 million; and (ii) an increase in contract liabilities of approximately S\$11.7 million due to payments received in advance from customers, which was in line with the increase in drama and film production.

Our net cash used in operating activities amounted to approximately S\$11.0 million.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to approximately S\$3.5 million. This was mainly due to (a) purchase of plant and equipment of approximately S\$2.9 million; (b) purchase of intangible assets of approximately S\$0.2 million; and (c) an investment in an associate amounting to approximately S\$0.4 million.

Net Cash from Financing Activities

Net cash inflows from financing activities amounted to approximately S\$18.1 million, which was mainly attributable to (a) proceeds from amount due to related parties, being Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, and an associate company of approximately S\$16.3 million; (b) proceeds from amount due to a third party, being Mr. Ong Pang Aik, of approximately S\$7.5 million; (c) borrowings of approximately S\$4.8 million; and (d) an increase in film investment funds from investors at amortised cost of approximately S\$2.7 million. This was partially offset with (i) repayment of lease liabilities of approximately S\$1.0 million; (ii) repayment of loan of approximately S\$4.1 million due to an entity connected to a non-controlling Shareholder, being Perfect Pictures Co., Ltd., which is a subsidiary of Perfect World (which is the holding company of our non-controlling Shareholder, Epical Entertainment Limited); (iii) repayment of loan of approximately S\$3.9 million due to director of a subsidiary, being Mr. Stephen Quek, who was a past director of GHY Singapore, which had been obtained by our Group to finance the initial phase of production of the drama “The Little Nyonya 小娘惹”, which had been accounted for in the drama bank account for such drama and had been fully repaid in 6M2020; and (iv) net repayment of film investment funds to investors at fair value through profit and loss of approximately S\$4.3 million.

As at 31 December 2019, our cash and cash equivalents were approximately S\$17.4 million.

6M2019

Net Cash Used in Operating Activities

We generated cash inflows from operating activities before movement in working capital of approximately S\$45.6 million, with net changes in working capital of approximately S\$58.2 million.

Our net working capital outflow was mainly due to (a) an increase in trade and other receivables of approximately S\$36.1 million due to billings during the year; (b) a decrease in contract liabilities of S\$8.5 million due to less payments received in advance from customers; and (c) an increase in films and drama productions in progress of approximately S\$17.6 million, which was mainly due to the costs incurred for the ongoing production of the drama projects in 6M2019, including “The Little Nyonya 小娘惹” and “Make a Wish Miss Xianqi 仙琦小姐许愿吧”. This was offset by cash inflows an increase in trade and other payables of approximately S\$4.0 million.

Our net cash used in operating activities amounted to approximately S\$12.7 million.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to approximately S\$1.9 million mainly due to investment in structured deposits of approximately S\$1.0 million and advances of approximately S\$0.9 million to a related party, being Beijing Yizhongdao, which have been repaid during the second half of FY2019.

Net Cash from Financing Activities

Net cash inflows from financing activities amounted to approximately S\$6.8 million, which was mainly attributable to proceeds of film investment funds from an external investor at fair value through profit or loss of approximately S\$7.0 million, which was offset by repayment of lease liabilities of approximately S\$0.2 million.

As at 30 June 2019, our cash and cash equivalents were approximately S\$6.0 million.

6M2020

Net Cash Generated from Operating Activities

We generated cash inflows from operating activities before movement in working capital of approximately S\$16.8 million, with net changes in working capital of approximately S\$3.4 million and income tax paid of approximately S\$3.4 million and interest paid of approximately S\$0.5 million.

Our net working capital outflow was mainly due to (a) an increase in contract assets of approximately S\$16.4 million due to the completion of drama and film productions not yet billed at the reporting date; (b) an increase in contract costs of approximately S\$1.0 million; (c) an increase in films and drama productions in progress of approximately S\$4.0 million due to an increase in production costs incurred in the period; and (d) a decrease in contract liabilities of approximately S\$14.1 million, which is related to advance receipts of ticket sales collected in FY2019 for the concerts for Jay Chou in Singapore which were recognised as revenue when the concerts took place in 6M2020. This was offset by cash inflows from (i) a decrease in trade and other receivables of approximately S\$29.4 million due to the receipts for the dramas completed in FY2019 and receipts for ticket sales from the ticketing agent for the concerts which took place in 6M2020; (ii) a net decrease in amount due from related parties of approximately S\$0.9 million; and (iii) an increase in trade and other payables of approximately S\$1.9 million.

Our net cash generated from operating activities amounted to approximately S\$9.5 million.

Net Cash Used in Investing Activities

Net cash from investing activities amounted to S\$7,000. This was mainly due to cash and bank balances of approximately S\$3.3 million arising from an acquisition of a subsidiary, which was offset by (a) purchase of plant and equipment of approximately S\$1.0 million; (b) purchase of intangible assets of approximately S\$0.5 million; and (c) an advance to a related party, being Beijing Yizhongdao in which we held 30.0% equity interest at the relevant time, of approximately S\$1.8 million for the purposes of funding its working capital.

Net Cash from Financing Activities

Net cash outflows used in financing activities amounted to approximately S\$12.6 million, which was mainly attributable to (a) repayment of amount due to related parties, being Mr. Guo Jingyu, our Group Executive Chairman and CEO and Controlling Shareholder, and Beijing Yizhongdao, of approximately S\$11.0 million; (b) repayment of lease liabilities of approximately S\$0.7 million; (c) repayment of loan of approximately S\$1.6 million due to a director of a subsidiary, being Mr. Stephen Quek, who was a past director of GHY Singapore; and (d) payment of the share repurchase of S\$0.8 million. This is partially offset by (i) an increase in film investment funds from investors of approximately S\$1.4 million; and (ii) proceeds from borrowings of approximately S\$0.2 million.

As at 30 June 2020, our cash and cash equivalents were approximately S\$14.2 million.

CAPITAL EXPENDITURES AND DIVESTMENTS

Capital Expenditure

The capital expenditures incurred by our Group during the Period Under Review and from 1 July 2020 and up to the Latest Practicable Date were as follows:

Capital Expenditure	FP2018	FY2019	6M2020	1 July 2020 up to the Latest Practicable Date
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Leasehold improvements	9.6	8.0	–	39.2
Motor vehicles	215.0	–	369.7	–
Furniture and fixtures	–	12.4	26.3	45.8
Office equipment	–	2.5	–	1.2
Computer equipment	33.4	39.5	253.8	248.0
Filming equipment	37.0	–	–	–
Concert equipment	–	3,343.2	–	–
Rights to use film set	–	238.4	482.9	1,232.6
Investment in Beijing Honghaier	–	393.0	–	–
Investment in Beijing Yizhongdao	–	–	138.6	–
	295.0	4,037.0	1,271.3	1,566.8

The above capital expenditures are mainly related to purchase of a company car in Singapore, leasehold improvements due to renovation of our office in Singapore, purchase of computer equipment for our offices in Singapore, purchase of filming equipment for our drama and film production activities in the PRC, purchase of concert equipment in the PRC and the acquisition of the rights to use a jointly-owned film set in Malaysia. The above capital expenditures were primarily financed by internally generated resources.

During the Period Under Review, our Group also incurred capital investment on (a) the investment in 27.6% of the equity interest in Beijing Honghaier Film & Culture Co., Limited (北京红孩儿映画传媒有限公司) (“**Beijing Honghaier**”); and (b) the acquisition of 70.0% of the equity interest in Beijing Yizhongdao as part of our Corporate Reorganisation, details of which are set out in the section entitled “Corporate Structure and Ownership – Corporate Reorganisation” of this Prospectus. Such capital investment was financed by internally generated resources.

As at the Latest Practicable Date, we do not expect any write-down of such concert equipment purchased in the PRC as we expect to continue to use such concert equipment for our own purposes and to lease such concert equipment to third party customers when events and/or concerts resume after the COVID-19 outbreak.

Divestments

The divestments by our Group during the Period Under Review and from 1 July 2020 and up to the Latest Practicable Date were as follows:

Divestments	FP2018	FY2019	6M2020	1 July 2020 up to the Latest Practicable Date
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Equity interest in Beijing Lingzhanglei	–	–	101.0	–
Equity interest in Beijing Honghaier	–	–	3,541.3	–
Office equipment	–	–	–	1.4
	–	–	3,642.3	1.4

During 6M2020, our Group divested (a) 51.0% of the equity interest in Beijing Lingzhanglei Film & Media Co., Limited (北京灵长类影视传媒有限公司) (“**Beijing Lingzhanglei**”); and (b) 27.6% of the equity interest in Beijing Honghaier, as part of our Corporate Reorganisation, details of which are set out in the section entitled “Corporate Structure and Ownership – Corporate Reorganisation” of this Prospectus.

Capital Commitments

The capital commitments of our Group as at 30 June 2020 and as at the Latest Practicable Date were as follows:

Capital Commitments	As at 30 June 2020	As at the Latest Practicable Date
	(S\$'000)	(S\$'000)
Commitment in respect of a jointly-owned film set	651.6	–

The capital commitments of our Group relate to the fees for the licensing and use of a jointly-owned film set in Malaysia under a 10-year agreement with Iskandar Malaysia Studios Sdn Bhd for the operation and management of the film set and grant of 50.0% of the licensing rights for such film set to our Group, which were financed by our internal capital resources. As at the Latest Practicable Date and to the best of our knowledge, none of our Group, our Directors, our Executive Officers, our Controlling Shareholders, the Group Adviser or their Associates is related to Iskandar Malaysia Studios Sdn Bhd.

Operating Lease Commitments

The operating lease commitments of our Group as at 30 June 2020 and as at the Latest Practicable Date were as follows:

Operating Lease Commitments	As at 30 June 2020	As at the Latest Practicable Date
	(S\$'000)	(S\$'000)
Short term leases	284.4	150.4

The operating lease commitments comprise short-term leases (which are leases with a term of 12 months or less). We expect to finance the above operating lease commitments with our internal capital resources.

RISK MANAGEMENT

Accounting Treatment of Foreign Currencies

We maintain the respective books and accounts of our subsidiaries and PRC Affiliated Entities in functional currencies. The reporting currency of our Group is in SGD. Our PRC subsidiaries and PRC Affiliated Entities maintain their respective books and accounts in RMB, whilst our Singapore subsidiary, Malaysia subsidiary and Australia subsidiary maintains their books and accounts in SGD, MYR and AUD, respectively.

Transactions in foreign currencies are translated into the functional currency of the relevant operating subsidiary or associated company of our Group using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Currency translation differences from the settlement of such transactions and from the translation of such monetary assets and liabilities at the closing rate at the balance sheet date are recognised in the profit and loss statement.

In the preparation of the audited combined financial statements of our Group, the financial statements of our subsidiaries and PRC Affiliated Entities in the PRC, Malaysia and Australia were translated to SGD at the exchange rates prevailing at the end of the reporting period, except for share capital and reserves which are translated at historical exchange rates and income and expense items which are translated at the average exchange rates of the year. Foreign exchange differences arising from translation are accounted for as translation reserves in shareholder's equity and other comprehensive income.

Foreign Currency Exposure

Our reporting currency is in SGD. To the extent that our revenue and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection or payment, we may be exposed to foreign exchange gain or loss arising from fluctuations of the RMB, MYR and AUD against the SGD, which will affect our earnings. The appreciation or depreciation in the value of other currency other than the functional currencies of our PRC subsidiaries and PRC Affiliated Entities will have either a positive or negative effect on the financial results of our Group.

During the Period Under Review, the foreign exchange exposure to our Group is not significant as our PRC subsidiaries and PRC Affiliated Entities did not have any significant foreign exchange exposure to transactions in other currencies other than in RMB. Details of the net foreign exchange gain/(loss) to our Group during the Period Under Review is as follows:

	FP2018	FY2019	6M2019	6M2020
Net foreign exchange (loss) gain (S\$'000)	(381)	(183)	(187)	324
As a percentage of revenue (%)	(11.1)	(0.3)	(0.4)	0.9
As a percentage of loss (profit) before income tax (%)	67.1	(1.2)	(1.3)	2.2

We currently do not have a formal hedging policy. In general, our operations in the PRC, Malaysia and Australia have natural hedges to the extent our revenue is in RMB, MYR and AUD, respectively, and offset by costs in RMB, MYR and AUD, respectively. We may, subject to the approval of our Board, enter into relevant transactions where necessary, to hedge our exposure to foreign currency fluctuations. We will also put in place, where necessary, procedures to hedge our exposure to foreign currency fluctuations. Such procedures, if in place, will be reviewed and approved by our Audit and Risk Management Committee and our Board to be in line with the foreign exchange management policy.

Inflation

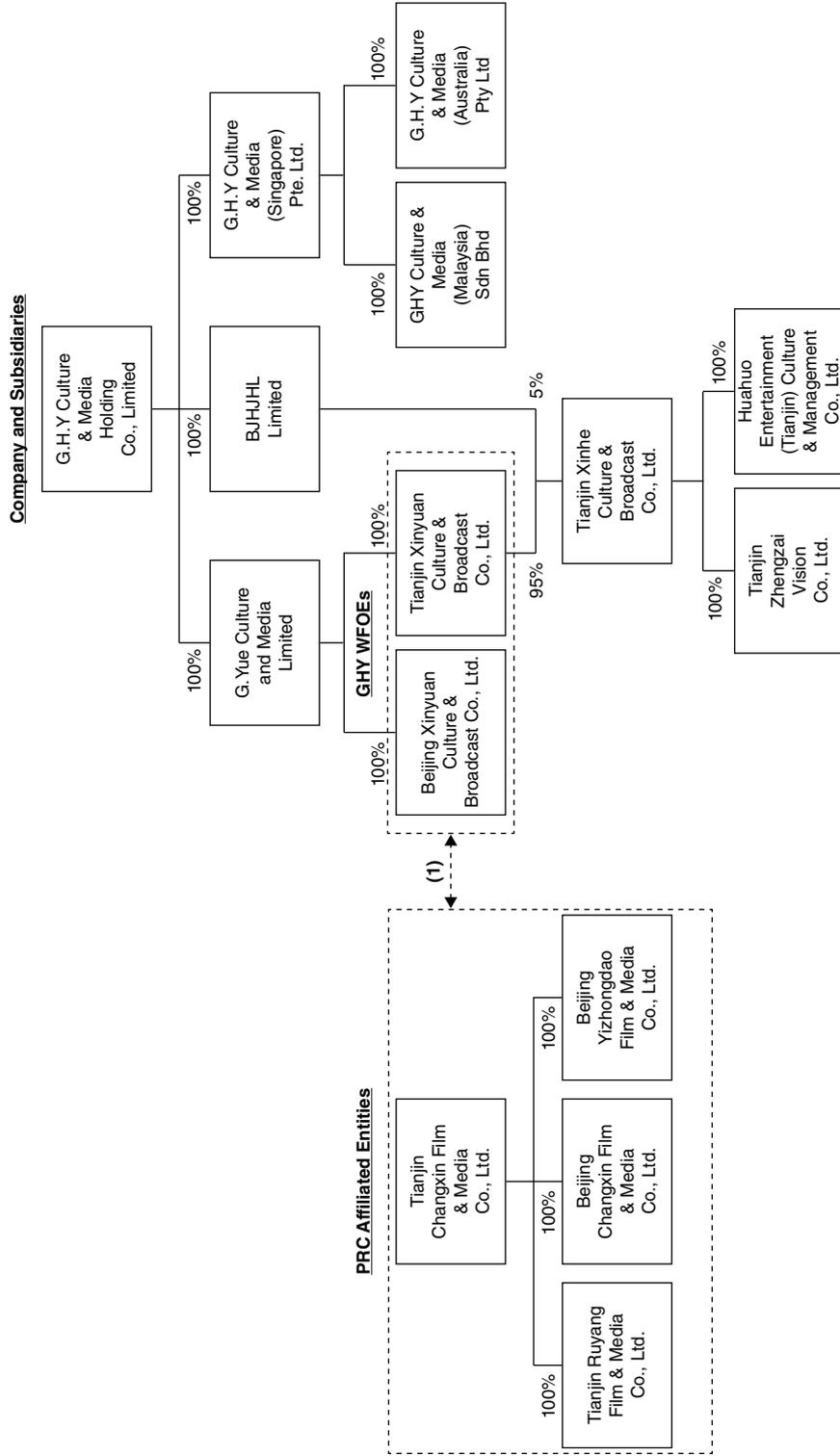
Our financial performance for the Period Under Review was not materially affected by inflation.

SEASONALITY

Due to the nature of our business, we have not observed any significant seasonal trends within each of the financial periods in the Period Under Review.

CORPORATE STRUCTURE AND OWNERSHIP

The following chart shows the corporate structure of our Group:



Note:

(1) Our Company, through our GHY WFOEs, has entered into Contractual Arrangements with the Individual Shareholders and each of our PRC Affiliated Entities, under which our Group is conferred operational control and economic rights over our PRC Affiliated Entities which allow our Group to exercise control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities. See the section entitled "Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities" of this Prospectus for further information.

OUR SUBSIDIARIES

Details of our subsidiaries are as follows:

Name of Company	Date and Country of Incorporation	Principal Activities	Principal Place of Business	Effective Percentage of Equity Interest and Voting Power held as at		
				31 December 2018	31 December 2019	30 June 2020
G.H.Y Culture & Media (Singapore) Pte. Ltd.	4 May 2017, Singapore	TV program and film production, concert production and talent management	Singapore	100%	100%	100%
GHY Culture & Media (Malaysia) Sdn Bhd	6 September 2017, Malaysia	TV program and film production and concert production	Malaysia	100%	100%	100%
G.H.Y Culture & Media (Australia) Pty Ltd	20 July 2018, Australia	Concert production	Australia	100%	100%	100%
G.Yue Culture and Media Limited	30 August 2018, Hong Kong	Investment holding company	Hong Kong	100%	100%	100%
BJHJHL Limited ⁽¹⁾	26 June 2020, Hong Kong	Investment holding company	Hong Kong	–	–	–
Tianjin Xinyuan Culture & Broadcast Co., Ltd.	9 April 2020, PRC	Consultancy services	PRC	–	–	100%
Beijing Xinyuan Culture & Broadcast Co., Ltd. ⁽²⁾	28 August 2020, PRC	Consultancy services	PRC	–	–	–
Tianjin Xinhe Culture & Broadcast Co., Ltd.	27 May 2019, PRC	Talent management services and the renting and leasing of concert equipment	PRC	–	100%	100%
Huahuo Entertainment (Tianjin) Culture & Management Co., Ltd.	19 April 2019, PRC	Talent management services	PRC	–	100%	100%
Tianjin Zhengzai Vision Co., Ltd.	19 April 2019, PRC	Costumes, props and make-up services	PRC	–	100%	100%

Notes:

- (1) Our Group had acquired 100% of the equity interest in BJHJHL on 12 October 2020, further details of which are set out in the section entitled “Corporate Structure and Ownership – Corporate Reorganisation – Restructuring of Tianjin Xinhe, Tianjin Zhengzai, Huahuo Entertainment and BJHJHL” of this Prospectus.
- (2) Beijing Xinyuan Culture & Broadcast Co., Ltd. was incorporated on 28 August 2020, as a wholly-owned subsidiary of GHY Hong Kong, further details of which are set out in the section entitled “Corporate Structure and Ownership – Corporate Reorganisation – Incorporation of Beijing Xinyuan” of this Prospectus.

CONTRACTUAL ARRANGEMENTS IN RESPECT OF OUR PRC AFFILIATED ENTITIES

On 1 November 2020, our Company, through our GHY WFOEs, namely Tianjin Xinyuan and Beijing Xinyuan, entered into the Contractual Arrangements with the Individual Shareholders and each of our PRC Affiliated Entities, under which operational control and economic rights over our PRC Affiliated Entities are conferred to our Group.

Details of our PRC Affiliated Entities are as follows:

Name of Company	Date and Country of Incorporation	Principal Activities	Principal Place of Business	Effective Ownership Interest ⁽¹⁾ held as at		
				31 December 2018	31 December 2019	30 June 2020
Beijing Changxin Film & Media Co., Ltd. ⁽²⁾	22 August 2018, PRC	TV program and film production and operation	PRC	100%	100%	100%
Beijing Yizhongdao Film & Media Co., Ltd.	19 April 2019, PRC	TV program and film production and operation	PRC	–	30%	100%
Tianjin Changxin Film & Media Co., Ltd. ⁽²⁾	22 March 2018, PRC	TV program and film production and operation	PRC	100%	100%	100%
Tianjin Ruyang Film & Media Co., Ltd.	29 July 2019, PRC	TV program and film production and operation	PRC	–	100%	100%

Note:

- (1) Our Company, through our GHY WFOEs, has entered into Contractual Arrangements with each of our PRC Affiliated Entities, under which our Group is conferred operational control and economic rights over our PRC Affiliated Entities, which allow our Group to exercise control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities. Accordingly, the effective ownership interest of our Company in each of our PRC Affiliated Entities arises through the Contractual Arrangements.
- (2) Beijing Changxin Film & Media Co., Ltd. and Tianjin Changxin Film & Media Co., Ltd. were dormant in FY2018. Our PRC Affiliated Entities commenced operations in FY2019.

Save as disclosed above, there are no other subsidiaries, subsidiary entities, associated companies and associated entities of our Group. None of our subsidiaries and PRC Affiliated Entities are listed on any stock exchange.

Rationale for the Contractual Arrangements

Foreign investment activities in the PRC are mainly governed by the Foreign Investment Law and the Negative List, which have been promulgated and amended from time to time jointly by the MOFCOM and the NDRC. Under the Negative List, foreign investment is prohibited in certain industries, including TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引进)).

As a result of the foreign ownership prohibitions under the Negative List, foreign-incorporated companies are unable to own or otherwise hold any equity interest in entities engaged in businesses in such industries. Accordingly, in order to engage in such businesses and maintain the necessary licences and permits, foreign-incorporated holding companies have adopted contractual arrangements so as to conduct operations in these industries in the PRC. Such contractual arrangements, similar to the Contractual Arrangements, confer operational control and economic rights to the foreign-incorporated holding companies, while complying with the applicable foreign ownership prohibitions in the PRC, including those under the Negative List.

The Foreign Investment Law was passed by the NPC on 15 March 2019 and came into effect on 1 January 2020 and regulates investment activities directly or indirectly conducted by foreign individuals, enterprises and other organisations in the PRC. As advised by the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law, the Foreign Investment Law does not explicitly stipulate such contractual arrangements as a form of foreign investment and the Implementation Regulations on the Foreign Investment Law also do not list such contractual arrangements as a form of foreign investment.

Our Company, as a foreign investor under the current PRC regulatory regime, has, through our GHY WFOEs, entered into the Contractual Arrangements with the Individual Shareholders in respect of our PRC Affiliated Entities, being Tianjin Changxin, Tianjin Ruyang, Beijing Changxin, and Beijing Yizhongdao, each of which holds the requisite permits for TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引进)) in the PRC. The Contractual Arrangements confer operational control and economic rights over our PRC Affiliated Entities to our Group, which allow our Group to exercise control over the business operations of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities.

See the entitled “Regulations – PRC – Regulations on Foreign Investment” of this Prospectus for details of the Foreign Investment Law and the Negative List and their potential impact on our Group.

Overview of the Contractual Arrangements

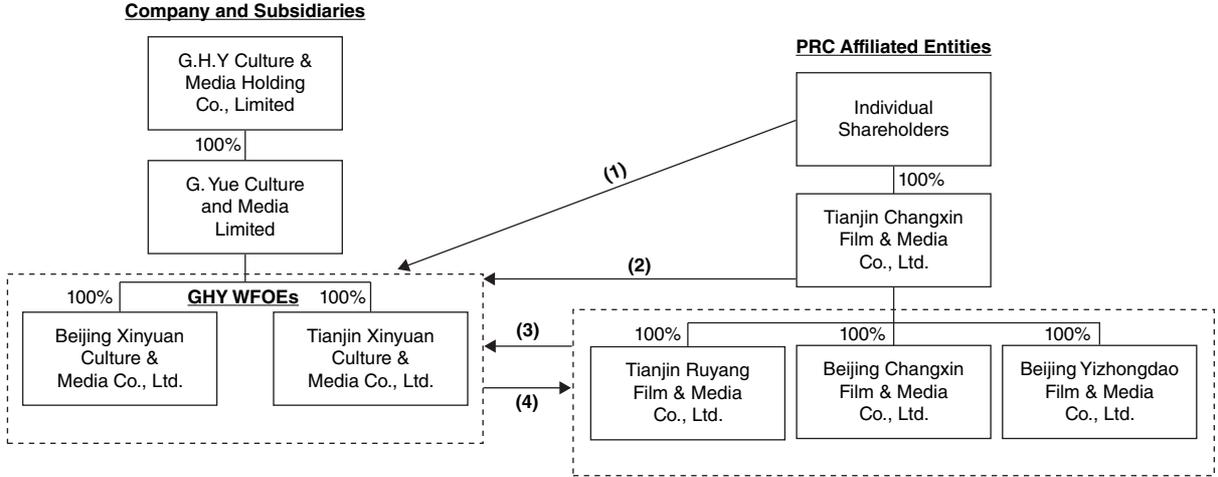
In order to comply with the foreign ownership prohibitions under the applicable PRC laws and regulations as set out above while maintaining effective control over the operations of our PRC Affiliated Entities in the PRC, our Group has, through our GHY WFOEs, entered into the Contractual Arrangements with the Individual Shareholders and each of our PRC Affiliated Entities, under which our Group is conferred operational control and economic rights over each of our PRC Affiliated Entities, which allow our Group to exercise control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities, by way of the service fees payable by our PRC Affiliated Entities to our Group.

The Individual Shareholders, namely Mr. Guo Jingyu, our Executive Chairman and Group CEO, and Mr. Xue Xin, our Senior Director of TV Program and Film Production, directly or indirectly hold the entire equity interest in each of our PRC Affiliated Entities: (a) Mr. Guo Jingyu and Mr. Xue Xin collectively hold 100.0% of the equity interest in Tianjin Changxin, in the proportion of 98.04% and 1.96%, respectively; and (b) Tianjin Changxin holds 100.0% of the equity interest in each of Beijing Changxin, Beijing Yizhongdao and Tianjin Ruyang. The Individual Shareholders are parties to the Contractual Arrangements to ensure that the shareholders’ rights in our PRC Affiliated Entities are actually controlled by our Group.

To the best of our Board’s knowledge and belief, there are no available insurance policies to cover risks relating to the Contractual Arrangements and as such, we do not maintain any such insurance policy to cover the risks relating to the Contractual Arrangements.

Operational Control and Economic Benefits under the Contractual Arrangements

The following diagram illustrates the flow of operational control and economic benefits from our PRC Affiliated Entities to our Group under the Contractual Arrangements:



(1) Individual Shareholders

Each of the Individual Shareholders, being Mr. Guo Jingyu and Mr. Xue Xin, has:

- pledged 100% of the equity interest in Tianjin Changxin in favour of Tianjin Xinyuan as a guarantee for the Individual Shareholders, Tianjin Changxin and Tianjin Ruyang to fulfil all their respective obligations under the Contractual Arrangements;
- procured Tianjin Changxin to pledge 100% of the equity interest in Beijing Changxin and Beijing Yizhongdao in favour of Beijing Xinyuan as a guarantee for Tianjin Changxin, Beijing Changxin and Beijing Yizhongdao to fulfil all their respective obligations under the Contractual Arrangements;
- entered into a Power of Attorney in favour of Tianjin Xinyuan to exercise all shareholder rights enjoyed by the Individual Shareholders as the shareholders of Tianjin Changxin in accordance with the applicable laws and the articles of association of Tianjin Changxin;
- granted an option to purchase the equity interest and/or assets of Tianjin Changxin in favour of Tianjin Xinyuan; and
- undertaken to procure Tianjin Changxin to (i) grant an option to purchase the equity interest and/or assets of Tianjin Ruyang in favour of Tianjin Xinyuan; and (ii) grant an option to purchase the equity interest of Beijing Changxin and Beijing Yizhongdao in favour of Beijing Xinyuan.

(2) Tianjin Changxin

Tianjin Changxin (as the holding company of our other PRC Affiliated Entities) has:

- pledged 100% of the equity interest in Beijing Changxin and Beijing Yizhongdao in favour of Beijing Xinyuan;
- entered into a Power of Attorney in favour of Tianjin Xinyuan to exercise all shareholder rights enjoyed by Tianjin Changxin as the shareholder of Tianjin Ruyang in accordance with the applicable laws and the articles of association of Tianjin Ruyang;

- entered into a Power of Attorney in favour of Beijing Xinyuan to exercise all shareholder rights enjoyed by Tianjin Changxin as the shareholder of Beijing Changxin in accordance with the applicable laws and the articles of association of Beijing Changxin;
- entered into a Power of Attorney in favour of Beijing Xinyuan to exercise all shareholder rights enjoyed by Tianjin Changxin as shareholder of Beijing Yizhongdao in accordance with the applicable laws and the articles of association of Beijing Yizhongdao;
- granted (i) an option to purchase the equity interest and/or assets of Tianjin Ruyang in favour of Tianjin Xinyuan; and (ii) an option to purchase the equity interest and/or assets of each of Beijing Changxin and Beijing Yizhongdao in favour of Beijing Xinyuan.

(3) PRC Affiliated Entities

Under the terms of the respective Exclusive Business Cooperation Agreements, Tianjin Changxin and Tianjin Ruyang are required to make payment of the service fees to Tianjin Xinyuan, while Beijing Changxin and Beijing Yizhongdao are required to make payment of the service fees to Beijing Xinyuan (collectively, the “**Funds**”).

Under the terms of the respective Exclusive Business Cooperation Agreements:

- the relevant PRC Affiliated Entity shall, within 30 days after the end of each year, provide the relevant GHY WFOE with all financial information necessary to calculate the Funds for the year and the relevant GHY WFOE shall, within 40 days after the end of each year, send a payment notice to the relevant PRC Affiliated Entity (the form of which is annexed to the agreement);
- the relevant PRC Affiliated Entity is required to make payment of the Funds and such other fees specified in the payment notice to the relevant GHY WFOE within seven days upon receipt of the payment notice. If the relevant PRC Affiliated Entity fails to make payment on time and in full in accordance with the terms of the Exclusive Business Cooperation Agreement, the relevant GHY WFOE shall have the right to require our PRC Affiliated Entity to pay additional interest at a rate of 10.0% per annum on the amount in arrears;
- the relevant GHY WFOE has the right under the terms of the Exclusive Business Cooperation Agreement to appoint an authorised representative to audit the financial information provided by the relevant PRC Affiliated Entity and in the event of any disagreements between the relevant GHY WFOE and our PRC Affiliated Entity regarding the amount of Funds payable, the amount determined by the authorised representative of the relevant GHY WFOE shall prevail; and
- furthermore, our GHY WFOEs have the right under the terms of the Exclusive Business Cooperation Agreements to unilaterally adjust the calculation method of the service fees, taking into consideration the extent and the type of services provided to our PRC Affiliated Entities at any time.

The Funds will be declared and paid as dividends and other distributions (after deducting relevant taxes which are payable and contributions to the statutory reserve fund, if any) by the respective GHY WFOEs to GHY Hong Kong, being the holding company of our GHY WFOEs. Such Funds will ultimately be received by our Company (after deducting relevant taxes which are payable, if any) from GHY Hong Kong in the form of dividends and other distributions to be declared and paid in the same or similar manner.

(4) GHY WFOEs

Pursuant to the Exclusive Business Cooperation Agreements, each of our GHY WFOEs: (a) provides management, consultation, technical support and business support services to our PRC Affiliated Entities; and (b) is granted certain rights, including that our GHY WFOEs are solely responsible for the selection of our PRC Affiliated Entities' senior executives and employees, and the finance, management and daily operations of our PRC Affiliated Entities. Accordingly, our Company, through our GHY WFOEs, has full access to and control of, the finance teams and accounting records of the respective PRC Affiliated Entities.

In addition, during the validity period of the respective Exclusive Business Cooperation Agreements, our GHY WFOEs will enjoy and bear all economic benefits and risks arising out of our PRC Affiliated Entities' business and our GHY WFOEs has the right to consolidate each of our PRC Affiliated Entities' financial results as a wholly-owned subsidiary of the respective GHY WFOEs in accordance with the applicable accounting standards.

Pursuant to the Agreements on Exclusive Purchasing Power, our PRC Affiliated Entities and the Individual Shareholders have also exclusively, irrevocably and freely granted our GHY WFOEs or their respective designated third party an option to purchase all or part of the equity interest and/or all or part of the businesses or assets of each of our PRC Affiliated Entities at a nominal consideration of RMB1 or such other minimum price allowed by PRC laws and regulations when the targeted equity interest and/or assets are transferred.

The Contractual Arrangements may not be as effective as direct legal ownership in providing our Group with direct control over our PRC Affiliated Entities and such uncertainties presented by the PRC legal system could impede our Group's beneficiary rights of the results, assets and liabilities of the variable interest entity. See the section entitled "Risk Factors – Risks Relating to our Corporate Structure – The Contractual Arrangements in respect of our PRC Affiliated Entities may not be as effective in providing control over our PRC Affiliated Entities as direct ownership" of this Prospectus for further information. Our Directors are of the view that the Contractual Arrangements confer operational control and economic benefits from our PRC Affiliated Entities to our Group and that the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations, save for the exceptions as disclosed in the section entitled "Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Legality of the Contractual Arrangements" of this Prospectus. See also the section entitled "Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Board's Views on the Contractual Arrangements" of this Prospectus for further details of our Board's views on the Contractual Arrangements.

As a result of the Contractual Arrangements between our GHY WFOEs, our PRC Affiliated Entities and the Individual Shareholders, the Contractual Arrangements confer operational control and economic rights over our PRC Affiliated Entities to our Group, which allow our Group to exercise power over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities, and enables our Company, through our GHY WFOEs, to have rights to variable returns from our involvement with our PRC Affiliated Entities and to have the ability to use our power to affect the returns from our PRC Affiliated Entities. Therefore, our Company is considered to control our PRC Affiliated Entities. Consequently, our Company regards our PRC Affiliated Entities as controlled structured entities and consolidates the financial positions and results of operations of these entities in the financial statements of our Group. In view of the foregoing, the Independent Auditor and Reporting Accountant concur with the basis of consolidation adopted by our Group as disclosed in Note 3.3 to our audited combined financial statements set out in "Appendix A – Independent Auditor's Report and the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020" to this Prospectus. See also the section entitled "Management's Discussion and Analysis of

Financial Condition and Results of Operations – Audited Combined Financial Statements – Basis of Consolidation” of this Prospectus for further information on the basis of consolidation of the results of our PRC Affiliated Entities.

In addition, as a result of the Contractual Arrangements between our GHY WFOEs, our PRC Affiliated Entities and the Individual Shareholders, the management of the funds of our PRC Affiliated Entities are performed and/or controlled by our Group, through our GHY WFOEs. In this regard, under the Exclusive Business Cooperation Agreements, our GHY WFOEs are granted the sole responsibility for the finance, management and daily operations of our PRC Affiliated Entities. In addition, under the terms of the respective Exclusive Business Cooperation Agreements, Exclusive Purchasing Power Agreements and Equity Pledge Agreements, our PRC Affiliated Entities shall not enter into or participate in any transaction that may affect their assets, liabilities, rights or operations, including but not limited to, purchasing or disposing of any assets (such as fixed assets and intellectual property rights) worth more than RMB1.0 million, without the prior written consent of the relevant GHY WFOE.

Our PRC Affiliated Entities commenced operations in FY2019. In FY2019 and 6M2020, the total revenue derived from our PRC Affiliated Entities amounted to approximately S\$62.5 million and S\$7.9 million, respectively, which comprised 94.7% and 21.4% of the total revenue of our Group, respectively.

Agreements forming the Contractual Arrangements

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below:

(1) Exclusive Business Cooperation Agreement

Pursuant to the terms of the respective Exclusive Business Cooperation Agreements,

- (a) during the validity period of the agreement, our PRC Affiliated Entities and the Individual Shareholders irrevocably appoint our GHY WFOEs as the exclusive service provider of management, consultation, technical and business support to our PRC Affiliated Entities, as well as comprehensive services related to the business activities of our PRC Affiliated Entities to the extent permitted under relevant laws and regulations, including but not limited to: (i) assisting in formulating management modes, business plans and market development plans; (ii) establishing sound business process management; (iii) providing, among others, management and consulting services in daily operation, finance, investment, assets, creditor’s rights and liabilities, and human resources services; (iv) providing technical research and development, software development, technical upgrading services; and (v) such other service matters specified by our GHY WFOEs through negotiation, from time to time, according to the actual business needs of our PRC Affiliated Entities and our GHY WFOEs ability to provide services;
- (b) with respect to the services provided by our GHY WFOEs, our PRC Affiliated Entities and the Individual Shareholders will irrevocably ensure that our PRC Affiliated Entities will pay the services fees to our GHY WFOEs, which shall be 100% of the remaining amount of the pre-tax profit of each of our PRC Affiliated Entities, after deducting related costs and reasonable expenses, to the extent permitted under the applicable PRC laws and regulations;
- (c) our GHY WFOEs are granted certain rights under the terms of the Exclusive Business Cooperation Agreement, including but not limited to: (i) the sole responsibility for the selection of the senior executives and employees of our PRC Affiliated Entities, and the finance, management and daily operations of our PRC Affiliated Entities; (ii) the right to

enjoy and bear all economic benefits and risks arising out of the businesses of our PRC Affiliated Entities; and (iii) the right to combine the financial results of our PRC Affiliated Entities, each as a wholly-owned subsidiary of Tianjin Xinyuan or Beijing Xinyuan, as the case may be, in accordance with the applicable accounting standards;

- (d) our GHY WFOEs have the exclusive proprietary rights and interests in any and all of the intellectual property rights developed or created by our PRC Affiliated Entities during the period and performance of the Exclusive Business Cooperation Agreement, except for the intellectual property rights that must be held by our PRC Affiliated Entities for the purpose of continuing to maintain or obtain the necessary licences or related tax incentives for their respective business operations;
- (e) our PRC Affiliated Entities shall not merge or form a joint venture entity with any third party, acquire any third party entity or be acquired or controlled by a third party, increase or decrease its registered capital or otherwise change its registered capital structure without the consent of Tianjin Xinyuan or Beijing Xinyuan, as the case may be; and
- (f) unless any of our GHY WFOEs terminates the Contractual Arrangements unilaterally in advance in accordance with the relevant provisions of the relevant agreement, or unless any of our GHY WFOEs exercises its exclusive right under the respective Agreements on Exclusive Purchasing Power for such GHY WFOE or its respective designated third party to purchase all the equity interest and/or assets to become the sole shareholder of our PRC Affiliated Entities, the Exclusive Business Cooperation Agreements shall remain valid for the duration of the existence of our GHY WFOEs and our PRC Affiliated Entities and for the duration renewable in accordance with the applicable PRC laws and regulations.

Pursuant to the Exclusive Business Cooperation Agreements, each of the Individual Shareholders and our PRC Affiliated Entities irrevocably undertakes to the respective GHY WFOEs that the Individual Shareholders shall not enter into any other agreement or arrangement that conflicts with the Contractual Arrangements, including any agreement or arrangement that may adversely affect the rights of our GHY WFOEs and/or our Company, without the prior written consent of our GHY WFOEs and to act in the interests of the respective GHY WFOEs and our Company.

(2) Equity Pledge Agreements

Pursuant to the terms of the respective Equity Pledge Agreements:

- (a) the Individual Shareholders, and Tianjin Changxin, as the case may be, irrevocably pledge 100% of their equity in the relevant PRC Affiliated Entities and all rights and benefits related thereto to our GHY WFOEs as a guarantee for our PRC Affiliated Entities and the Individual Shareholders to fulfil all obligations under the Contractual Arrangements;
- (b) if the Individual Shareholders and/or any of our PRC Affiliated Entities fail to fully perform their obligations under the Contractual Arrangements, and unless the Individual Shareholders and/or each of the PRC Affiliated Entities have taken measures to correct the breach to the satisfaction of the relevant GHY WFOE within 10 days after the occurrence of such breach, the respective GHY WFOE may, as pledgee, exercise its right to dispose of the pledged equity;
- (c) each of our GHY WFOEs is entitled to dispose of all or part of the pledged equity in accordance with relevant legal procedures (including but not limited to reaching an agreement with Individual Shareholders to convert the pledged equity into money, or

auctioning or selling of the pledged equity) and to have priority in compensation from the disposed amount, until all the guaranteed debts under the Equity Pledge Agreements are paid off;

- (d) the Individual Shareholders and Tianjin Changxin, as the case may be, further undertake to our GHY WFOEs, including but not limited to, that the Individual Shareholders and Tianjin Changxin, as the case may be, will not sell, lease, lend, transfer, assign, gift, re-mortgage, trust, make capital contribution with the pledged equity or otherwise dispose of all or part of the pledge equity, agree to make resolutions to increase or decrease the registered capital of our PRC Affiliated Entities, or agree to any form of initial public offering, backdoor listing and/or asset restructuring, without the prior written consent of our GHY WFOEs, and the aforementioned undertakings would restrict the Individual Shareholders from pledging their interests in our PRC Affiliated Holdco and/or Tianjin Changxin's interests in our PRC Affiliated Entities, as collateral and/or encumbrance for any loans undertaken by the Individual Shareholders; and
- (e) unless any of our GHY WFOEs terminates the Contractual Arrangements unilaterally in advance in accordance with the relevant provisions of the relevant agreement or unless any of our GHY WFOEs exercises their exclusive right under the respective Agreements on Exclusive Purchasing Power for such GHY WFOE or their respective designated third party to purchase all the equity interest and/or assets to become the sole shareholder of our PRC Affiliated Entities, the Equity Pledge Agreements shall remain valid for the duration of the existence of our GHY WFOEs and our PRC Affiliated Entities and for the duration renewable in accordance with PRC laws and regulations.

The pledge of the equity interest in our PRC Affiliated Entities in favour of the Tianjin Xinyuan and Beijing Xinyuan, as the case may be, under the respective Equity Pledge Agreements have been registered with the relevant local counterparts of the State Administration for Market Regulation after execution of the Equity Pledge Agreements.

(3) Agreement on Exclusive Purchasing Power

Pursuant to the terms of the respective Agreements on Exclusive Purchasing Power,

- (a) our PRC Affiliated Entities and the Individual Shareholders exclusively, irrevocably and freely grant our GHY WFOEs or their respective designated third party an option to purchase all or part of the equity interest and/or all or part of the businesses or assets of each of our PRC Affiliated Entities at a nominal consideration of RMB1 or such other minimum price allowed by PRC laws and regulations when the targeted equity interests and/or assets are transferred, which may be exercised at any time during the period from the validity of the Agreements on Exclusive Purchasing Power to the completion of the transfer and registration of all or part of the equity interest and/or all or part of the businesses or assets of the relevant PRC Affiliated Entity under the name of Tianjin Xinyuan and/or Beijing Xinyuan or their respective designated third party, as the case may be, subject to the prevailing PRC laws, regulations and industrial policies at the relevant time;
- (b) the Individual Shareholders and Tianjin Changxin are required to compensate our GHY WFOE for any difference between the eventual consideration to be paid by the purchaser (regardless of whether the purchaser is our GHY WFOE or its designated third party) and RMB1, should the consideration for such transfers exceeds RMB1;
- (c) our PRC Affiliated Entities and the Individual Shareholders shall not transfer, pledge or trust such equity interest and/or the businesses or assets of our PRC Affiliated Entities to any other third parties or otherwise dispose of such equity and/or the businesses or

assets, or interests related to such equity interest and/or the businesses or assets, by other means (except for the pledges under the Equity Pledge Agreements) or sign any agreement with contents or nature the same or similar to the Agreements on Exclusive Purchasing Power with any other third party, without the prior written consent of our GHY WFOEs;

- (d) once the applicable PRC laws and regulations permit any of our GHY WFOEs to directly hold, and such GHY WFOE decides to hold the equity interest of our PRC Affiliated Entities, and such GHY WFOE and/or its subsidiaries and branches can legally engage in the business of our PRC Affiliated Entities, the parties will immediately terminate the Agreements on Exclusive Purchasing Power and such GHY WFOE will have the right to immediately exercise all exclusive rights to purchase under the respective Agreements on Exclusive Purchasing Power;
- (e) our PRC Affiliated Entities undertake to conduct their respective business in accordance with the instructions of our GHY WFOEs, including, among others, that the scope of business of our PRC Affiliated Entities, the articles of association, governance structure, members of the board of directors, executive directors and chief financial officer of our PRC Affiliated Entities shall not be changed without the consent of our GHY WFOEs, and the appointment of such personnel in our PRC Affiliated Entities will be subject to the instructions of our GHY WFOEs;
- (f) the Individual Shareholders and our PRC Affiliated Entities will accept and act in accordance with the instructions of our GHY WFOEs in relation to the employment and dismissal of employees, daily operation management and the financial management system, and our GHY WFOEs shall have the right to check and verify the accounts of our PRC Affiliated Entities regularly and at anytime, and our PRC Affiliated Entities shall maintain the accounts timely and accurately, and provide them to our GHY WFOEs as required;
- (g) Tianjin Changxin shall not in any manner distribute dividends to the Individual Shareholders, without the prior written consent of our GHY WFOEs; and
- (h) the Agreements on Exclusive Purchasing Power shall remain valid for the duration of the existence of the relevant GHY WFOE and our PRC Affiliated Entities, unless the right to purchase under the respective Agreements on Exclusive Purchasing Power has been fully exercised or the Agreements on Exclusive Purchasing Power have been terminated in accordance with the relevant provisions thereof.

(4) Powers of Attorney

Pursuant to the Powers of Attorney granted by each of Mr. Guo Jingyu and Mr. Xue Xin, being the Individual Shareholders, in favour of Tianjin Xinyuan, Mr. Guo Jingyu and Mr. Xue Xin irrevocably appoint Tianjin Xinyuan and its designated third party as trustee and as each of their sole, comprehensive and exclusive agent, and agree that Tianjin Xinyuan and its designated third party may exercise all shareholder rights enjoyed by the Individual Shareholders (as shareholders of Tianjin Changxin) on their behalf and in accordance with the applicable laws and the articles of association of Tianjin Changxin.

Pursuant to the Power of Attorney granted by Tianjin Changxin, being the shareholder of Tianjin Ruyang, in favour of Tianjin Xinyuan, Tianjin Changxin irrevocably appoints Tianjin Xinyuan and its designated third party as trustee and its sole, comprehensive and exclusive agent, and agrees that Tianjin Xinyuan and its designated third party may exercise all shareholder rights enjoyed by Tianjin Changxin (as the shareholder of Tianjin Ruyang) on its behalf and in accordance with the applicable laws and the articles of association of Tianjin Ruyang.

Pursuant to the Powers of Attorney granted by Tianjin Changxin, being the shareholder of Beijing Changxin and Beijing Yizhongdao, in favour of Beijing Xinyuan, Tianjin Changxin irrevocably appoints Beijing Xinyuan and its designated third party as trustee and its sole, comprehensive and exclusive agent, and agrees that Beijing Xinyuan and its designated third party may exercise all shareholder rights enjoyed by Tianjin Changxin (as the shareholder of Beijing Changxin and Beijing Yizhongdao) on its behalf and in accordance with the applicable laws and the respective articles of association of Beijing Changxin and Beijing Yizhongdao.

In addition, each of GHY WFOEs or any third party designated by the respective GHY WFOE has the right to exercise all rights granted by the Individual Shareholder or Tianjin Changxin (as the case may be) under the Power of Attorney, including but not limited to:

- (a) appointing, changing or removing directors and nominating or recommending appropriate personnel to act as the general manager, chief financial officer, manager or other senior executives of the relevant PRC Affiliated Entities;
- (b) proposing, convening and attending the shareholders' meeting of the relevant PRC Affiliated Entities, making shareholders' decisions and exercising all rights the Individual Shareholder or Tianjin Changxin (as the case may be) enjoys as shareholder of the relevant PRC Affiliated Entities, such as shareholders' voting rights and powers (including attending shareholders' meetings, voting on or passing resolutions at meetings, signing the minutes of shareholders' meetings, signing shareholders' resolutions or making shareholders' decisions for and on behalf of the relevant PRC Affiliated Entities), information rights (including reviewing the documents and account books of the relevant PRC Affiliated Entities), dividend rights (including the rights to receive and approve dividends) and the rights to submit the relevant documents with the relevant Administration for Market Regulation and other relevant government authorities for filing;
- (c) disposing all or any of the equity interests in the relevant PRC Affiliated Entities that the Individual Shareholder or Tianjin Changxin (as the case may be) holds and any rights, interests or benefits in connection with such equity interest by means of sale, transfer, pledge or disposal; and
- (d) approving amendments to the articles of association of the relevant PRC Affiliated Entities.

(5) Other Key Terms under the Contractual Arrangements

- (a) Dispute Resolution

Each of the agreements comprising the Contractual Arrangements provide that, in the event of any dispute with respect to the interpretation or performance of the provisions:

- (i) any dispute shall be settled through friendly negotiation. If no agreement has been reached within 30 days after either party submits the request for settlement of the dispute through negotiation, either party may submit the dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules in effect at the time of applying for arbitration. The arbitration award shall be final and binding upon the parties;
- (ii) if necessary, the China International Economic and Trade Arbitration Commission shall have the right, before making a final decision on the dispute between the parties, to order the breaching party immediately to stop the breach or order that

the breaching party shall not take any action that may cause further losses to our GHY WFOEs, or to make relief injunctions such as to order to maintain operation or compulsory transfer of equity or assets, or award to our PRC Affiliated Entities for dissolution and/or liquidation; and

- (iii) subject to relevant PRC laws, regulations and effective arbitration rules, the courts of competent jurisdictions where the principal assets of the parties are located shall have the right, on the basis of its authority, to award provisional relief, such as property preservation and evidence preservation, in support of the arbitration pending the formation of the tribunal or where appropriate, or to order the breaching party to stop the breach immediately according to the intermediate award of the China International Economic and Trade Arbitration Commission or to rule that the breaching party shall not conduct any act that may further cause losses to our GHY WFOEs.

(b) Changes to the Terms of the Contractual Arrangements

Each of the agreements comprising the Contractual Arrangements provide that:

- (i) the parties shall amend and supplement the agreement by written agreement, provided that any material changes to the agreement shall be subject to the approval by the Shareholders of our Company, being the parent company of our GHY WFOEs, and any applicable laws and regulations; and
- (ii) if required by any of our GHY WFOEs, its affiliates or the relevant regulatory authorities, and provided that no provisions of the applicable PRC laws and regulations are violated, such GHY WFOE may amend the contents of the agreements at any time and our PRC Affiliated Entities and the Individual Shareholders shall agree and cooperate with such amendments.

(c) Termination

Each of the agreements comprising the Contractual Arrangements provide that:

- (i) without prejudice to the rights of our GHY WFOEs or remedies for legal or other reasons, any of our GHY WFOEs may terminate the agreement immediately upon written notice to our PRC Affiliated Entities under the following circumstances:
 - (A) our PRC Affiliated Entities breach the agreement and fail to rectify the breach within 30 days after receiving the written notice from such GHY WFOE; or
 - (B) our PRC Affiliated Entities are subjected to business suspension, dissolution, liquidation, application for bankruptcy or being applied for bankruptcy, revocation of business licence or other similar circumstances;
- (ii) during the validity period of the agreement, any of our GHY WFOEs may terminate the agreement at any time after giving 10 days' prior written notice to our PRC Affiliated Entities;
- (iii) during the validity period of the agreement, our PRC Affiliated Entities and the Individual Shareholders shall not terminate the agreement in advance for any reason; and

- (iv) once the PRC laws permit any of our GHY WFOEs to directly hold, and such GHY WFOE decides to hold the equity interest of our PRC Affiliated Entities, and such GHY WFOE and/or its subsidiaries and branches can legally engage in the business of our PRC Affiliated Entities, the parties will immediately terminate the agreement and such GHY WFOE will have the right to immediately exercise all exclusive rights to purchase under the respective Agreements on Exclusive Purchasing Power.

(d) Liquidation

The Exclusive Business Cooperation Agreements, Equity Pledge Agreements and Agreements on Exclusive Purchasing Power provide that the Individual Shareholders and/or Tianjin Changxin irrevocably undertake that our GHY WFOEs or any person designated by our GHY WFOEs are entitled to appoint members of the liquidation committee of our PRC Affiliated Entities upon the winding up of our PRC Affiliated Entities to manage their assets. In the event of a dissolution or liquidation, all of the remaining assets of our PRC Affiliated Entities shall be transferred to our GHY WFOEs at the price of RMB1 or other such minimum price permitted by the applicable PRC laws and regulations. Moreover, in respect of any taxes and fees incurred by our GHY WFOEs in obtaining the aforesaid remaining assets, the Individual Shareholders and/or Tianjin Changxin shall bear such taxes and fees for our GHY WFOEs or compensate our GHY WFOEs.

(e) Death, Incapacity, Divorce or other Events of the Individual Shareholders

Each of the agreements comprising the Contractual Arrangements provide that in the event of the Individual Shareholder's death, incapacity, divorce or other events that may cause his inability to exercise his rights as a shareholder of Tianjin Changxin, the Individual Shareholders will take the necessary actions to safeguard his interests (and consequently, the relevant GHY WFOE's interests) in Tianjin Changxin and/or the relevant PRC Affiliated Entities (together with any other interests therein) and his successors (including his spouse and/or associates) will not claim any interests in Tianjin Changxin and/or the relevant PRC Affiliated Entities (together with any other interests therein) to the effect that the Individual Shareholders' interests in Tianjin Changxin will not be affected.

(6) Spousal Undertakings

There are mechanisms in place to protect against the spouses of the Individual Shareholders from exercising any control or influence over our PRC Affiliated Entities. Each of the spouses of the Individual Shareholders have executed irrevocable undertakings (the "**Spousal Undertakings**"), pursuant to which:

- (a) the spouse unconditionally and irrevocably agrees that the Individual Shareholder can sign and perform the Contractual Arrangements, and the Individual Shareholder can dispose the equity interest in our PRC Affiliated Entities;
- (b) the spouse unconditionally and irrevocably agrees and commits not to claim any equity interest of our PRC Affiliated Entities and the rights and interests or assets attached to constitute community property, and that the spouse does not own or control such properties, rights and interests or assets, and the Individual Shareholder has the right to dispose such equity interest and any rights and interests or assets attached independently;

- (c) the spouse unconditionally and irrevocably agrees and commits not to take any acts or omissions in conflict with the Contractual Arrangements or the Spousal Undertakings;
- (d) the spouse acknowledges that the Individual Shareholder has the right to independently enjoy and perform the rights and obligations under the Contractual Arrangements and the spouse do not enjoy or undertake any rights or obligations under the Contractual Arrangements, and the Individual Shareholder can perform and further modify or terminate the Contractual Arrangements or sign other documents that replace the Contractual Arrangements without the spouse's authorisation or approval;
- (e) the spouse commits not to interfere with the operation and management of our PRC Affiliated Entities or claim any rights and interests relevant to the equity interest and assets of our PRC Affiliated Entities under any circumstance; and
- (f) any dispute in connection with the Contractual Arrangements during the performance of the Spousal Undertakings shall be settled through friendly negotiation first. If no agreement has been reached within 30 days after either party submits the request for settlement of the dispute through negotiation, either party may submit the dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules in effect at the time of applying for arbitration. The arbitration award shall be final and binding upon the parties.

See the section entitled "Interested Person Transactions and Conflicts of Interest – Present and Ongoing Interested Person Transactions – Spousal Undertaking by an Interested Person" of this Prospectus for further details.

Potential Conflicts of Interests

We have in place the following arrangements to address the potential conflicts of interest between our Company on the one hand, and the Individual Shareholders on the other hand:

- (a) pursuant to the Powers of Attorney granted by the Individual Shareholders and Tianjin Changxin, the Individual Shareholders and Tianjin Changxin undertake to our GHY WFOEs that the Individual Shareholders and Tianjin Changxin shall not directly or indirectly participate in, engage in, involve, own or use the information obtained from our GHY WFOEs and/or our PRC Affiliated Entities to engage in, conduct, involve in or hold any business that may compete with our GHY WFOEs and/or our PRC Affiliated Entities or their associated companies, or hold any rights or acquire interests from any business that may compete with our GHY WFOEs and/or our PRC Affiliated Entities, without the prior written consent of our GHY WFOEs, and the aforementioned undertakings would restrict the Individual Shareholders from pledging their interests in our PRC Affiliated Holdco and/or Tianjin Changxin's interests in our PRC Affiliated Entities as collateral and/or encumbrance for any loans undertaken by the Individual Shareholders;
- (b) pursuant to the Equity Pledge Agreements, the Individual Shareholders and Tianjin Changxin have acknowledged that, during the validity period of the Contractual Arrangements, without the prior written consent of our GHY WFOEs, the Individual Shareholders and Tianjin Changxin will not, directly or indirectly (whether by themselves or through any other natural person or entity), participate in, engage in, acquire or hold interests in any business that competes or may compete with our GHY WFOEs and/or our PRC Affiliated Entities or their associated companies, and any act or omission of the Individual Shareholders and Tianjin Changxin will not lead to any conflicts of interest; in the event of such conflicts of interest, the Individual Shareholders and Tianjin Changxin will take any action directed by our GHY WFOEs to eliminate such conflicts of interest without violating PRC laws and regulations;

- (c) each of the Individual Shareholders have agreed that he shall not (except as a representative of our Company or with the consent in writing of our Board) during the continuance of his employment and for so long as he is a shareholder and/or legal representative of our PRC Affiliated Entities (as the case may be), be directly or indirectly engaged or concerned in the conduct of any other business which may, from time to time, be in direct or indirect competition with our Group.

Loss Sharing or Financial Support

Under the relevant PRC laws and regulations, none of our Group and/or our GHY WFOEs is legally required to share the losses of, or to provide financial support to, our PRC Affiliated Entities. Further, each of our PRC Affiliated Entities is a limited liability company and shall be solely liable for its own debts and losses with the assets owned by it. We intend to, through our GHY WFOEs, provide to our PRC Affiliated Entities financial support or assist our PRC Affiliated Entities in obtaining financial support by means of loans, when deemed necessary in our discretion. We may also provide financial support to our PRC Affiliated Entities through the transfer of the net proceeds due to us from the Offering and the issuance of the New Cornerstone Shares and/or funds (if any) raised through secondary fundraising in the future to our PRC Affiliated Entities by means of loans, subject to the applicable PRC laws and regulations on foreign exchange and foreign debts in the PRC.

Under the terms of the Exclusive Business Cooperation Agreements, the parties have agreed as follows:

- (a) during the validity period of the agreement, our GHY WFOEs shall enjoy and bear all economic benefits and risks arising out of the businesses of our PRC Affiliated Entities (however, such risks only refer to the risks that the relevant GHY WFOE is unable to collect the service fees thereunder due to the relevant PRC Affiliated Entity's failure to generate revenue arising from its mismanagement, and our GHY WFOEs shall not bear any legal liability for any liabilities, debts or other obligations and risks of our PRC Affiliated Entity) and the relevant GHY WFOE shall have the right to consolidate the relevant PRC Affiliated Entity's financial results as a wholly-owned or controlled subsidiary of such GHY WFOE in accordance with the applicable accounting standards;
- (b) our GHY WFOEs shall assist our PRC Affiliated Entities in finding appropriate financing channels for their capital needs during their operations;
- (c) our PRC Affiliated Entities and the Individual Shareholders shall ensure that our PRC Affiliated Entities shall, as required by the relevant GHY WFOEs, provide such GHY WFOE with any documents relating to the relevant PRC Affiliated Entity, including but not limited to the agreements and relevant documents entered into by such PRC Affiliated Entity with respect to borrowing, financing, providing guarantees or setting up any encumbrances, and allow such GHY WFOE to have access to all certificates and documents of such PRC Affiliated Entity;
- (d) our PRC Affiliated Entities shall ensure that, in the event of operating losses or serious operating difficulties or financial crisis of the relevant PRC Affiliated Entity, our GHY WFOEs shall have the right to determine whether the relevant PRC Affiliated Entity may continue to operate and our GHY WFOEs shall have the right to choose (but are not obliged to) whether to provide financial support to such PRC Affiliated Entity, and such PRC Affiliated Entity shall unconditionally accept the relevant GHY WFOE's decision on whether it shall continue to operate; and

- (e) without the consent of the relevant GHY WFOEs, our PRC Affiliated Entities shall not enter into or participate in any transaction that may affect their assets, liabilities, rights or operations, including but not limited to: (i) providing guarantees to any third party or imposing any burden or limitation of rights on their assets; (ii) any financing, including providing loans or debts to any third party or obtaining loans or assuming debts to any third party; (iii) purchasing or disposing of any assets (including but not limited to fixed assets and intellectual property rights) worth more than RMB1.0 million; (iv) signing any material contract with the target amount of RMB1.0 million or more; (v) changing normal business procedures or modifying any significant internal rules and regulations; (vi) making any major adjustments to their business models, marketing strategies, business policies or customer relationships; and (vii) liquidation and distribution of remaining assets, save for routine transactions occurring in the ordinary course of business of our PRC Affiliated Entities.

Legality of the Contractual Arrangements

Each of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law has taken all reasonable and appropriate actions and steps to reach their respective legal conclusions, and has advised that:

- (i) the Contractual Arrangements are not currently specified as foreign investment under the Foreign Investment Law as at the Latest Practicable Date. Although the Foreign Investment Law stipulates that foreign investment includes “foreign investors invest in the PRC through any other methods under laws, administrative regulations, or provisions prescribed by the State Council”, the laws, administrative regulations, and provisions prescribed by the State Council have not incorporated contractual arrangements, such as the Contractual Arrangements, as a form of foreign investment;
- (ii) the Contractual Arrangements in relation to the business of TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引进)) are valid, legal and binding and do not contravene the applicable PRC laws and regulations;
- (iii) each of the agreements comprising the Contractual Arrangements is in compliance with and not contrary to the relevant PRC laws, except that the Contractual Arrangements provided that the arbitral body may award remedies over the shares and/or assets of our PRC Affiliated Entities, injunctive relief and/or winding up of our PRC Affiliated Entities, and that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal, while under the applicable PRC laws and regulations, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interest in our PRC Affiliated Entities in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts may not be recognised or enforceable in the PRC;
- (iv) the Contractual Arrangements constitute valid, legal and binding obligations of the parties thereto, and are enforceable against the parties in accordance with its terms, except that the Contractual Arrangements provided that the arbitral body may award remedies over the shares and/or assets of our PRC Affiliated Entities, injunctive relief and/or winding up of our PRC Affiliated Entities, and that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal, while under the applicable PRC laws and regulations, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of, or equity interest in, our PRC Affiliated Entities in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts may not be recognised or enforceable in the PRC;

- (v) the articles of association of our PRC Affiliated Entities are in compliance with the relevant PRC laws and regulations;
- (vi) each of the parties to the Contractual Arrangements has obtained all necessary approvals and authorisation to execute and perform the Contractual Arrangements;
- (vii) the Contractual Arrangements do not violate the provisions of the PRC Contract Law (中华人民共和国合同法), including in particular “concealing illegal intentions with a lawful form” or fall within any of the circumstances under which a contract may become invalid under the PRC Contract Law;
- (viii) the Contractual Arrangements do not violate any provisions of the articles of association of our PRC Affiliated Entities and our GHY WFOEs; and
- (ix) both the Beijing Municipal Radio and Television Bureau (北京市广播电视局) and Tianjin Municipal Radio and Television Bureau (天津市广播电视局) are competent government authorities for the regulation and supervision of the relevant PRC Affiliated Entities and their principal business activities. Both Beijing Municipal Radio and Television Bureau (北京市广播电视局) and Tianjin Municipal Radio and Television Bureau (天津市广播电视局) are competent PRC government authorities to provide the opinions which have been quoted in the legal opinions of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law.

The above advice of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law is also based on the interviews conducted with Tianjin Municipal Bureau of Culture and Tourism (Tianjin Municipal Radio and Television Bureau) and Beijing Municipal Radio and Television Bureau on 20 April 2020 and 21 April 2020, respectively. During the interviews, officials of the Tianjin Municipal Bureau of Culture and Tourism (Tianjin Municipal Radio and Television Bureau) and Beijing Municipal Radio and Television Bureau confirmed that while foreign investment in the business of TV program and film production and operation (including distribution of TV programs and films produced overseas (海外引进)) are explicitly prohibited and no foreign investors will be allowed to directly or indirectly invest in the PRC-incorporated entities conducting such business, the execution of the Contractual Arrangements do not contravene PRC laws and regulations, does not require any approval and the execution of the Contractual Arrangements will not affect the ability of our PRC Affiliated Entities to hold and/or renew their Permits for Production and Operation of Radio and TV Programs.

In respect of sub-paragraphs (iii) and (iv) above, each of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law has advised that:

- (a) an arbitral body has no power under the applicable PRC laws and regulations to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of, or equity interest in, our PRC Affiliated Entities in case of disputes;
- (b) under the applicable PRC laws and regulations, if the parties have concluded an arbitration agreement and one party institutes an action in a people’s court, the people’s court shall not accept the case, unless the arbitration agreement is null and void. Accordingly, as each of the agreements comprising the Contractual Arrangements provide that any dispute with respect to the interpretation or performance of the Contractual Arrangements shall be settled through friendly negotiation and if no agreement has been reached within 30 days after either party submits the request for settlement of the dispute through negotiation, either party may submit

the dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules in effect at the time of applying for arbitration, the PRC courts shall not accept any dispute arising from the Contractual Arrangements;

- (c) PRC laws and regulations do not disallow an arbitral body to award the transfer of shares and/or assets of our PRC Affiliated Entities in favour of the relevant GHY WFOE, at the request of our GHY WFOEs. However, the arbitral body does not have the authority to enforce an award and has to resort to the competent courts. The court may or may not support such arbitral award when deciding whether to take enforcement measures. It is subject to the sole discretion of the courts with regard to whether to support such arbitral award and take enforcement measures. Therefore, such award may not be enforceable under PRC laws and regulations;
- (d) further, our Group can still make a claim for damages (as opposed to a claim for injunctive relief or similar protection order and/or winding up order) with the relevant arbitral body, in the event of a dispute in respect of the Contractual Arrangements. In the event that such a claim for damages is successful, applicable PRC laws and regulations do grant the arbitral body with the authority to award monetary damages;
- (e) in addition, we may also bring a claim overseas or seek such remedies in other courts of competent jurisdictions where the assets of the parties are located. However, as disclosed above, given that an arbitral body has no power under the applicable PRC laws and regulations to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interest in our PRC Affiliated Entities in case of disputes, interim remedies or enforcement orders granted by overseas courts in respect of any such arbitral award may not be recognised or enforceable in the PRC; and
- (f) even if the abovementioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreement under the Contractual Arrangements.

See the section entitled “Risk Factor – Risks Relating to the PRC – The uncertainties of the PRC legal system could limit our ability to enforce Contractual Arrangements when any disputes arise” for further information.

Board’s Views on the Contractual Arrangements

Our Directors are of the view that the Contractual Arrangements confer operational control and economic benefits from our PRC Affiliated Entities to our Group based on the following:

- (a) the terms of the Contractual Arrangements, including but not limited to the terms of the Exclusive Business Cooperation Agreements which provide that our GHY WFOEs will: (i) be solely responsible for the selection of the senior executives and employees of our PRC Affiliated Entities, and the finance, management and daily operations of our PRC Affiliated Entities; and (ii) enjoy and bear all economic benefits and risks arising out of the businesses of our PRC Affiliated Entities; and
- (b) other foreign-incorporated holding companies have adopted contractual arrangements in order to conduct operations in certain industries in the PRC which are subject to foreign ownership prohibitions under the Negative List, and are thus unable to own or otherwise hold any equity interest in entities engaged in businesses in such industries.

Our Directors are of the view that the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations, save for the exceptions as disclosed above, based on the following:

- (a) the advice of the Legal Adviser to our Company as to PRC Law in respect of the Contractual Arrangements; and
- (b) the interviews conducted with Tianjin Municipal Bureau of Culture and Tourism (Tianjin Municipal Radio and Television Bureau) and Beijing Municipal Radio and Television, including, among others, the confirmation from the respective regulatory authorities that the execution of the Contractual Arrangements do not contravene the PRC laws and regulations and does not require any approval and the execution of the Contractual Arrangements will not affect the ability of our PRC Affiliated Entities to hold and/or renew their Permits for Production and Operation of Radio and TV Programs.

Notwithstanding the foregoing, please see the section entitled “Risk Factors – Risks Relating to Our Corporate Structure” of this Prospectus for risks relating to the Contractual Arrangements.

We have adopted the following measures to ensure the effective operations of our Group with the adoption of the Contractual Arrangements and our Group’s compliance with applicable laws and regulations:

- (a) any major issues arising from and/or in relation to the Contractual Arrangements or any regulatory enquiries from the relevant government or regulatory authorities will be submitted to our Board for review and discussion on an occurrence basis and the unanimous agreement of our Audit and Risk Management Committee will be sought for the aforementioned matters;
- (b) our Audit and Risk Management Committee will review the internal control policies and procedures in place to safeguard our Group’s assets which are held through the Contractual Arrangements (including the management of funds and the unwinding of the Contractual Arrangements as soon as the applicable PRC laws and regulations allow the business of our PRC Affiliated Entities to be operated without them) on a regular basis;
- (c) our Board will review the overall performance of our PRC Affiliated Entities and compliance with the terms of the Contractual Arrangements on a periodic basis;
- (d) the overall performance of our PRC Affiliated Entities and compliance with the Contractual Arrangements will be disclosed in the annual report of our Company;
- (e) our Board will provide a confirmation in the annual report of our Company that, as part of their periodic review of the Contractual Arrangements:
 - (i) no dividends or other distributions have been made by our PRC Affiliated Entities to the Individual Shareholders; and
 - (ii) any new contracts entered into or renewed between the relevant GHY WFOEs and our PRC Affiliated Entities are fair and reasonable to our Group and the interests of the Shareholders as a whole, and not prejudicial to the interests of our Group and its minority Shareholders; and
- (f) we will engage external legal advisers or other professional advisers, if necessary, to assist our Board to review the terms of the Contractual Arrangements and to deal with any specific issues or matters arising from the Contractual Arrangements.

Following the admission of our Company to the Official List of the SGX-ST, our Audit and Risk Management Committee will continually review the effectiveness of our internal control policies and procedures and will outsource our internal audit function to PricewaterhouseCoopers Risk Services Pte. Ltd. to ensure the adequacy and sufficiency of the internal control policies and procedures within our Group, including the abovementioned measures to ensure the effective operations of our Group with the adoption of the Contractual Arrangements and our Group's compliance with applicable laws and regulations. Our Group will also continue to engage the Independent Auditor and Reporting Accountant, Deloitte & Touche LLP, as our external auditors, to carry out the agreed upon procedures annually on the transactions carried out pursuant to the Contractual Arrangements and include in their report to our Audit and Risk Management Committee for the purpose of the annual statutory audit of our Group, that no dividends or other distributions have been made by our PRC Affiliated Entities to the Individual Shareholders.

Upon the Listing, the transactions under the Contractual Arrangements constitute interested person transactions of our Company under Chapter 9 of the Listing Manual. Investors, upon subscription for the Offering Shares, are deemed to have specifically approved the Contractual Arrangements and as such, the transactions under the Contractual Arrangements are not subject to Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent material changes to the terms of the Contractual Arrangements in relation to each of these transactions.

Our Audit and Risk Management Committee will carry out periodic review of the terms of the Contractual Arrangements on an annual basis and will monitor the procedures established to regulate such interested person transactions in order to ensure that the Contractual Arrangements are not prejudicial to the interest of our Group and our minority Shareholders, and to ensure that proper measures to mitigate conflicts of interest have been put in place. In particular, where the prior written consent of our GHY WFOEs is required under the Contractual Arrangements for any transactions, our Audit and Risk Management Committee will first review such transactions and the terms of the Contractual Arrangements and any consent to be provided by our GHY WFOEs under the Contractual Arrangements will be subject to the prior unanimous consent of our Audit and Risk Management Committee having first been obtained. In the event that our Audit and Risk Management Committee is of the view that the Contractual Arrangements are prejudicial to the interests of our Group and our minority Shareholders and/or if there are any material changes to the terms of the Contractual Arrangements (even where such changes would not be considered interested person transactions under Chapter 9 of the Listing Manual), an independent financial adviser will be appointed to review the terms of the Contractual Arrangements and to provide an opinion on whether the Contractual Arrangements are carried out on normal commercial terms and will not be prejudicial to the interests of our Group and our minority Shareholders.

Any material changes to the terms of the Contractual Arrangements will also be subject to review and approval by our Audit and Risk Management Committee and the requirements under Chapter 9 of the Listing Manual. Any amendments to the Contractual Arrangements which do not constitute material changes to the terms of the Contractual Arrangements, and will thus not be subject to the approval by Shareholders of our Company, will nonetheless be subject to review and approval by our Audit and Risk Management Committee and will be subject to the prior unanimous consent of our Audit and Risk Management Committee having first been obtained.

In addition, where our Group intends to enter into new contractual arrangements with terms similar to the Contractual Arrangements and/or acquire the equity interest of our PRC Affiliated Entities to the extent permissible under the applicable PRC laws and regulations, such transactions will be subject to review and approval by our Audit and Risk Management Committee and the requirements under Chapter 9 of the Listing Manual. This is to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Group and our minority Shareholders. See the sections entitled "Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Contractual Arrangements with an Interested Person" and "Interested Person Transactions and

Potential Conflicts of Interest – Review of Non-Mandated Interested Person Transactions and Review by our Audit and Risk Management Committee” of this Prospectus for further details.

Undertakings in respect of the Contractual Arrangements

We have provided the following undertakings to the SGX-ST in respect of the Contractual Arrangements that we will:

- (a) provide an annual confirmation in our full year financial results announcement, that there is no change in the relevant PRC laws and regulations applicable to our PRC Affiliated Entities which would affect the external auditors’ basis of consolidation of the PRC Affiliated Entities’ accounts at the Group level. Where there are changes to the relevant PRC laws and regulations in respect of the Contractual Arrangements:
 - (i) we will obtain a legal opinion from an established law firm and assess whether such changes would affect the external auditors’ basis of consolidation of the PRC Affiliated Entities’ accounts at the Group level. Any material impact to our Company’s or our Group’s business or operations arising from the changes in relevant PRC laws and regulations in respect of the Contractual Arrangements will be announced; and
 - (ii) which result in the Contractual Arrangements being invalid, we will announce the changes in the relevant PRC laws and regulations, the implications and the proposed actions to be taken by our Company in a timely manner;
- (b) ensure that the Contractual Arrangements will be unwound as soon as practicable and without undue delay when the relevant PRC laws and regulations allow our PRC Affiliated Entities’ businesses to be operated without them;
- (c) establish the following arrangements to protect our Company’s interests in the event of any change of our PRC Affiliated Entities’ registered shareholders, registered owners or legal representatives to ensure continuity and avoid practical difficulties in enforcing the Contractual Arrangements:
 - (i) pursuant to the Equity Pledge Agreements, the Individual Shareholders and Tianjin Changxin will undertake to our GHY WFOEs, including but not limited to, that the Individual Shareholders and Tianjin Changxin, will not sell, lease, lend, transfer, assign, gift, re-mortgage, trust, make capital contribution with the pledged equity or otherwise dispose of all or part of the pledged equity, agree to make resolutions to increase or decrease the registered capital of Tianjin Changxin or the relevant PRC Affiliated Entity, respectively, or agree to any form of initial public offering, backdoor listing and/or asset restructuring, without the prior written consent of our GHY WFOEs, and the aforementioned undertakings would restrict the Individual Shareholders from pledging their interests in our PRC Affiliated Holdco and/or Tianjin Changxin’s interests in our PRC Affiliated Entities, as collateral and/or encumbrance for any loans undertaken by the Individual Shareholders;
 - (ii) pursuant to the Exclusive Business Cooperation Agreements, the Individual Shareholders and the shareholder(s) of the relevant PRC Affiliated Entity shall appoint the persons designated by the relevant GHY WFOE as the directors/executive directors, members of the board of supervisors not elected by the staff representatives (if applicable), chief financial officer/financial officer and other management personnel (including the general manager and other executive officers) of our PRC Affiliated Entities, and will not be able to change such persons (which includes the legal representative(s), who shall be the director or general manager of the relevant PRC Affiliated Entity) without the prior consent of the relevant GHY WFOE; and

- (iii) the Individual Shareholders and Tianjin Changxin have provided the Powers of Attorney in favour of the relevant GHY WFOE, appointing our GHY WFOE and its designated third party as trustee and as each of their sole, comprehensive and exclusive agent, and in the name of the Individual Shareholders or Tianjin Changxin, to exercise all rights they enjoy as the shareholder of the relevant PRC Affiliated Entity to allow our GHY WFOE to pass the relevant shareholders' resolution approving the change in director(s) and/or general manager(s) (and consequently, the legal representative(s), who shall be the director or general manager of the relevant PRC Affiliated Entity), in accordance with the laws and articles of association of our PRC Affiliated Entity;
- (d) ensure that we would increase our shareholding interests in our PRC Affiliated Entities as soon as practicable and without undue delay to the corresponding foreign ownership limit, when the relevant PRC laws and regulations allow for an increased foreign ownership proportion limit for the restricted business, including the exercise of the exclusive rights under the Agreements on Exclusive Purchasing Power to purchase the entire equity interests of the relevant PRC Affiliated Entity when the relevant PRC laws and regulations permit the relevant GHY WFOE to directly hold the equity interests of the relevant PRC Affiliated Entity. Where we would be required to acquire the legal interests with the payment of consideration, we will consider such matters as an interested person transaction and subject to the requirements under Chapter 9 of the Listing Manual;
- (e) include provisions in the Contractual Arrangements to ensure material changes to the terms of the Contractual Arrangements shall be subject to our Shareholders' approval; and
- (f) exclude entrenchment provisions which entrench the Individual Shareholders in the Contractual Arrangements and/or the constituent documents of our PRC Affiliated Entities.

Mr. Guo Jingyu (as an Individual Shareholder), Mr. Xue Xin (as an Individual Shareholder, and the director and legal representative of each of our PRC Affiliated Entities) and Tianjin Changxin (as the registered shareholder and registered owner of 100% interest in the rest of our PRC Affiliated Entities) have each provided the following undertakings in respect of the Contractual Arrangements, that when the relevant PRC laws and regulations in respect of the Contractual Arrangements allow the business of our PRC Affiliated Entities to be operated without the Contractual Arrangements, each of Mr. Guo Jingyu, Mr. Xue Xin and Tianjin Changxin will:

- (a) facilitate the unwinding of the Contractual Arrangements so as to ensure that the Contractual Arrangements would be unwound as soon as practicable and without undue delay; and
- (b) return to our Group any consideration he or it receives in the event that our Group acquires all of our PRC Affiliated Entities' shares when unwinding the Contractual Arrangements.

Directors and Legal Representatives of our GHY WFOEs

The director and legal representative of each of our GHY WFOEs are as follows:

GHY WFOE	Director	Legal Representative
Tianjin Xinyuan Culture & Broadcast Co., Ltd.	Xue Xin (薛鑫)	Xue Xin (薛鑫)
Beijing Xinyuan Culture & Broadcast Co., Ltd.	Xue Xin (薛鑫)	Xue Xin (薛鑫)

Registered Shareholders, Directors, Legal Representatives and other Management Personnel of our PRC Affiliated Entities

The registered shareholder, director and legal representative of each of our PRC Affiliated Entities are as follows:

PRC Affiliated Entity	Registered Shareholder	Director	Legal Representative	Effective Control through Contractual Arrangements
Beijing Changxin Film & Media Co., Ltd.	Tianjin Changxin Film & Media Co., Limited (100%)	Xue Xin (薛鑫)	Xue Xin (薛鑫)	100%
Beijing Yizhongdao Film & Media Co., Ltd.	Tianjin Changxin Film & Media Co., Limited (100%)	Xue Xin (薛鑫)	Xue Xin (薛鑫)	100%
Tianjin Changxin Film & Media Co., Ltd.	Guo Jingyu (98.04%) Xue Xin (1.96%)	Xue Xin (薛鑫)	Xue Xin (薛鑫)	100%
Tianjin Ruyang Film & Media Co., Ltd.	Tianjin Changxin Film & Media Co., Limited (100%)	Xue Xin (薛鑫)	Xue Xin (薛鑫)	100%

See the section entitled “Management and Corporate Governance – Legal Representatives” of this Prospectus for further information on the powers and duties of the legal representatives of our PRC Affiliated Entities.

Under the Contractual Arrangements, our GHY WFOEs are granted rights under the terms of the Exclusive Business Cooperation Agreements and the respective Powers of Attorney to: (i) select the senior executives and employees of our PRC Affiliated Entities; (ii) appoint, change or remove directors; and (iii) nominate or recommend appropriate personnel to act as the general manager, chief financial officer, manager or other senior executives of our PRC Affiliated Entities. Given that the existing employees of our PRC Affiliated Entities, including the directors, chief financial officer, financial officers and other management personnel of our PRC Affiliated Entities, have been selected and employed by our management, our GHY WFOEs are deemed to have consented to the appointment of the existing directors, chief financial officer, financial officers and other management personnel of our PRC Affiliated Entities upon the entry to the Contractual Arrangements given that our PRC Affiliated Entities have undertaken to conduct their respective business in accordance with the instructions of our GHY WFOEs under the Contractual Arrangements. It is not expected that there will be any immediate changes to such existing personnel of our PRC Affiliated Entities following the admission of our Company to the Official List of the SGX-ST. In the event of any proposed change of such directors, chief financial officer, financial officers or other management personnel of our PRC Affiliated Entities, the prior written consent of our GHY WFOEs will be required for the appointment of such personnel of our PRC Affiliated Entities under the terms of the Contractual Arrangements.

Continuing Disclosures in relation to the Contractual Arrangements

We will keep our Shareholders informed of, including but not limited to, the following:

- (a) changes to the registered shareholders, registered owners and/or legal representatives of our PRC Affiliated Entities;
- (b) changes to the shareholding interests in our PRC Affiliated Entities arising from changes in the relevant PRC laws and regulations;
- (c) any material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and its impact on our Group;
- (d) any unwinding of the Contractual Arrangements or failure to unwind when the legal and/or regulatory restrictions that led to the adoption of the Contractual Arrangements are no longer in place;
- (e) appropriate quantitative information, including the revenue and assets derived from the Contractual Arrangements in the quarterly and half yearly financial results announcements of our Company;
- (f) where there has been any material change to the terms of the Contractual Arrangements within the relevant financial year, summary of the major terms of the Contractual Arrangements in the annual report of our Company; and
- (g) rationale for the use of the Contractual Arrangements, the associated risks and the actions taken by our Company to mitigate such risks in the annual report of our Company.

CORPORATE REORGANISATION

We have, prior to the Offering, implemented the Corporate Reorganisation in preparation for the Listing on the SGX-ST. Pursuant to the Corporate Reorganisation, our Company became the holding company of our Group. Details regarding the Corporate Reorganisation from 1 January 2017 up to the Latest Practicable Date are as follows:

(1) Incorporation of Tianjin Changxin

Tianjin Changxin was incorporated in the PRC as a limited liability company on 22 March 2018. The principal activity of Tianjin Changxin is TV program and film production. At the time of incorporation, Tianjin Changxin had a registered capital of RMB3.0 million and Mr. Guo Jingyu held 100% of the equity interest in Tianjin Changxin.

In November 2018, the registered capital of Tianjin Changxin was increased to RMB3.06 million and each of Mr. Zhang Sheng and Mr. Chen Minzheng had subscribed for RMB0.03 million and RMB0.03 million of the increased registered capital, respectively, representing in aggregate 1.96% of the enlarged equity interest in Tianjin Changxin. In May 2019, Mr. Xue Xin, our Senior Director of TV Program and Film Production, acquired 1.96% of the equity interest in Tianjin Changxin from Mr. Zhang Sheng and Mr. Chen Minzheng. Mr. Zhang Sheng is an unrelated third party and in respect of Mr. Chen Minzheng, we have entered into an exclusive services and collaboration agreement with him, further details of which are described in the section entitled “History and Business – Our Business – Costumes, Props and Make-up Services” of this Prospectus.

Subsequent to such acquisition of the 1.96% of the equity interest in Tianjin Changxin by Mr. Xue Xin, Mr. Guo Jingyu and Mr. Xue Xin collectively hold 100.0% of the equity interest in Tianjin Changxin, in the proportion of 98.04% and 1.96%, respectively.

(2) Incorporation of our Company

Our Company was incorporated in the Cayman Islands on 29 May 2018 as an exempted company with limited liability. Our principal activity is that of an investment holding company. At the date of incorporation, our Company had an issued and paid-up share capital of US\$1.00, comprising one share of a par value of US\$1.00 held by Sertus Nominees (Cayman) Limited, which was transferred to G.Y Media & Entertainment Limited (the investment holding vehicle of, and wholly-owned by, Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder) on the date of incorporation of our Company.

(3) Acquisition of GHY Singapore and GHY Malaysia

In June to July 2018, our Company had undertaken the Share Exchanges as described below, in order to acquire GHY Singapore and indirectly, GHY Malaysia, being a wholly-owned subsidiary of GHY Singapore. GHY Singapore was incorporated in Singapore as a private company limited by shares on 4 May 2017 under the name of “Perfect World Pictures (Singapore) Pte. Ltd.” and GHY Malaysia was incorporated in Malaysia as a private company limited by shares on 6 September 2017 under the name of “Perfect World Pictures (Malaysia) Sdn Bhd”.

In connection with the Share Exchanges, the name of GHY Singapore was changed to “G.H.Y Culture & Media (Singapore) Pte. Ltd.” on 4 June 2018 and name of GHY Malaysia was changed to “GHY Culture & Media (Malaysia) Sdn Bhd” on 12 June 2018.

Share Exchange on 21 June 2018

On 21 June 2018, our Company entered into a share exchange agreement with Bestin B & J Holding Ltd., Bestin J & B Holding Ltd., Sweet B & J Holding Ltd. and Taiho Holding Ltd, pursuant to which our Company acquired an aggregate of 6,000,002 ordinary shares of GHY Singapore on the same date, representing approximately 66.7% of the total number of ordinary shares in GHY Singapore at the relevant time. Bestin B & J Holding Ltd. and Bestin J & B Holding Ltd. are the investment holding vehicles of Mr. John Ho, our Substantial Shareholder, Sweet B & J Holding Ltd. is the investment holding vehicle of Ms. Lian Lee Lee and Taiho Holding Ltd is the investment holding vehicle of Mr. Yang Jun Rong and Mdm. Yeh Hui Mei, our Substantial Shareholders.

The consideration for the Share Exchanges was satisfied by the issuance of an aggregate of 24,000,000 ordinary shares of par value US\$0.0001 each in our Company to the respective transferees, representing an aggregate of approximately 27.3% of our total issued shares as at the date of the Share Exchange:

- (a) 1,625,000 ordinary shares in GHY Singapore were transferred by Bestin B & J Holding Ltd. to our Company in consideration for the issuance of 6,500,000 ordinary shares of par value of US\$0.0001 each in our Company to Bestin B & J Holding Ltd., representing approximately 7.4% of our total issued shares as at the date of the Share Exchanges;
- (b) 1,625,001 ordinary shares in GHY Singapore were transferred by Bestin J & B Holding Ltd. to our Company in consideration for the issuance of 6,500,000 ordinary shares of par value of US\$0.0001 each in our Company to Bestin J & B Holding Ltd., representing approximately 7.4% of our total issued shares as at the date of the Share Exchanges;
- (c) 750,001 ordinary shares in GHY Singapore were transferred by Sweet B & J Holding Ltd. to our Company in consideration for the issuance of 3,000,000 ordinary shares of par value of US\$0.0001 each in our Company to Sweet B & J Holding Ltd., representing approximately 3.4% of our total issued shares as at the date of the Share Exchanges; and
- (d) 2,000,000 ordinary shares in GHY Singapore were transferred by Taiho Holding Ltd to our Company in consideration for the issuance of 8,000,000 ordinary shares of par value of US\$0.0001 each in our Company to Taiho Holding Ltd, representing approximately 9.1% of our total issued shares as at the date of the Share Exchanges.

Share Exchange on 16 July 2018

On 12 July 2018, our Company entered into a share exchange agreement with Epical Entertainment Limited, pursuant to which our Company acquired 3,000,000 ordinary shares of GHY Singapore from Epical Entertainment Limited on 12 July 2018, representing approximately 33.3% of the total number of ordinary shares in GHY Singapore at the relevant time. The consideration for the Share Exchange was satisfied by the issuance of 12,000,000 ordinary shares of par value of US\$0.0001 each in our Company to Epical Entertainment Limited on 16 July 2018, representing 12.0% of our total issued shares as at the date of the Share Exchange.

Upon completion of the Share Exchange on 21 June 2018 and the Share Exchange on 16 July 2018, our Company held 9,000,002 ordinary shares in GHY Singapore, representing 100% of the total number of ordinary shares in GHY Singapore at the relevant time. The consideration for the acquisition of GHY Singapore by our Company pursuant to the Share Exchanges described above was determined on a willing-buyer, willing-seller basis with

reference to the fair value of the shares in GHY Singapore at the time, but was not conducted on an arm's length basis or on normal commercial terms as this was pursuant to an internal restructuring exercise.

Subsequent to the above, GHY Singapore became a wholly-owned direct subsidiary of our Company and GHY Malaysia became a wholly-owned indirect subsidiary of our Company.

(4) Incorporation of GHY Australia

On 20 July 2018, GHY Australia was incorporated in Australia as a proprietary company limited by shares. The principal activity of GHY Australia is concert production. At the time of incorporation, GHY Australia had an issued and paid-up share capital of AUD200,000, comprising 200,000 shares held by GHY Singapore.

(5) Incorporation of Beijing Changxin

On 22 August 2018, Beijing Changxin was incorporated in the PRC as a limited liability company. The principal activity of Beijing Changxin is TV program and film production. At the time of incorporation, Beijing Changxin had a registered capital of RMB3.0 million and 100% of the equity interest was held by Tianjin Changxin.

(6) Incorporation of GHY Hong Kong

On 30 August 2018, GHY Hong Kong was incorporated in Hong Kong as a limited liability company. The principal activity of GHY Hong Kong is investment holding. At the time of incorporation, GHY Hong Kong had an issued and paid-up share capital of HK\$1.00, comprising one share held by our Company.

(7) Incorporation of Tianjin Xinhe

On 27 March 2019, Tianjin Xinhe was incorporated in the PRC as a limited liability company. The principal activity of Tianjin Xinhe is talent management and the renting and leasing of concert equipment. At the time of incorporation, Tianjin Xinhe had a registered capital of RMB3.0 million and 100% of the equity interest was held by GHY Hong Kong.

On 29 September 2019, 100% of the equity interest in Tianjin Xinhe was transferred by GHY Hong Kong to Tianjin Changxin for a consideration of RMB1,080,000, which was determined based on the net asset value of Tianjin Xinhe, pursuant to an internal restructuring exercise.

(8) Incorporation of Tianjin Zhengzai

On 19 April 2019, Tianjin Zhengzai was incorporated in the PRC as a limited liability company. The principal activity of Tianjin Zhengzai is the provision of costumes, props and make-up services for drama production. At the time of incorporation, Tianjin Zhengzai had a registered capital of RMB3.0 million and 100% of the equity interest was held by Tianjin Xinhe.

(9) Incorporation of Huahuo Entertainment

On 19 April 2019, Huahuo Entertainment was incorporated in the PRC as a limited liability company. The principal activity of Huahuo Entertainment is talent management. At the time of incorporation, Huahuo Entertainment had a registered capital of RMB3.0 million and 100% of the equity interest was held by Tianjin Xinhe.

(10) Incorporation of Tianjin Ruyang

On 29 July 2019, Tianjin Ruyang was incorporated in the PRC as a limited liability company. The principal activity of Tianjin Ruyang is TV program and film production. At the time of incorporation, Tianjin Ruyang had a registered capital of RMB3.0 million and 100% of the equity interest was held by Tianjin Changxin.

(11) Subscription by Mr. Ong Pang Aik

On 24 March 2020, 1,093,000 ordinary shares of par value of US\$0.0001 each of our Company were issued to Mr. Ong Pang Aik as repayment of the outstanding loan and accrued interest from our Company to Mr. Ong Pang Aik. Following the completion of the subscription, Mr. Ong Pang Aik held approximately 1.20% of the issued and paid-up share capital of our Company.

(12) Incorporation of Tianjin Xinyuan

On 9 April 2020, Tianjin Xinyuan was incorporated in the PRC as a limited liability company. The principal activity of Tianjin Xinyuan is consultancy services. At the time of incorporation, Tianjin Xinyuan had a registered capital of RMB3.0 million and 100% of the equity interest was held by GHY Hong Kong.

(13) Incorporation and acquisition of 70.0% equity interest in Beijing Yizhongdao

On 19 April 2019, Beijing Yizhongdao was incorporated in the PRC as a limited liability company. The principal activity of Beijing Yizhongdao is TV program and film production. At the time of incorporation, Beijing Yizhongdao had a registered capital of RMB1.0 million and 30.0% of the equity interest was held by Tianjin Changxin and 70.0% of the equity interest was held by Mr. Wei Zi, an unrelated third party, respectively.

On 26 May 2020, Tianjin Changxin acquired 70.0% of the equity interest in Beijing Yizhongdao, from Mr. Wei Zi, an unrelated third party, for a consideration of RMB0.7 million, which was determined based on the registered share capital of Beijing Yizhongdao. Payment of the consideration was fully satisfied in cash in August 2020 and the registration of the change in shareholding was completed in August 2020. Subsequent to such acquisition of the 70.0% of the equity interest in Beijing Yizhongdao, Beijing Yizhongdao became a wholly-owned subsidiary of Tianjin Changxin.

(14) Incorporation of BJHJHL

On 26 June 2020, BJHJHL was incorporated in Hong Kong as a limited liability company. The principal activity of BJHJHL is investment holding. At the time of incorporation, BJHJHL had an issued and paid-up share capital of HK\$1.00, comprising one share held by BJH (BVI) Limited. Ms. Lian Lee Lee is the sole shareholder of BJH (BVI) Limited.

Each of BJHJHL and BJH (BVI) Limited was incorporated in order to facilitate the restructuring exercise in respect of Tianjin Xinhe (which is the holding company of Tianjin Zhengzai and Huahuo Entertainment) such that Tianjin Xinhe, Tianjin Zhengzai and Huahuo Entertainment would become wholly-owned indirect subsidiaries of our Company in preparation for the Listing on the SGX-ST. In connection with such restructuring exercise, BJHJHL became a wholly-owned direct subsidiary of our Company. See “Restructuring of Tianjin Xinhe, Tianjin Zhengzai, Huahuo Entertainment and BJHJHL” below for further details.

(15) Disposal of 51.0% interest in Beijing Lingzhanglei

Tianjin Changxin held 51.0% of the equity interest in Beijing Lingzhanglei Film & Media Co., Limited (北京灵长类影视传媒有限公司) (“**Beijing Lingzhanglei**”), which was incorporated in the PRC as a limited liability company on 16 May 2019. The principal activity of Beijing Lingzhanglei is TV program and film production and the remaining 49.0% of the equity interest in Beijing Lingzhanglei was held by Linghe Culture & Media (Shanghai) Co., Ltd. (灵河文化传媒(上海)有限公司) (“**Linghe Shanghai**”), an unrelated third party. Beijing Lingzhanglei had contributed to less than 1.0% of the net total assets, revenue and profit after tax of our Group in FY2019.

As Beijing Lingzhanglei is a subsidiary of Tianjin Changxin, our Group would have to enter into similar contractual arrangements in respect of Beijing Lingzhanglei in order for operational control and economic rights over Beijing Lingzhanglei (based on our shareholding proportion) to be conferred to our Group and for our Group to exercise control over the business operations of Beijing Lingzhanglei and enjoy substantially all the economic rights arising from the business of Beijing Lingzhanglei (based on our shareholding proportion). However, as we were unable to reach a mutual agreement with Linghe Shanghai on the entry into such contractual arrangements in respect of Beijing Lingzhanglei and in respect of the Listing, it was agreed that Tianjin Changxin would dispose of its equity interest in Beijing Lingzhanglei to Linghe Shanghai instead.

Accordingly, on 11 June 2020, Tianjin Changxin disposed 51.0% of the equity interest in Beijing Lingzhanglei to Linghe Shanghai for a consideration of RMB510,000, which was determined based on the registered share capital of Beijing Lingzhanglei. The consideration was fully satisfied in cash in August 2020.

(16) Disposal of 27.6% interest in Beijing Honghaier

Tianjin Changxin had acquired 27.6% of the equity interest in Beijing Honghaier Film & Culture Co., Limited (北京红孩儿映画影视文化有限公司) (“**Beijing Honghaier**”) from Nanjing Xuexin Film & Culture Studio (南京薛鑫影视文化工作室), which is a sole proprietorship established by Mr. Xue Xin, our Senior Director of TV Program and Film Production, for a consideration of approximately RMB2.0 million, which was determined based on the paid-up share capital of Beijing Honghaier. Upon completion of the disposal of the equity interest in Beijing Honghaier to Tianjin Changxin, Mr. Xue Xin ceased to have any interest, direct or indirect, in Beijing Honghaier.

Beijing Honghaier was incorporated in the PRC as a limited liability company on 21 August 2017 and its principal activity is script production. The remaining 72.4% of the equity interest in Beijing Honghaier were held by unrelated third parties.

As Beijing Honghaier was an associated company of Tianjin Changxin, our Group would have to enter into similar contractual arrangements in respect of Beijing Honghaier in order for operational control and economic rights over Beijing Honghaier (based on our shareholding proportion) to be conferred to our Group and for our Group to exercise control over the business operations of Beijing Honghaier and enjoy substantially all the economic rights arising from the business of Beijing Honghaier (based on our shareholding proportion). However, as our Group did not hold a controlling stake in Beijing Honghaier and there were other unrelated third party shareholders in Beijing Honghaier, we were not in a position to compel such unrelated third parties to enter into such contractual arrangements in respect of Beijing Honghaier and in respect of the Listing. As such, our Group decided that Tianjin Changxin would dispose of its equity interest in Beijing Honghaier instead.

On 18 June 2020, Tianjin Changxin transferred 27.6% of the equity interest in Beijing Honghaier to Tianjin Jianxin Culture & Broadcast Co., Ltd., a subsidiary of Perfect World, for a consideration of approximately RMB17.9 million, which was determined based on an independent valuation conducted on Beijing Honghaier commissioned by the purchaser, pursuant to a share purchase agreement entered into between Tianjin Changxin and Tianjin Jianxin Culture & Broadcast Co., Ltd.. The consideration was fully satisfied in cash in August 2020, and the registration of the transfer of the equity interest was completed in September 2020. Notwithstanding that the principal activity of Beijing Honghaier is script production, the disposal of our Group's interest in Beijing Honghaier is not expected to have any material impact on our operations as Beijing Honghaier had contributed to less than 1.0% of the net total assets, revenue and profit after tax of our Group in each of FP2018, FY2019 and 6M2020, and our Group has already established our own scriptwriting team and is able to undertake script production.

(17) Restructuring of Tianjin Xinhe, Tianjin Zhengzai, Huahuo Entertainment and BJHJHL

In preparation for the Listing on the SGX-ST, our Group had undertaken a restructuring exercise (the "**Tianjin Xinhe Restructuring Exercise**") in respect of Tianjin Xinhe (which is the holding company of Tianjin Zhengzai and Huahuo Entertainment), in order to facilitate the transfer of Tianjin Xinhe from Tianjin Changxin to Tianjin Xinyuan, such that Tianjin Xinhe, Tianjin Zhengzai and Huahuo Entertainment became wholly-owned indirect subsidiaries of our Company and BJHJHL became a wholly-owned direct subsidiary of our Company upon completion of the following:

- (a) on 21 July 2020, BJHJHL subscribed for approximately RMB0.16 million of the registered share capital of Tianjin Xinhe, following which BJHJHL held 5.0% of the equity interest in Tianjin Xinhe;
- (b) on 26 August 2020, Tianjin Changxin transferred 95.0% of the equity interest in Tianjin Xinhe to Tianjin Xinyuan for a consideration of RMB1,235,000, which was fully satisfied in cash; and
- (c) on 12 October 2020, BJH (BVI) Limited transferred 100.0% of the equity interest in BJHJHL to our Company for a nominal consideration of HKD1, which was fully satisfied in cash.

Subsequent to the above, Tianjin Xinhe, Tianjin Zhengzai and Huahuo Entertainment became wholly-owned indirect subsidiaries of our Company and BJHJHL became a wholly-owned direct subsidiary of our Company. The Tianjin Xinhe Restructuring Exercise was undertaken in the above manner as pursuant to discussions with the Tianjin Municipal Bureau of Commerce on the approval process for the proposed restructuring steps, the Tianjin Municipal Bureau of Commerce had confirmed that such restructuring steps would generally require a shorter time to implement in practice due to an easier filing process with the relevant authorities. Accordingly, we had undertaken the Tianjin Xinhe Restructuring Exercise in the above manner as such restructuring steps were considered more expedient, given that they would require a shorter implementation time.

The Legal Adviser to our Company as to PRC Law has advised that (i) each of the agreements effecting the Tianjin Xinhe Restructuring Exercise which is governed by PRC laws and regulations has been duly authorised and executed and is legal, valid and binding on the parties therewith and enforceable in accordance with its terms; and (ii) all necessary approvals, permits and licences required under the applicable PRC laws and regulations in connection with the Tianjin Xinhe Restructuring Exercise have been obtained.

The Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law have advised that the Tianjin Xinhe Restructuring Exercise has complied with all applicable PRC laws and regulations in all material respects.

(18) Incorporation of Beijing Xinyuan

On 28 August 2020, Beijing Xinyuan was incorporated in the PRC as a limited liability company. The principal activity of Beijing Xinyuan is consultancy services. At the time of incorporation, Beijing Xinyuan had a registered capital of RMB3.0 million and 100% of the equity interest was held by GHY Hong Kong.

(19) Entry into Contractual Arrangements

On 1 November 2020, our Company, through our GHY WFOEs, namely Tianjin Xinyuan and Beijing Xinyuan, entered into the Contractual Arrangements with the Individual Shareholders and each of our PRC Affiliated Entities, under which operational control and economic rights over our PRC Affiliated Entities are conferred to our Group, which allow our Group to exercise control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities. See the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” for further information in relation to the Contractual Arrangements.

Following the completion of the Corporate Reorganisation of our Group, our Company became the holding company of our subsidiaries and PRC Affiliated Entities. See the section entitled “Corporate Structure and Ownership” for the corporate structure of our Group.

Each of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law has advised that the Corporate Reorganisation has complied with all relevant PRC laws and regulations in all material respects.

HISTORY AND BUSINESS

BUSINESS OVERVIEW

Our Group is an entertainment business that focuses on the production and promotion of dramas, films and concerts in the Asia-Pacific region. We have produced TV and web dramas and films in the PRC, Singapore and Malaysia which have been broadcasted and/or distributed on TV networks, such as CCTV, and video streaming platforms in the PRC, such as iQIYI and YOUKU. We have also started production of our first online short drama series in October 2020. Our Group has undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Singapore, Malaysia and Australia. In addition, we also provide talent management services and costumes, props and make-up services in the PRC and Singapore.

We have established production teams in the PRC and Singapore for both our TV program and film production business and concert production business, and have successfully undertaken and completed the production of a number of dramas, films and concerts since our inception. As at the Latest Practicable Date, our Group has already completed the production or co-production of six dramas and one film series. In particular, three of our dramas, “Perfect Village 最美的乡村”, “The Little Nyonya 小娘惹” and “The Frontliners 最美逆行者”, were broadcasted and distributed on CCTV and/or iQIYI and received positive reception and high viewership ratings. According to Frost & Sullivan, “Perfect Village 最美的乡村” ranked first in terms of viewership ratings across the full series of 30 episodes among all TV series broadcasted on TV channels during the same time slot when it was aired, and “The Little Nyonya 小娘惹” ranked third in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot when it was aired for episodes 1 to 17, and first in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot when it was aired for episodes 18 to 45. “The Frontliners 最美逆行者”, which was also broadcasted in the PRC in September 2020, ranked second for episodes 1 to 4, first for episodes 5 to 13 and third for episode 14, in terms of average viewership ratings among other TV series broadcasted during the same time slot.

Our total revenue amounted to approximately S\$3.4 million, S\$66.0 million and S\$37.2 million in FP2018, FY2019 and 6M2020, respectively. We recorded a loss of approximately S\$0.7 million in FP2018 and profit after tax of approximately S\$12.4 million and S\$13.0 million in FY2019 and 6M2020, respectively.

OUR HISTORY

Our Group was formed through the collaborative efforts of Mr. Guo Jingyu, our Executive Chairman and Group CEO, Ms. Yue Lina and Ms. Wang Qing, our Executive Directors, and Mr. Yang Jun Rong, our Non-Executive Director, with assistance rendered by our Group Adviser, Mr. John Ho.

Our Company was incorporated in May 2018 to rationalise the corporate structure of our Group. However, some of our subsidiaries and PRC Affiliated Entities had already commenced operations in certain jurisdictions prior to the Corporate Reorganisation of our Group. Further details of the Corporate Reorganisation are set out in the section entitled “Corporate Structure and Ownership – Corporate Reorganisation” of this Prospectus.

Mr. Guo Jingyu, our Executive Chairman and Group CEO, is an established veteran in the media and entertainment industry in the PRC, with more than 25 years of experience as a producer, director and scriptwriter. He has produced and directed numerous highly successful dramas and films and received numerous accolades for his works. Prior to establishing our Group, Mr. Guo Jingyu was a producer, director and scriptwriter with Perfect World from March 2011 to December 2018, a company listed on the Shenzhen Stock Exchange which engages in the production, distribution and marketing of film and TV content, content-related advertising and merchandising business, as well as talent management services business.

In May 2017, Mr. Guo Jingyu, as an employee of Perfect World and acting under the direction of Perfect World, decided to venture into the media and entertainment industry in Singapore. In view of Mr. John Ho's familiarity and knowledge of the Singapore and Malaysia media and entertainment industry, Mr. Guo Jingyu decided to tap on Mr. John Ho's business connections for the venture into the Singapore industry. Accordingly, GHY Singapore (which was formerly known as "Perfect World Pictures (Singapore) Pte. Ltd. (完美建信(新加坡)私人有限公司)") was incorporated by Mr. John Ho and Ms. Lian Lee Lee, who is Mr. John Ho's spouse, as initial subscribers, and Mr. Guo Jingyu was appointed as the sole director of GHY Singapore. Perfect World, through its subsidiary, Perfect Credit Pictures (Singapore) Pte. Ltd., became a 60.0% shareholder of GHY Singapore in September 2017.

Mr. Yang Jun Rong also joined GHY Singapore through the acquisition of approximately 25.0% of the shareholding interest in GHY Singapore and his appointment as a director of GHY Singapore in 2017. Mr. Yang Jun Rong is an established music producer with more than 25 years of experience in the music industry and a music director of a record and management company established in Taiwan. Mr. Yang Jun Rong's expertise is in the Chinese music industry and concert production business, and his participation complemented and augmented Mr. Guo Jingyu's expertise in drama and film production and Mr. John Ho's advisory insights into the Singapore media and entertainment industry, hence establishing the business direction of the venture in the media and entertainment industry in drama, film and concert production.

Recognising the potential growth and its proximity to Singapore, GHY Malaysia (which was formerly known as Perfect World Pictures (Malaysia) Sdn Bhd) was incorporated as a wholly-owned subsidiary of GHY Singapore in September 2017, for the purposes of carrying out production activities in Malaysia.

Separately, in March 2018, Mr. Guo Jingyu incorporated Tianjin Changxin as the PRC production arm of our Group and as its sole shareholder and director and legal representative.

Having felt that he had reached the pinnacle of his career as an employee and desiring to implement his vision and strategies as a business owner, Mr. Guo Jingyu subsequently decided and agreed with Perfect World amicably that he would build upon and develop the operations of GHY Singapore, GHY Malaysia and Tianjin Changxin, on his own account (instead of as an employee of Perfect World) together with Mr. Yang Jun Rong as our Non-Executive Director and Mr. John Ho as our Group Adviser. With the business direction of our Group in mind, Mr. Guo Jingyu, with the support of Mr. Yang Jun Rong and Mr. John Ho, targeted the development of our Group in other countries. To this end, the Corporate Reorganisation was undertaken in order to streamline our corporate structure for the expansion of our Group and arrangements were made for Mr. Guo Jingyu to leave Perfect World and continue on the growth of our Group without the involvement of Perfect World. As at the Latest Practicable Date, Mr. Guo Jingyu and/or his Associates do not hold any shareholding interest in Perfect World.

Our Company was therefore established on 29 May 2018 under the name "G.H.Y Culture & Media Holding Co., Limited" with the intention to be the holding company of GHY Singapore and GHY Malaysia. In this connection, our Company had acquired GHY Singapore from the respective shareholders of GHY Singapore at the time, including Perfect World (which held its shares through its indirect wholly-owned subsidiary, Epical Entertainment Limited), through the Share Exchanges conducted from June to July 2018, further details of which are set out in the section entitled "Corporate Structure and Ownership – Corporate Reorganisation" of this Prospectus. Prior to such Share Exchanges, Mr. Guo Jingyu did not hold any equity interest in GHY Singapore, although he had been and continues to be a director of GHY Singapore since its inception. Subsequent to the Share Exchanges, Mr. Guo Jingyu became our Controlling Shareholder with 64.0% shareholding interest in our Company, with Mr. Yang Jun Rong, Mr. John Ho, Ms. Lian Lee Lee and Perfect World holding 8.0%, 13.0%, 3.0% and 12.0% shareholding interest in our Company, respectively. Mr. John Ho has been a Substantial Shareholder of our Company since such Share Exchanges.

To reflect the change in control and distinguish our Group from Perfect World, our Group underwent a renaming exercise to build our own corporate identity under the “G.H.Y Culture & Media 长信传媒” brand and the names of GHY Singapore and GHY Malaysia were changed to “G.H.Y Culture & Media (Singapore) Pte. Ltd.” and “GHY Culture & Media (Malaysia) Sdn Bhd”, respectively. Perfect World further reduced its shareholding interest in our Company to approximately 2.2% when we repurchased a part of the shares in our Company held by Epical Entertainment Limited in December 2019. Perfect World is a co-producer for certain of our dramas and we intend to continue working with Perfect World for the co-production of dramas and films as and when suitable opportunities arise in the future.

Mr. Guo Jingyu’s departure from Perfect World was finalised in December 2018 and he was joined by Ms. Yue Lina, our Executive Director, Mr. Xue Xin, our Senior Director of TV Program and Film Production, who were an artistic director and a producer with Perfect World, respectively, as well as Ms. Wang Qing, our Executive Director, who was a tax director with Perfect World, in end March 2019. Ms. Yue Lina, who is an established executive producer and actress with over 20 years of experience in the PRC film industry, is also Mr. Guo Jingyu’s spouse. Leveraging on their combined industry experience and expertise, our PRC production team has completed the production or co-production of five dramas and one film series in the PRC since our establishment. The first episode of our first drama “Perfect Village 最美的乡村” was broadcasted on CCTV in the PRC on 6 June 2020 and according to Frost & Sullivan, “Perfect Village 最美的乡村” had ranked first place in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot.

We have successfully diversified the entertainment business of our Group and have established our TV program and film production, concert production, talent management services and costumes, props and make-up services businesses in the PRC and Singapore. Our Singapore production team has made inroads in the Singapore drama and film industry when GHY Singapore secured the rights to film and produce a remake of the popular Singapore TV drama “The Little Nyonya 小娘惹” in October 2018. The filming of the drama was based primarily in Malaysia and featured actors from Singapore and the PRC, with Mr. Guo Jingyu as the director, Mr. Xue Xin as the producer and Ms. Yue Lina as the executive producer. The drama is currently distributed on CCTV and iQIYI, which operates a video streaming platform in the PRC and is the leading online streaming service provider, according to Frost & Sullivan.

We established our concert production team in Singapore in 2018, with an initial focus of sourcing for suitable artistes and identifying cities and countries where we could potentially venture into the production of concerts, either by way of Concert Organisation and/or Concert Management. GHY Australia was established in July 2018 for the purpose of undertaking concert productions in Australia as a result. Thereafter, we launched our concert production business in October 2019 with the Concert Organisation of a concert for Li Ronghao (李荣浩) as part of the “If I Were Young World Tour” at the Singapore Indoor Stadium. We also undertook the Concert Organisation of two concerts in Singapore in January 2020 for Jay Chou (周杰伦) as part of the “Jay Chou Carnival World Tour” at the Singapore National Stadium, with Singapore being the first stop in Southeast Asia, and upcoming concerts to be held at GIANTS Stadium, Sydney Olympic Park in Sydney, Australia and at National Stadium, Bukit Jalil in Kuala Lumpur, Malaysia by 2021. We have also been granted the rights to undertake the production of concerts for Jay Chou (周杰伦) in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau).

In September 2019, we also participated in the “Story Lab Apprenticeship” programme, an initiative in Singapore supported by the Infocomm Media Development Authority of Singapore, comprising apprenticeships by participants with our drama or film projects in the PRC for at least 12 months. As at the Latest Practicable Date, there are three participants for such programme, which is expected to run from 1 September 2019 to 31 December 2022. Through this programme, we aim to nurture and grow Singapore’s creative talent pool by providing participants with structured training programs in scriptwriting, directing and producing, onsite training at production shoot locations and the opportunity to learn from industry professionals.

With the expansion of our Group’s business, we have established a presence in Singapore and the PRC media and entertainment industry. We intend to focus on the production and promotion of dramas, films, online short drama series and other entertainment content, as well as the production and promotion of concerts and other events, and the provision of costumes, props and make-up services and talent management services in Singapore, the PRC and the Asia-Pacific region in order to expand our market share and capture more business opportunities.

Key Milestones

The table below sets forth key milestones in our Group’s history:

Month/Year	Event
March 2018	<ul style="list-style-type: none"> Our Executive Chairman and Group CEO and Controlling Shareholder, Mr. Guo Jingyu, established Tianjin Changxin, our PRC production arm
May 2018	<ul style="list-style-type: none"> Established our Company
June – July 2018	<ul style="list-style-type: none"> Our Group acquired GHY Singapore, our Singapore production arm, and indirectly, GHY Malaysia as a wholly-owned subsidiary of GHY Singapore
June 2019	<ul style="list-style-type: none"> Completed the production of the dramas “The Little Nyonya 小娘惹” and “Make a Wish Miss Xianqi 仙琦小姐许愿吧”
October 2019	<ul style="list-style-type: none"> Held our first concert in Singapore featuring Li Ronghao (李荣浩)
November 2019	<ul style="list-style-type: none"> Completed the production of the dramas “Dance of the Sky Empire 天舞纪” and “Perfect Village 最美的乡村”
January 2020	<ul style="list-style-type: none"> Completed the production of the first four out of seven films of the film series “I Come From Beijing 我来自北京”, with the release of three of such films on iQIYI and YOUKU Held two concerts in Singapore featuring Jay Chou (周杰伦)
June 2020	<ul style="list-style-type: none"> Release of the first episode of “The Little Nyonya 小娘惹” on iQIYI and CCTV Release of the first episode of “Perfect Village 最美的乡村” on CCTV

TV AND WEB DRAMAS AND FILMS

We have produced or co-produced several TV and web dramas and films which have been or are slated to be broadcasted on TV networks and/or distributed on video streaming platforms in the PRC, such as CCTV, iQIYI and YOUKU. We have also started production of our first online short drama series in October 2020. The TV program and film production business of our Group is largely based in the PRC and is spearheaded by Mr. Guo Jingyu, our Executive Chairman and Group CEO, in order to tap on the large TV broadcasting and video streaming market in the PRC.

We have established production teams of experienced directors, producers and scriptwriters in both the PRC and Singapore. Our PRC production team is led by Mr. Guo Jingyu, who is supported by various industry veterans including Ms. Yue Lina, our Executive Director, Mr. Xue Xin, our Senior Director of TV Program and Film Production, and various directors, producers and scriptwriters who have each been involved in various notable dramas and films in the PRC, including but not limited to:

Name	Role	Drama and Film Experience
Ju Xingmao 巨兴茂 (also known as Man Yi 满意)	Director	“The Ferryman 灵魂摆渡”, “Perfect Youth 最美的青春”, “The Frontliners 最美逆行者”, “To Be With You 约定之青春永驻” and “The Journey Across the Night 我在香港遇见他”
Bai Jiansuo 柏建锁 (also known as Bai Shan 柏杉)	Director	“The Red Lady 红娘子”, “Yangko Dance 大秧歌”, “Brave Heart 勇敢的心” and “Heroes 大侠霍元甲”
Wang Yonghui 王永辉	Director	“My Natasha 我的娜塔莎”, “Brave Heart 勇敢的心” and “Heroes 大侠霍元甲”
Xin Peng 信鹏	Director	“Candle in the Tomb 鬼吹灯” and “The Secret of Sharp Knife 尖刀之风雷诀”
Liu Bo 刘博	Producer	“Mothers Life 娘道”, “Perfect Youth 最美的青春” and “To Be With You 约定之青春永驻”
Zhang Huanyin 张焕引	Producer	“Perfect Youth 最美的青春”, “Perfect Village 最美的乡村” and “I Come From Beijing 我来自北京”
Wang Bing 王冰	Producer	“The Legend of the Condor Heroes (2017) 射雕英雄传 (2017版)”, “Handsome Siblings (2020) 绝代双骄 (2020版)” and “Dance of the Sky Empire 天舞纪”
Han Xiaotian 韩晓天 (also known as Xiao Ji Xiang Tian 小吉祥天)	Scriptwriter	“The Ferryman 灵魂摆渡, 灵魂摆渡2 and 灵魂摆渡3” and “The Ferryman Manjusaka 灵魂摆渡 – 黄泉”
Zhang Hongtao 张弘弢	Scriptwriter	“Perfect Youth 最美的青春”, “Perfect Village 最美的乡村” and “I Come From Beijing – Happy New Year 我来自北京之过年好”
Wei Fenghua 魏风华	Scriptwriter	“Horror Stories of Tang Dynasty 唐朝诡事录”, “Brave Heart 2 勇敢的心2” and “Heroes 大侠霍元甲”

Our Singapore production team is led by Mr. Yeo Saik Pin, an established director, scriptwriter and producer who has worked on several dramas in Singapore, including but not limited to “Metamorphosis 破茧而出”, “The Champion 任我遨游”, “A Child’s Hope 孩有明天” and “Hainan Kopi Tales 琼园咖啡香”, and was previously a Vice President of Mediacorp. He is supported by experienced directors and scriptwriters, some of whom were also previously with Mediacorp.

Dramas and Films

Some of the current and upcoming TV and web dramas and films produced or co-produced by our Group comprise the following:



I Come From Beijing – Braised Goose in Iron Pan 我来自北京之铁锅炖大鹅

Synopsis: Liang Tian is appointed as first secretary of northeast Suibin County to alleviate poverty through the live sale of geese.

Release Date: 25 January 2020

Distributor: YOUKU

Executive Producer: Guo Jingyu

Scriptwriter: Lin Mengjiao

Director: Ju Xingmao

Type: Film (part of a series of seven films)



I Come From Beijing – Helping Brothers 我来自北京之扶兄弟一把

Synopsis: Wang Xiaoshi, a college graduate teams up with Zheng Jinzhu, a village chief as a pair of “young and old duo” to alleviate poverty in their hometown.

Release Date: 29 January 2020

Distributor: iQIYI

Executive Producers: Guo Jingyu, Shu Huan

Scriptwriter: Shu Huan

Director: Bai Shan

Type: Film (part of a series of seven films)



I Come From Beijing – Happy New Year
我来自北京之过年好

Synopsis: A joyous New Year's comedy following Jiang Dawei, a former "first secretary", in his journey of alleviating poverty in Lao Shao Guo Village through the science and technology of agriculture.

Release Date: 29 January 2020

Distributor: iQIYI

Executive Producer: Guo Jingyu
Scriptwriter: Zhang Hongtao
Director: Ju Xingmao

Type: Film (part of a series of seven films)



Perfect Village
最美的乡村

Synopsis: A three-part drama series based on the mission of the Communist party to usher in a new era of prosperity. The drama follows the journey of three young communists and their mission to eliminate poverty within China.

Release Date: 6 June 2020

Distributor: CCTV

Scriptwriters: Guo Jingyu, Yang Yong
Directors: Ju Xingmao, Lai Mukuan

Co-Producer: Perfect World

Type: Drama (30 episodes)



The Little Nyonya
小娘惹

Synopsis: The drama is set in the 1930s and depicts the life and tribulations of three generations of Peranakan women.

Release Date: 28 June 2020

Distributor: iQIYI and CCTV

Chief Executive Producers: Zhuang Dian Jun, Wang Xiaohui
Chief Director: Guo Jingyu
Executive Producers: Lian Lee Lee, Xue Xin, Wang Peijie, Zheng Mingbin, Wang Qing, Deng Hongfei, Li Chunhai
Scriptwriter: Ang Eng Tee
Director: Chia Men Yiang, Wong Kuang Yong

Type: Drama (45 episodes)



Dance of the Sky Empire

天舞纪

Synopsis: The drama follows the journey of notorious demon Li Xuan who disguises as a laid-back and playful student that entered the famous Moyun Martial Arts Academy by chance.

Release Date: 8 July 2020

Distributor: iQIYI

Chief Producer: Yang Bei
Head of Directors: Zhao Jintao

Co-Producer: Perfect World

Type: Drama (28 episodes)



The Frontliners

最美逆行者

Synopsis: A series of stories about the battle against an epidemic.

Release Date: 17 September 2020

Distributor: CCTV

Executive Producers: Guo Jingyu, Bai Yicong
Chief Scriptwriter: Guo Jingyu
Director: Ju Xingmao
Producers: Li Chunhai, Han Bing, Chen Hong, Liu Bo

Type: Drama (14 episodes)



To Be With You

约定之青春永驻

Synopsis: A story where a man and his daughter help Wang Yaping, who suffers from a rare psychogenic amnesia, on her journey to recovery.

Expected Release Date: 4Q2020

Distributor: iQIYI

Executive Producer: Guo Jingyu, Wang Xiaohui
Scriptwriter: Li Zhichao
Chief Director: Ju Xingmao

Type: Drama (6 episodes)



Make a Wish Miss Xianqi

仙琦小姐许愿吧

Synopsis: Chen Xianqi unexpectedly inherits a mysterious bracelet and discovers some sort of mysterious power hidden within it. She and her arch-enemy use the bracelet's special power to help many people and overcome many obstacles together. In the process, they gradually become close.

Expected Release Date: 4Q2020

Producer: Li Chunhai

Chief Director: Wu Zongde

Chief Scriptwriters: Wu Zongde, Hong Hai'er Creative Team, Xia Rui, Wei Shenme, He Yuhong

Co-Producer: Perfect World

Type: Drama (30 episodes)



I Come From Beijing – Tibetan Mani Stone Pile in Autumn

我来自北京之玛尼堆的秋天

Synopsis: To alleviate poverty, officials and volunteers make their way to the Tibetan Plateau to provide education to the ethnic locals.

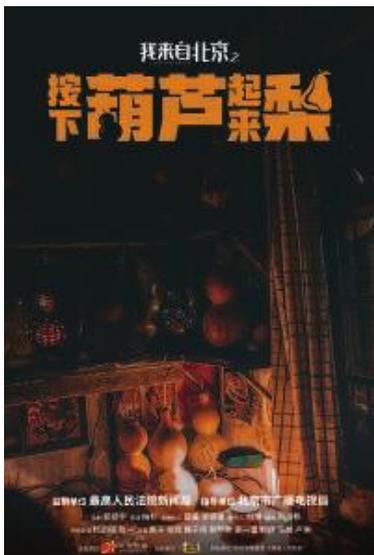
Production: 3Q2020

Producers: Li Chunhai, Zhang Huanyin

Scriptwriter: Zhang Hongtao

Director: Yue Lina

Type: Film (part of a series of seven films)



I Come From Beijing – The Rise of the Pear Village

我来自北京之按下葫芦起来梨

Synopsis: The film portrays the process of socialism and significant development of the grassroots laws in this modern changing time.

Production: 3Q2020

Executive Producer: Guo Jingyu

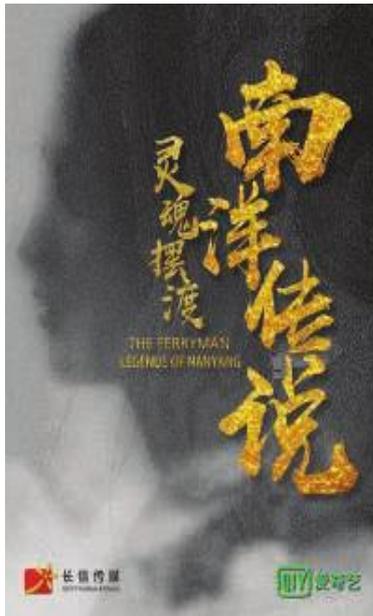
Director: Bai Shan

Chief Producers: Xue Xin, Li Zixiao

Producer: Liu Bo

Scriptwriter: Liu Yuchang

Type: Film (part of a series of seven films)



The Ferryman – Legends of Nanyang

灵魂摆渡 – 南洋传说

Synopsis: Xia Dong Qing, who is able to see souls and spirits, and Zhao Li, a ferryman from the underworld, work together to help numerous wandering souls and spirits fulfil their unfinished business.

Production: 2Q2020 to 4Q2020

Distributor: iQIYI

Executive Producer: Guo Jingyu

Producer: Yeo Saik Pin

Scriptwriter: Xiao Ji Xiang Tian

Directors: Chia Men Yiang, Yo Chen, Fok Chi Kai

Type: Drama (36 episodes)



Sisterhood

南洋女儿情

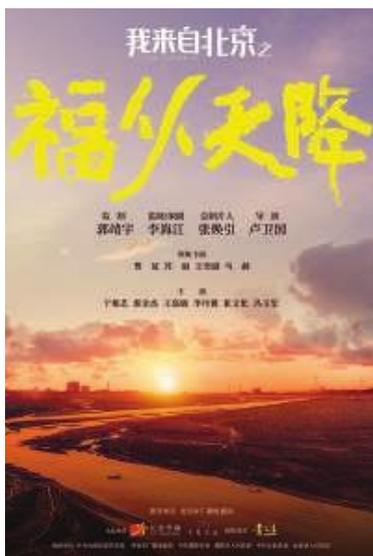
Synopsis: Ouyang Tianqing and Qi Caiyun head towards the unfamiliar Nanyang region in search of a better life. One works as a majie and the other, a samsui woman. Despite all odds, they lift each other up and never give up on any chance of survival.

Production: 3Q2020 to 2Q2021

Executive Producer: Guo Jingyu

Scriptwriter: Ang Eng Tee

Type: Drama (40 episodes)



I Come From Beijing – Heavenly Blessings

我来自北京之福从天降

Synopsis: Huang He, a young man from Beijing, returns to his hometown in Qingshuiwan to help local villagers set up businesses and alleviate poverty.

Production: 3Q2020

Executive Producers: Guo Jingyu, Li Haijiang

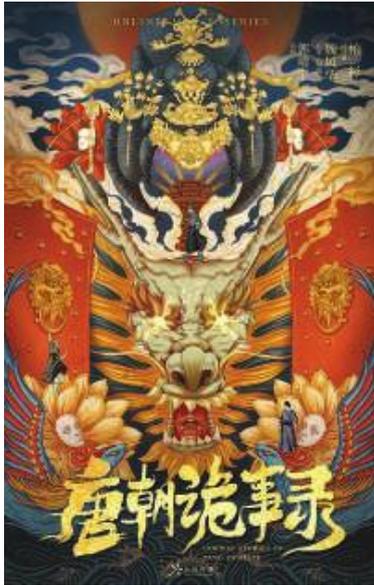
Scriptwriter: Li Haijiang

Chief Producer: Zhang Huanyin

Director: Lu Weiguo

Producer: Wei Fenghua

Type: Film (part of a series of seven films)



Horror Stories of Tang Dynasty
唐朝诡事录

Synopsis: Legendary poets such as Li Bai, Du Fu and Bai Juyi created and sketched several apparitions under the night sky of the Tang Dynasty.

Production: 4Q2020

Producer: Wei Fenghua

Type: Drama (36 episodes)



I Come From Beijing – My Father
我来自北京之我爸是警察

Synopsis: Xu Zhengyu, an official from the Ministry of Public Security, arrives at Laoshu Village to work hand in hand with the villagers to alleviate poverty.

Expected Release Date: 1Q2021

Expected Distributors: YOUKU and iQIYI

Scriptwriter: Meng Jie
Chief Director: Bai Shan
Producer: Wang Yonghui

Type: Film (part of a series of seven films)



The Angry Ladies
女神饭店

Synopsis: In 1920s Shanghai, a mysterious woman built and owned a lavish and extravagant hotel with an “Eight-armed Goddess” standing in the centre of the lobby.

Expected Production: 2021

Executive Producer: Liu Bo
Executive Director: Ju Xingmao
Scriptwriter: Xiao Ji Xiang Tian

Type: Drama (30 episodes)



The Truth of Marriage

结婚的理由

Synopsis: This is a drama about Ling who has to decide between her ex-fiancé and a genius scientist who has been courting her.

Expected Production: 2021

Scriptwriter: Zhao Yan

Type: Drama (24 episodes)



Nanyang Transport Volunteers

南洋英雄泪

Synopsis: This is a drama about the trials and tribulations of first-generation immigrants who arrived in Singapore and who worked to defend their nation from colonists.

Expected Production: 2021

Executive Producer: Guo Jingyu

Type: Drama (40 episodes)



Legend of the Sabre Master

天下刀宗

Synopsis: This drama follows the story of a martial arts master and his apprentice as they travel the world.

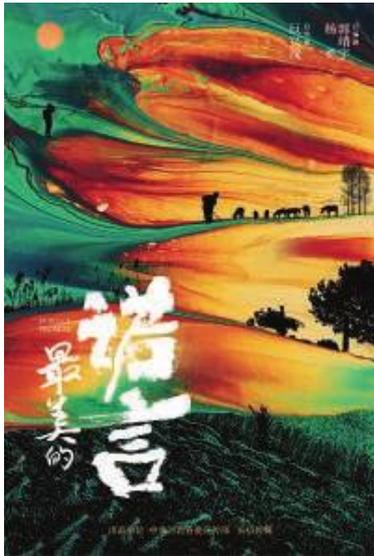
Expected Production: 2021

Executive Producer: Wang Bing

Chief Scriptwriter: Liu Yuchang

Chief Director: Ju Xingmao

Type: Drama (40 episodes)



Perfect Promise

最美的诺言

Synopsis: A story that depicts the building of the Chinese Communist Party at the grassroots level and the fulfilment of the “Perfect Promise” to serve the nation and its people.

Expected Production: 2021

Executive Producer: Liu Bo
Chief Director: Ju Xingmao

Type: Drama (30 episodes)



The Hou Mansion

侯门

Synopsis: A new young daughter-in-law marries into the Hou Mansion, which is full of palace intrigues and battles.

Expected Production: 2021

Executive Producer: Wang Bing Chief
Director: Zhao Jintao

Type: Drama (30 episodes)



For the Motherland

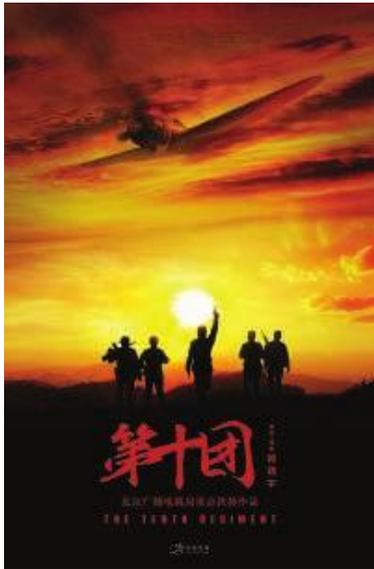
隐蔽的英雄

Synopsis: The drama is about the stories of unsung heroes and the silent sacrifices they make on the battlefield.

Expected Production: 2021

Executive Producer: Li Chunhai
Chief Director: Bai Shan

Type: Drama (40 episodes)



The 10th Regiment

第十团

Synopsis: Bai Yihua, once a scholar, relinquished his pen in favour of a sword to command his troops and to protect his nation at the frontline of the anti-Japanese war.

Expected Production: 2022

Executive Producer: Li Chunhai
Chief Director: Bai Shan

Co-Producer: Perfect World

Type: Drama (40 episodes)



Sealing Knife

封刀

Synopsis: The enmity and grievances between a master and his apprentice results in a martial arts showdown.

Expected Production: 2022

Executive Producer: Wang Bing
Chief Scriptwriter: Li Zixiao
Chief Director: Bai Shan

Type: Drama (48 episodes)



Age of Innocence

逆流纯真年代

Synopsis: This drama is about a man who lives a life of wealth and abundance. When true love arrives, he has to decide if he is able to give up everything he owns.

Expected Production: 2022

Executive Producer: Ju Xingmao
Chief Director: Liu Bo

Type: Drama (40 episodes)



Misty Rain – Dreams of Jiangnan

烟雨一梦过江南

Synopsis: This drama is about a love story spanning across the northern and southern regions in China.

Expected Production: 2022

Executive Producer: Wang Bing

Chief Director: Bai Shan

Type: Drama (42 episodes)



Da Ming and the Maidservant

大明小婢

Synopsis: This drama is about a married couple who discovers that they are enemy assassins.

Expected Production: 2022

Executive Producer: Wang Bing

Chief Director: Zhao Jintao

Type: Drama (40 episodes)



Contact Person

接头

Synopsis: A classic spy story during a time of great political turmoil.

Expected Production: 2022

Executive Producer: Li Chunhai

Chief Director: Bai Shan

Type: Drama (36 episodes)

The upcoming drama and film productions of our Group may be subject to changes, including changes to the name of the drama or film, the number of episodes or films, the distributor and the expected production date and/or release date, depending on the production schedule of our Group and several other factors. These factors include, but are not limited to, changes in consumer preferences and market demand, release of dramas and films with similar names and/or genres, and our customers' requirements and specifications.

Online Short Drama Series

In October 2020, we diversified our online content product offerings by launching the production of our first online short drama series "Whimsical World 异想世界", which is a collection of 20 short drama series with 12 to 24 episodes per drama series and each episode ranges from five to 15 minutes.

According to Frost & Sullivan, the short-form video market in the PRC reached approximately RMB54.5 billion in 2019, yielding a CAGR between 2015 and 2019 of approximately 159.6%, and the number of short-form video users reached approximately 820.0 million in 2019. The success of short-form videos prompted the increase in production of short-form drama series. The short-form video drama format distinguishes itself from the existing content form in the market with its tight-knit plot and sophisticated production and has become a new trend in the development of drama series market. We intend to expand further in this market and develop more online short drama series under our TV program and film production business in the future. In this regard, we have entered into an agreement with Xiamen Baiye Film & Television Production Co., Ltd. (厦门白夜影视制作有限公司) in October 2020 for the production and distribution of 20 online short drama series, with 12 to 24 episodes per drama series and each episode ranges from five to 15 minutes. These short-form drama series consist of 12 to 24 episodes per short drama series and span different genres, including comedy, mystery and martial arts (wuxia).



Whimsical World

异想世界

Synopsis: This is a collection of 20 online short drama series spanning different genres including comedy, mystery and martial arts (wuxia).

Production: 4Q2020 to 1Q2021

Producers: Li Chunhai, Liu Bo, Wang Yonghui

Directors: Qin Yi, Zhao Jingtao, Ju Xingmao

Type: 20 online short drama series (12 to 24 episodes per drama series)

CONCERTS

The concert production business of our Group comprises the Concert Organisation and Concert Management of concerts in various jurisdictions, depending on the scope and extent of the rights for the concert production, which are typically granted to us by the management agency of the respective artistes. We have undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts in Singapore, Malaysia and Australia, and have been involved in the production of concerts in the PRC. See the section entitled "History and

Business – Our Business – Concert Production” of this Prospectus for further details of the scope of Concert Organisation and Concert Management undertaken by our Group.

We have also been granted the rights to undertake the production of concerts for Jay Chou (周杰伦) in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau) on a long-term basis or without any expiry in time, such that our Group would undertake the Concert Organisation and/or Concert Management of concerts for Jay Chou in such countries. See the sections entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by Interested Persons – Concert Production in Singapore, Malaysia, Australia, Japan and Thailand” and “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by Interested Persons – Concert Management of Concerts in the PRC” of this Prospectus for further details. We have upcoming concerts for Jay Chou in Singapore, Malaysia and Australia in 2021, and also intend to undertake the production of concerts for Jay Chou in Thailand, Japan and the PRC in 2021 to 2022.

The past and upcoming concert productions of our Group are as follows:



Jay Chou (周杰伦) – Jay Chou Carnival World Tour

According to Frost & Sullivan, Jay Chou is a prominent Chinese singer who made his debut in 2000. In 2003, he was the cover story of the Time magazine (Asia version), as an acknowledgement of his influence on pop music. He has held six world tours, performing in cities worldwide to more than 10 million audience. From 2017 to 2019, Jay Chou has held 41 concerts and ranked first in terms of accumulated ticket sales of the concerts in the PRC among all Chinese singers.

Upcoming Dates:
Sydney, Australia – 2021
Kuala Lumpur, Malaysia – 2021
Singapore – 2021

Past Dates:
Singapore – 10 and 11 January 2020



Li Ronghao (李荣浩) – If I Were Young World Tour

According to Frost & Sullivan, Li Ronghao is a Chinese singer-songwriter and has released five studio albums and three extended play records (EPs) so far. He was awarded the Best New Singer award at the 25th Golden Melody Awards for his first studio album “Model”, which was released in 2013. He has held 3 concert tours and become the first singer from the PRC to hold concerts at the Hong Kong Coliseum and the Taipei Arena, indicating his high popularity in the PRC music market.

Past Date:
Singapore – 19 October 2019

OUR COMPETITIVE STRENGTHS

We believe our continuing success as a leading player in the media and entertainment industry is attributable to the following competitive strengths:

Our ability to produce high-quality and well-received dramas and films underpinned by our strong and talented scriptwriting team and end-to-end production capabilities

Producer of high-quality and well-received dramas and films

Our success and strong standing in the media and entertainment industry is evidenced by the commercial success of the dramas and films that we have produced, such as “The Little Nyonya 小娘惹” and “Perfect Village 最美的乡村”, which were both released in the PRC in June 2020, and “The Frontliners 最美逆行者”, which was released in the PRC in September 2020, and were broadcasted and distributed on CCTV and/or iQIYI. These dramas were well-received, garnering positive reception, high viewership ratings and strong public interest in the PRC. According to Frost & Sullivan, “Perfect Village 最美的乡村” ranked first in terms of viewership ratings across the full series of 30 episodes among all TV series broadcasted on TV channels during the same time slot when it was aired, and “The Little Nyonya 小娘惹” ranked third in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot when it was aired for episodes 1 to 17, and first in terms of viewership ratings among all TV series broadcasted on TV channels during the same time slot when it was aired for episodes 18 to 45. “The Frontliners 最美逆行者”, which was also broadcasted in the PRC in September 2020, ranked second for episodes 1 to 4, first for episodes 5 to 13 and third for episode 14, in terms of average viewership ratings among other TV series broadcasted during the same time slot. We believe that the positive reception and immediate consumer interest of these dramas is a testament to the quality of the dramas and films produced or co-produced by our Group and the capabilities of both our PRC and Singapore production teams.

The commercial viability and reception of each drama or film depend largely on consumer preferences. In this regard, we pride ourselves on our creative team’s ability to assess various factors, including the popularity of a particular genre, latest market trends and the presence of similar dramas and/or films in the market, in order to identify changes in consumer preferences and select drama and film projects which have potential for commercial success. This is evident by the fact that the dramas and films produced or co-produced by our Group thus far have received positive reception from both our working partners and end consumers, and various established TV networks and video streaming platforms in the PRC, such as CCTV, iQIYI and YOUKU, are in discussions with us for the broadcast and/or release of certain of our ongoing productions.

Strong team of talented scriptwriters and end-to-end production capabilities

We have a strong in-house script production team led by Mr. Guo Jingyu and Mr. Xiao Ji Xiang Tian (小吉祥天). Mr. Guo Jingyu is a well-known scriptwriter in the PRC and has recently won the Best Screenplay for “Perfect Youth 最美的青春” in the 6th Wenrong Awards (2019年第六届“文荣奖”) at the China Hengdian Film Festival (中国横店影视节) in 2019. According to Frost & Sullivan, his market presence and renowned reputation has won him the title “King of Legendary Drama”. Mr. Xiao Ji Xiang Tian has written scripts for several award-winning dramas and films, including “The Ferryman 灵魂摆渡”, which won the Best Web Drama Scriptwriter Award at the Gu Duo Bei Awards (“骨朵杯”网络剧颁奖 – 网络剧最佳编剧奖) in 2014, as well as “The Ferryman Manjusaka 灵魂摆渡 – 黄泉” which won the Creator of the Year Award under the “Novelty” Category at the iQIYI Web Film Festival (“新奇点”爱奇艺网络大电影 – 年度优秀创作者) in 2018 and the Internet Film Unit Selection Committee Special Honour at the 8th Beijing International Internet Film Festival (第八届北京国际网络电影展) in 2019. He was also named in the Top 3 of the Power List of Chinese Network Drama Screenwriters (中国网络剧编剧权力榜) in 2016 and won the Top 10 Young TV Drama Scriptwriters in China Award (首届初心榜“中国十大青年电视剧编剧”奖) in 2018. Under their

leadership, our script production team has curated script ideas and developed a repertoire of scripts for potential drama or film projects across varying genres. In addition, we receive proposals and pitches from various external scriptwriters and directors who are keen to work with our Group from time to time. We believe that with our strong script development capability, coupled with our ability to identify opportunities to select and acquire external content, we are able to strategically generate and select scripts with themes and content that resonate with consumers and capture market demand.

Since our inception in 2018, we have completed the production or co-production of three dramas and one film series in the PRC and one drama in Singapore and Malaysia. With our end-to-end production capabilities, we are able to seamlessly combine our scriptwriting abilities with our production capabilities to produce well-received dramas and films. As we have oversight of the entire production process from beginning to end, we are able to have better control over the process and the final product, as well as generate cost savings as we would not be reliant on outsourcing such services to third party contractors, thus reducing the associated risks of only having either production or scriptwriting capabilities. At the same time, we are able to maximise our production capabilities in the execution of our drama and film projects, in order to consistently produce entertainment content that is commercially successful and maintain a robust pipeline of upcoming drama and film projects under our “G.H.Y Culture & Media 长信传媒” brand. See the section entitled “History and Business – Business Overview – TV and Web Dramas and Films” of this Prospectus for further details of the current and upcoming TV and web dramas and films produced or co-produced by our Group.

Our strong network of business relationships and lasting partnerships with distributors and other working partners in the media and entertainment industry

The quality of our dramas and films, as well as the experience of our management team, has enabled our Group to establish a strong network of business relationships with key industry players such as TV networks, video streaming platforms and other production companies in the PRC and in the region, including Singapore. These include our established business relationships with CCTV, iQIYI and YOUKU and the support from our various working partners, which have been crucial to the growth and success of our business. According to Frost & Sullivan, CCTV is ranked first among provincial satellite and non-satellite TV, municipal and other channels in the PRC, while iQIYI and YOUKU account for approximately 51.7% of the total market revenue in PRC for video streaming platforms in 2019. Accordingly, strong and sound partnerships with distribution channels and platforms such as CCTV and iQIYI form a basis for solid viewership and insightful discussion and communication about the production of dramas and films and industry trends, which contributes to our competitive edge.

We typically present proposals to working partners such as TV networks and/or video streaming platforms for the subsequent broadcast and/or distribution of our dramas and films at the pre-production stage. In the past, the licensing rights to the dramas and films we have produced were typically purchased by our working partners prior to commencement of production. For our dramas and films that are currently in production, our working partners have also expressed agreement, and are working with us to finalise and/or formalise the terms of the licensing agreement, for the broadcast and/or release of such dramas and films. We believe that the interest of such working partners in our dramas and films in the pre-production stage bears testament to the reputation and ability of our production teams in producing quality dramas and films and the strength of our relationships with distributors and other working partners. With our established network in the PRC and our track record with major TV networks and leading video streaming platforms, we often receive interest from more than one distributor in any drama or film project that we undertake. As a result, we are able to manage the distribution of our dramas and films by being able to select the appropriate distributor to work with and/or the platform on which our drama or film is to be showcased, taking into consideration the abilities of the distributor and the pricing offered by the distributor for the licensing and distribution of our drama or film.

In addition, co-production of dramas and films with our working partners such as Perfect World also enable us to undertake more projects, which provides us with opportunities to further develop our capabilities in the production of dramas and films, further strengthens our market position and allows us to gain access to new markets and audiences. We have also entered into a memorandum of understanding with Mediacorp in March 2020 for the co-production of at least two drama or film projects in a three-year period, which will enable our Singapore production team to collaborate with Mediacorp, and allow our team and the artistes we manage to raise their profile in the Singapore entertainment industry.

Our management bench strength is anchored by our visionary founder and experienced key management, many of whom with experience and capabilities spanning the whole of our business value chain

Mr. Guo Jingyu, our Executive Chairman and Group CEO, is a notable producer, director and scriptwriter in the PRC with more than 25 years of experience and has produced and directed several successful dramas and films. He has general oversight of the production of every drama and film project undertaken by our Group and is supported by our key management personnel, who are also closely involved in the production process from start to finish, from scriptwriting and reviewing and selecting the scripts that go to production, to the production process and the post-editing and finishing processes.

Our key management personnel are also supported by our Singapore and PRC production teams, which comprise committed members who are industry veterans and have unique knowledge and extensive expertise in the production of dramas and films. Our PRC production team is led by Mr. Xue Xin, our Senior Director of TV Program and Film Production, who is an established producer with years of experience in the media and entertainment industry in the PRC. Our production team also includes directors such as Mr. Ju Xingmao (巨兴茂), Mr. Bai Shan (柏杉), Mr. Wang Yonghui (王永辉) and Mr. Xin Peng (信鹏), as well as producers such as Mr. Liu Bo (刘博), Ms. Zhang Huanyin (张焕引) and Mr. Wang Bing (王冰), who have each been involved in various notable dramas and films in the PRC. Our Singapore production team is led by Mr. Yeo Saik Pin, who is also an established director, scriptwriter and producer and was previously a Vice President of Mediacorp, and is supported by experienced directors and scriptwriters, some of whom had also worked with him previously at Mediacorp. Ms. Yue Lina, our Executive Director, is also an experienced producer and plays a key role in the production process for our drama and film projects. We have also established an in-house editing team based in the PRC, and a special effects team in Singapore, which oversees and undertakes the post-production work for each project.

We believe that the experience of such key management personnel and their close involvement in the production process enables our production teams to consistently produce quality dramas and films. Complementary to our production teams' capabilities, our Group also possess expertise and capabilities across the business value chain with our scriptwriting abilities, talent management services, costumes, props and make-up services, as well as post-production capabilities. We believe that we have a competitive advantage over other production companies through our strong scriptwriting team (as elaborated above), our stable pool of close to 50 artistes under our talent management services business, some of whom are recognised actors with several years of experience in the drama and film industry, as well as our exclusive collaboration with Mr. Chen Minzheng (陈敏正). Mr. Chen Minzheng is a well-known costumes designer in the PRC who had won the Golden Horse Award for Best Make-up & Costume Design in 2018 and the Asian Film Award for Best Costume Design in 2019. As costumes, props and make-up are integral aspects for every drama and film, we believe that his expertise and specialisation in the design of the costumes, props and make-up for our productions further elevate the quality and appeal of our dramas and films. See the section entitled "History and Business – Our Business – Costumes, Props and Make-up Services" of this Prospectus for further details of the terms of such exclusive collaboration with Mr. Chen Minzheng.

Our growing portfolio of artistes contribute to the success of our concert production business

We have set up concert production teams in Singapore and the PRC, in order to further develop our concert production business and establish a regional presence as an entertainment business. Our concert production teams comprise members with experience and expertise in concert and event production, and is led by Ms. Chan Pui Yin, our Senior Director of Concert Organisation and Management, who has more than 25 years of experience in the entertainment industry. Since our inception in 2018, we have staged three successful concerts in Singapore, with upcoming concerts in Singapore, Malaysia and Australia.

We have secured the rights to undertake the production of concerts for Jay Chou (周杰伦), a popular and well-known Taiwanese singer-songwriter, in Singapore, Malaysia, Australia, Thailand, Japan and in the PRC (excluding Hong Kong and Macau) either on a long-term basis or without any expiry in time. We have undertaken the production of sold-out concerts for Jay Chou in Singapore and have also been involved in the production of concerts for Jay Chou in the PRC. In addition, we had also produced a concert for another popular artiste, Li Ronghao (李荣浩), in Singapore during the Period Under Review. Despite our relatively short history in the concert production business, we believe that we have established ourselves as a reputable concert production company in Singapore and we intend to further develop our capabilities and experience in the region. This will enable us to forge business relationships with key players in the media and entertainment industry in the region, such as talent management companies, managers and the artistes themselves, which will create opportunities for our Group for future collaborations and to undertake the production of concerts and other events for such artistes.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Expand our international reach and regional presence via entry into new markets

We intend to expand our regional reach and strengthen our presence in the Asia-Pacific region, particularly in Southeast Asia, by expanding our foothold in Singapore. Our Directors believe that gaining access to wider audiences in Singapore and Malaysia will provide our Group with exposure in new markets and further opportunities for growth for both our TV program and film production and concert production businesses. We intend to leverage on the connectivity of the PRC, Singapore and Malaysia, as well as the ASEAN region, to showcase our abilities and to achieve international reach and expansion.

TV Program and Film Production Business

As we have already established a strong presence in the PRC market for our TV program and film production business, we intend to leverage on our experience to strengthen our presence in the Singapore market, given the Mandarin audience in Singapore. According to Frost & Sullivan, viewers in Singapore spent an average of approximately 7.6 hours per week watching online videos in 2019, which is much higher than the global average, and approximately 5.7 hours per week watching traditional broadcast TV in 2019.

Content innovation remains the core foundation of what we do. We believe that our experience and expertise in the PRC will enable our Group to produce quality content and generate keen interest in the drama and film projects produced by both our Singapore and PRC production teams. We have completed the production of “The Little Nyonya 小娘惹”, which is a remake of a popular Singapore TV drama and our first foray into the Singapore market. The drama was produced by our Singapore production team and filmed in Malaysia, featuring a cast comprising both Singaporean and PRC actors and actresses. “The Little Nyonya 小娘惹” has been released on CCTV and iQIYI in the PRC in June 2020 and had topped the real-time search rankings of

Weibo, the Chinese microblogging site⁴, which demonstrates the strong interest generated by the drama in the PRC. We believe that the success of our initial drama and film projects will enable us to expand our reach out of the PRC and strengthen our presence in Southeast Asia. According to Frost & Sullivan, there has been an increase in the influence of Chinese culture influence around the world and in recent years, overseas distribution channels of PRC drama series have expanded in terms of quantity of products and transaction value. The export of PRC drama series is likely to accelerate along with, among others, the improvement of drama series production technology and innovation. We intend to continue to expand on our capacity to deliver quality entertainment content through our in-house script production team, while remaining open to external opportunities and sources for scripts.

In respect of the overseas expansion of our TV program and film production business, we intend to have greater and more seamless collaboration between our PRC and Singapore production teams by establishing a regional cast and crew for the production or co-production of our dramas and films, as well as distributing internationally through key TV networks and international video streaming platforms. Going forward, we plan to continue to expand our international reach and regional presence through the production of dramas and films of varying genres, including remakes of popular past dramas and films, as well as active engagement for potential co-production ventures with other producers, including Mediacorp, and video streaming platforms.

Concert Production Business

We have established our presence as a concert production company in Singapore with the production of concerts for Li Ronghao in 2019 and Jay Chou in 2020, and with upcoming concerts for Jay Chou in Singapore, Malaysia and Australia in the pipeline. With these under our belt, we intend to further expand our concert production business by undertaking the production of concerts for artistes in both the Southeast Asian region and the PRC.

According to Frost & Sullivan, the number of concerts in Southeast Asia recorded steady growth of a CAGR of 5.4% from 2015 to 2019 and market revenue and audience attendance is expected to return to normal levels from 2021, despite a hindered market in 2020. The concert market in the PRC also recorded growth of a CAGR of 14.6% from 2015 to 2019 according to Frost & Sullivan. In addition, according to Frost & Sullivan, the fandom economy⁵ has been widely used in the Asia entertainment industry. As concerts are a way to have face-to-face interaction with stars or idols, concerts have a proven record as serving as one of the most important and mature monetisation methods in the fandom economy. Starting with Malaysia, Australia, Japan, Thailand and the PRC (excluding Hong Kong and Macau) where we intend to undertake the production of concerts for Jay Chou in the future, we believe that we will be able to establish a regional presence as a concert production company and attract international artistes to engage us for the production of their concerts.

4 This information was extracted from a media release entitled “Little Nyonya remake tops Weibo charts” published by The Straits Times on 1 July 2020, which can be accessed at: <https://str.sg/Jmse>, data accessed on 1 July 2020. The Straits Times has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Prospectus and is therefore not liable for such information under Sections 253 and 254 of the SFA.

While we, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly, none of us, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

5 According to Frost & Sullivan, the fandom economy refers to the economic income-generating behaviour by the relationship between fans and the followed people including stars, idols, and industry celebrities. The prosperity of the fandom economy is accompanied by the sustainable growth of demands for diversified entertainment activities which is driven by the increasing urbanisation rate and rising disposable income.

Leverage on technological advances to expand and diversify our pipeline portfolio of entertainment content and products

Apart from producing dramas and films which are traditionally distributed on TV networks, we have also kept abreast of technological developments, such as the shift to the 5th generation mobile network and developing viewership trends. To this end, we have produced several web dramas which are distributed on video streaming platforms, such as the drama “The Little Nyonya 小娘惹” and the film series “I Come From Beijing 我来自北京”, both of which have been distributed on iQIYI and YOUKU. According to Frost & Sullivan, the number of online video users in the PRC reached approximately 646.6 million in 2019, accounting for 73.8% of Internet users, and the online video platforms in the PRC have rapidly attracted a massive user base with tremendous user engagement in the past few years, and generated significant monetisation opportunities. In addition, according to Frost & Sullivan, the web series market has witnessed rapid growth at a CAGR of approximately 23.9% between 2015 and 2019, with an estimated CAGR of approximately 11.1% between 2019 and 2024, and the Internet users of the PRC grew from 688.3 million users in 2015 to 888.6 million users in 2019, yielding a CAGR of 6.6%, and the number of Internet users is expected to reach 1,203.3 million users in 2024.

Against this backdrop, our Group intends to capitalise on our ability to keep up-to-date with technological developments and viewership trends that drive consumption growth to further strengthen our online entertainment product offerings. According to Frost & Sullivan, online video platforms continue to innovate by introducing new initiatives, such as interactive dramas and short-form videos, such as vertical screen dramas, to cater to the evolving needs and preferences of viewers and to further increase their competitive advantage. In addition, according to Frost & Sullivan, the fast growth in online video platforms supported by technological developments and increased penetration continues to drive demand for content, and together with TV channels, the market size of China drama series market is expected to reach over RMB100.0 billion within the next five years. In October 2020, we diversified our online content product offerings by launching the production of our first online short drama series “Whimsical World 异想世界”, which is a collection of 20 online short drama series with 12 to 24 episodes per drama series and each episode ranges from five to 15 minutes. According to Frost & Sullivan, the short-form video market in the PRC reached approximately RMB54.5 billion in 2019, yielding a CAGR between 2015 and 2019 of approximately 159.6%, and the number of short-form video users reached approximately 820.0 million in 2019. With our ability and experience in developing and producing web dramas and online short drama series, we intend to further strengthen our online entertainment product offerings by launching more online short drama series and we intend to venture into the creation and production of interactive dramas⁶ in the future in order to tap onto this expanding market.

According to Frost & Sullivan, the users of iQIYI spent 9.6 billion hours per month on average watching video content on the platform through all devices, and spent 1.6 hours per day per user watching video content on the mobile apps during the year. Having established business relationships with several TV networks and video streaming platforms (including iQIYI), our Group will leverage on our business relationships with such distributors in order to develop and promote new entertainment content and products in the future, including interactive content and multi-level entertainment products such as comic adaptations and animation works. In this regard, we have also entered into a memorandum of understanding with a leading online streaming service provider to collaborate in the development of various comic adaptations and animation works, as well as dramas and films which will be live adaptations from comics, for a period of three years from 1 August 2020 to 31 July 2023. Such period may be renewed by mutual agreement between the parties. Pursuant to such memorandum of understanding, we have agreed to develop in each year, no less than 10 comic adaptations or animation works, as well as one web drama adaptation of a comic, and the terms of the parties’ cooperation on each project will be separately agreed in writing.

⁶ According to Frost & Sullivan, interactive dramas refer to films and dramas which the audience participate in person through brand selection, action simulation and quick time event to trigger the plot development. Compared to web dramas, interactive dramas break the model of purely watching drama series and the audience is allowed to determine the direction of the plot and accordingly, obtain an immersive experience from such interactive dramas.

Create synergies across the TV program and film production, concert production and talent management services business segments

Our business network and presence across various segments of the media and entertainment industry allows us to develop synergy across our business segments. For instance, we manage a reputable stable pool of artistes under our talent management services business segment, some of whom are well-known artistes in the PRC and Singapore, with several years of experience in the media and entertainment industry. This includes Ms. Yue Lina, our Executive Director, who has won several acting awards, such as the Breakthrough Actress Award at AnHui Television Network's National Drama Series Ceremony (国剧盛典“极具突破精神女演员”) in 2013 and the Best Creator Award at the Asian American TV and Film Festival (美国亚洲影视节金橡树奖金牌出品人) in 2018. As the popularity and talent of the actors may also play a part in the commercial success of our dramas and films, having a strong network of artistes also ensures that we have a constant talent pool to feature in our drama and film projects. We believe that this, in turn, bolsters our Group's reputation as a talent management company for artistes when the dramas and films we produce or co-produce that feature our artistes are well-received by their fans and audiences.

With the commercial success of our dramas, films and concerts, we believe that we are well-placed to introduce and produce other events, such as stage plays and musicals, that could be based on the dramas or films produced by our Group. We believe that we will be able to draw on the respective expertise and skills of our TV program and film production team and our concert production team in order to produce such stage plays and musicals. This will also enable our Group to leverage on the popularity and commercial success of our dramas and films, as well as to diversify the revenue streams from the copyright and ancillary rights of such existing dramas and films. We have entered into a memorandum of understanding with Beijing Sihai Yijia Cultural Broadcasting Co., Ltd. (北京四海一家文化传播有限责任公司), a broadcast media company in the PRC in January 2020, to collaborate in the joint organisation and co-production of stage plays and musicals for a period of three years. Beijing Sihai Yijia Cultural Broadcasting Co., Ltd. will be mainly responsible for planning and executing the production of stage plays and musicals, whereas our Group will provide ancillary services such as marketing, publicity and logistics services in connection with such events.

Such stage plays and musicals may also feature artistes under our management who have experience in live acts and performances. In addition, we may also be able to leverage on our business relationships by engaging and/or collaborating with artistes and musicians who have worked with our Group to produce content for our drama and film projects, such as soundtracks and theme songs. We have in the past engaged JVR Music, a music record and talent management agency for singers in Taiwan, to compose music for the theme song and the end credits song used for each episode of “The Little Nyonya 小娘惹” and The Ferryman – Legends of Nanyang 灵魂摆渡 – 南洋传说. See the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Music Composition by an Interested Person” of this Prospectus for further details.

As our business and operations expand, we believe our business segments will become increasingly complementary, creating synergies across the TV program and film production, concert production and talent management services business segments. Having firmly established our core business segments of TV program and film production and concert production, we are committed to becoming a media and entertainment group that is focused on producing high-quality content, keeping technologically abreast and striving for continuous and sustainable innovation and breakthroughs. We intend to continue to innovate and develop entertainment content and products in new areas across all our business segments, such as interactive dramas and films, music events and performances, arts and culture initiatives and gaming concepts. This will allow us to be well-positioned to establish ourselves as a key player in the media and entertainment industry in the region.

Nurture future talents and bolster the local talent pool

We believe that in order to expand our regional presence, we will have to develop our production teams in order to undertake more drama and film projects, including large-scale productions which will require a larger team of personnel with more experience and technical expertise. Accordingly, we intend to nurture future talents by supporting initiatives and encouraging them to develop and hone their directing, scriptwriting and producing skills.

We have in the past sponsored certain initiatives of the China Film Art Direction Academy (中国电影美术学会) and the Beijing Film Academy (北京电影学院), as well as participated in the “Story Lab Apprenticeship” programme, an initiative in Singapore supported by the Infocomm Media Development Authority of Singapore. The “Story Lab Apprenticeship” programme provides participants with structured training programs in scriptwriting, directing and producing, onsite training at production shoot locations and the opportunity to learn from industry professionals. Through such experiential on-the-job training programme, the selected participants will be able to gain valuable exposure and experience in the media and entertainment industry in Singapore. In addition, we entered into a collaboration with Ngee Ann Polytechnic in Singapore to jointly develop and deliver a training course from September 2020 to November 2020, culminating in the submission of the screenplay to the Asia TV Forum Chinese Pitch 2020. The training course was conducted by both local and overseas trainers who are producers, scriptwriters and other experts, including Mr. Guo Jingyu, our Executive Chairman and Group CEO.

We intend to continue to participate and support such initiatives in Singapore and the PRC, and may also collaborate with local TV networks or other third party production companies as we believe that this will bolster the future local talent pool, as well as enrich and invigorate the local media scene and entertainment industry. By providing these media and entertainment aspirants with the relevant support and training, including through training programs and workshops in collaboration with other industry leaders and education institutions, these may be opportunities for them to collaborate with our Group on drama and film productions or to join our production teams in the future.

OUR BUSINESS

Our Group is an entertainment business that focuses on the production and promotion of dramas, films and concerts. We have produced TV and web dramas and films in the PRC and in the region, which have been broadcasted and/or distributed on various TV networks and video streaming platforms. We have also undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Singapore, Malaysia and Australia. In addition, our Group also provides talent management services and costumes, props and make-up services in Singapore and the PRC.

TV Program and Film Production

We are involved in the production of TV and web dramas and films which are then sold to various distribution channels, including TV networks and video streaming platforms. We have also started production of our first online short drama series in October 2020 and intend to develop more online short drama series under our TV program and film production business in the future.

Certain of our dramas and films may be co-produced by our Group in collaboration with our working partners. In this regard, we have entered into a memorandum of understanding with Mediacorp in March 2020, pursuant to which we have agreed with Mediacorp to collaborate in various areas, including the sharing of artiste resources and co-production of dramas and films as a joint operation. We believe that this will enable our Singapore production team to collaborate with the Mediacorp team, and allow our team and the artistes we manage to raise their profile in the Singapore entertainment industry.

Production Process

We have in-house production teams in our Singapore and PRC offices, which oversee the entire production process for each drama and film project undertaken by us or in collaboration with other co-producers, depending on the filming location and intended distribution of each project. The production process of our dramas and films typically involve five phases: feasibility study, preparation work, production, post-production and broadcast and/or distribution.

Feasibility Study

We determine the feasibility of a production by taking into consideration the content, viability and potential of the proposal. Content is an integral part of the process, setting the base and spirit of the story. Besides having an in-house scriptwriting team contributing to the repertoire of scripts, we receive dramas and film proposals from other sources, which include directors, scriptwriters, TV networks and online video streaming platforms. Our creative team assesses each proposal by considering various factors, including the popularity of the genre, latest market trends, presence of similar dramas and films in the market, likely public reception and the interest by potential working partners for collaboration through co-production and/or distribution of the drama or film.

The potential and viability of each proposal or pitch is discussed with Mr. Guo Jingyu, our Executive Chairman and Group CEO, before a decision is made as to whether to purchase the intellectual property rights to the script or to undertake the production of the drama or film. The production team conducts a feasibility study to assess the estimated costs associated with the production and survey the potential filming sites.

We may present proposals to potential working partners for the co-production of the drama or film, including for funding and financial investment, or to distributors for the subsequent broadcast and/or distribution on TV networks or video streaming platforms. Where our working partners for co-production participate in a drama or film project only in terms of financial investment, we may oversee the entire production process for such project. Film investment funds received from our working partners for each drama and film project are set out in a separate drama or film bank account for proper tracking purposes and in order to ensure that there is no commingling of funds. The investment funds received from such working partners are used to pay the production expenses for the respective dramas and films.

Factors taken into consideration in obtaining financing would include the amount of financing required, the prevailing interest rates and conditions which may be imposed by financial institutions if we were to take a loan for these purposes, as well as the viability of working with potential working partners when determining the scale of production of the particular drama or film project and the expected production budget, the expertise and industry reputation of the working partner, the commercial terms negotiated between us and such working partner and whether collaboration with such working partner will improve the marketing strategy for the drama or film and strengthen our market position.

We may also receive sponsorship proposals from corporate partners to utilise a particular drama or film as an advertising platform for their products and services. As at the Latest Practicable Date, our Group has not undertaken any product advertisement or endorsement.

Preparation Work

Upon completion of the feasibility study and decision to commence production of a particular drama or film, the pre-production process for each project typically takes one to two months and starts with the appointment of the director(s) who may or may not be employed by our Group and script development by our team of scriptwriters and producers. Depending on the genre and plot of the script, we may engage third party consultants to review and provide input and feedback

during the script development process for the project. Once the script has been developed into a filming draft, our creative team may submit the script to the relevant authorities for approval (if required) and to the relevant stakeholders, such as directors, sponsors and working partners, for review (if required).

Our production team will also formulate a production budget with the directors and executive producers for the project, taking into account sponsorship and investor requirements by our working partners. The production budget will determine the scale of the production, the engagement of the production crew and the filming timeline. Once the production budget has been approved by our management, our production team will then commence the preparation work and pre-production for the project, which usually comprise:

- holding auditions and shortlisting cast members;
- engaging the production crew and production executives, including the production managers, various production teams for costumes, make-up and props, as well as the lighting, sound and technical crew; and
- researching and preparing the filming sites, costumes and props.

Production

The production process is overseen by the directors and producers for each project, who are supported by the production managers and production personnel. The directors for each drama or film have creative oversight and oversee the principal production and photography of the project.

A production manager is responsible for monitoring the production progress and ensuring that the production budget and timeline are adhered to. Where the drama or film project is produced only by our Group, the production is overseen by our Group and the production costs incurred for such drama or film will be entirely borne by us. Where there is a working partner for the co-production of a drama or film project, we will agree on the production budget with such working partner beforehand and the production costs will generally be shared with the working partner in accordance with the agreed proportion under the co-production contract. The production phase for each project typically takes approximately one to four months, depending on the length of the drama or film, the number of scenes at each filming site, the filming plan and the scale of the production. Each project has a designated production manager and project finance officer from our production team who will report to Mr. Guo Jingyu, our Executive Chairman and Group CEO, for each project undertaken by our Group.

The production personnel comprise the various production teams, each specialising in a specific aspect of the production, such as artistic direction, costumes, make-up, props, lighting, sound and technical effects. Depending on the scale of production and location of the filming sites, we may also engage third party contractors to provide production services, costume and props design and production services, make-up services, manage the lighting, sound and technical production, or source for costumes and props from third party suppliers with oversight from our Group. Each project will require a variety of film locations, costumes, make-up and props depending on the plot, setting and time period of each drama or film. For instance, part of the filming and production of the Singapore dramas produced or co-produced by our Group had taken place in Malaysia where we had engaged Envision Productions, a third party production services company, which has the requisite licence(s) to undertake production activities in Malaysia and to handle the day-to-day operational matters, such as props, make-up and hairdressing services, as well as logistical matters for the production, such as manpower, equipment, transportation, accommodation and meals.

Post-Production

The post-production process for each project typically takes one to two months and involves film editing, sound mixing, voice dubbing, sound tracking and processing of computer-generated special effects. We have an in-house editing team based in the PRC, and a special effects team in Singapore, which oversees and undertakes the post-production work for each project. If required, we may also engage third party editors to assist in the post-production work, depending on the extent of editing and post-production work required, as well as the length of the drama or film.

Once the post-production of the drama or film has been substantially completed, an internal review team comprising Mr. Guo Jingyu, our Executive Chairman and Group CEO, and Mr. Xue Xin, our Senior Director of TV Program and Film Production, will review the first cut of the drama or film to provide feedback to the directors and the editing team. We may also arrange for a viewing session for the relevant stakeholders, including our working partners, to preview the drama or film and provide their feedback.

Once the final cut of the drama or film has been confirmed, our production team will then submit the drama or film to the relevant regulatory authorities to obtain the necessary ratings and permits for the commercial release of the drama or film on public channels in the relevant jurisdictions, such as the National Radio and Television Administration (国家广播电视总局) in the PRC. Application for the ratings and/or permits with the relevant regulatory authorities typically take around four weeks. Once the necessary ratings and permits have been obtained and the production of the drama or film has been completed with the final cut ready, the final product will be handed over by our production team to the customer.

Broadcast and/or Distribution

As the broadcast and/or distribution is usually undertaken by the TV network and/or video streaming platform which had purchased the rights to broadcast and/or distribute the drama or film, the marketing and promotion of the project is usually undertaken by them and will commence during the pre-production phase. This includes pre-release promotion activities such as producing advertisements and marketing materials, organising press visits to filming sites, coordinating interviews and participation in entertainment shows. The release schedule of a drama or film is also decided by the TV network or the video streaming platform.

Revenue Models for TV Program and Film Production

The revenue model utilised for a particular drama or film project will depend on whether our Group is engaged by a customer for the production of such drama or film, or whether such drama or film is produced or co-produced by our Group on our own for subsequent licence or sale to a customer. During the feasibility study and pre-production phases for a drama or film project, we will typically conduct an internal assessment of the prevailing market conditions, potential market reception of the drama or film, taking into consideration the script, the proposed cast members, the length of the drama or film and the potential production costs, in order to determine which revenue model to utilise.

The three different revenue models in which we operate our TV program and film production business are as follows:

- Engaged by our customer (such as the TV network and/or video streaming platform) for production by our Group for a fixed fee

Where we are engaged by our customer for production for a fixed fee, our customer will typically hold the intellectual property rights to the drama or film, including the copyright and

ancillary rights to the drama or film under the terms of the production contract entered into between our Group and such customer.

- Developed for production by our Group and licensed or sold to our customer for a fixed fee

Where the drama or film is developed and produced by our Group, we will typically hold the intellectual property rights to the drama or film, including the copyright and ancillary rights to the drama or film. We may either:

- (i) license the copyright and ancillary rights to the drama or film to our customer, being the distributor(s) for a certain period of time and/or geographic region under the terms of the licensing agreement(s); or
- (ii) sell and transfer the copyright and ancillary rights to the drama or film to our customer, being the distributor(s).

- Developed for production by our Group and licensed to our customer for variable fees

Where the drama or film is developed and produced by our Group, we will typically hold the intellectual property rights to the drama or film, including the copyright and ancillary rights to the drama or film. We may then license the copyright and ancillary rights to the drama or film to our customers, such as video streaming platform(s), for a certain period of time and/or geographic region under the terms of the licensing agreement(s) for variable fees, which is determined based on user clicks or viewership for each episode of the drama or the film on the video streaming platform(s).

Where the drama or film is co-produced by our Group with our working partner(s), we may hold only a certain proportion of the intellectual property rights to the drama or film, with the co-producer(s) holding the remaining proportion of such intellectual property rights. The proportion of the intellectual property rights to the drama or film held by each co-production party generally corresponds to the proportion of interest that each co-production party has in the relevant drama or film. Whether the dramas and films developed and produced or co-produced by our Group is licensed or sold to our customers will typically depend on the reception by potential distributors during the initial production phase and whether there will be more than one TV network and/or video streaming platform involved in the broadcast and/or distribution. This is because licensing of the copyright and ancillary rights to certain distributor(s) (instead of selling and transferring) enables our Group to maximise the broadcast and/or distribution of the drama or film by potentially licensing the copyright and/or ancillary rights to the drama or film to another distributor in the future or by developing sequels or remakes of the drama or film.

The terms and conditions of the production contract or licensing agreement to be entered into between our Group and the customer will be negotiated and determined on an arm's length basis, based on the commercial considerations of each party, taking into consideration, among others, the terms and conditions of the production contracts and/or licensing agreements entered into by our Group with other third party customers for dramas or films of similar popularity, genre, scale of production and number of episodes.

We will typically begin negotiations with the customer on the terms of the production contract or licensing agreement during the pre-production stage in order to work towards finalising the terms of the formal agreement prior to the commencement of production, if possible, and in any event, prior to handover of the final product to the customer. However, we have had informal arrangements with one of our distributors ("**said distributor**") in the past as we were unable to finalise the terms of the formal agreement prior to the handover of the final product to the said distributor and broadcast and release of such drama by the said distributor. See the section entitled "Risk Factors – Risks Relating to our Business and the Industry in which we Operate – We

may on occasion have informal arrangements with a distributor for the broadcast and/or distribution of our dramas and films and thus may not realise expected benefits from such arrangements but may nonetheless be subject to taxation” of this Prospectus for further information on such informal arrangements. We will undertake the following measures to address the risks of such informal arrangements:

- if the terms of the formal agreement have not been finalised between our Group and the customer prior to the commencement of production of the drama or film, we will obtain written commitment from such customer that it will enter into a formal licensing agreement with our Group. Following which, we will continue to request for and have frequent meetings and discussions with such customer with a view to finalising the terms of the formal agreement as soon as practicable during the production process;
- during the negotiation process with such customer and pending the finalisation of the terms of the formal agreement, we will also approach other potential customers, such as other TV networks and video streaming platforms, to discuss the potential broadcast and/or release of the relevant drama or film by such customers as well; and
- once a formal agreement has been entered into between our Group and the customer, we will, among others, make the necessary arrangements for the applicable payments to be made to the relevant authorities, which can only be determined based on the final consideration agreed between the parties under the formal agreement. This includes any applicable value-added tax and enterprise income tax payable on the agreement to the relevant authorities in the PRC.

We have in the past only entered into informal arrangements with the said distributor and do not intend to continue to have such informal arrangements with the said distributor, and we will use our best endeavours to enter into formal agreements with the said distributor for the licensing and/or distribution rights for our dramas and films prior to the broadcast and release of any such dramas and films. However, in the event that the said distributor intends to engage our Group for the production of a drama or film in the future but the terms of the formal agreement between our Group and the said distributor have yet to be finalised and entered into prior to the commencement of production, the relevant production team and management will first obtain the approval of our Audit and Risk Management Committee prior to the commencement of production for the drama or film for the said distributor. Our Audit and Risk Management Committee will review the terms of the proposed informal arrangement with the said distributor, including the production schedule and the expected release date for the drama or film. Our Audit and Risk Management Committee will also review and take into consideration factors such as the suitability of the said distributor’s TV network for the broadcast and/or distribution of the drama or film, scale of production and the estimated production costs to be incurred by our Group, whether there are other working partners involved in the co-production of the drama or film, status of the negotiations with the said distributor on the terms of the formal agreement, whether other potential customers have expressed interest in the drama or film and the marketing and publicity efforts that will be undertaken by the said distributor and/or our Group in respect of such drama and film. We will only commence production for the drama or film for the said distributor after having obtained the approval of our Audit and Risk Management Committee. At the same time, our production team will continue to engage with the said distributor in order to finalise the terms of the formal agreement as soon as practicable and will provide updates to our Audit and Risk Management Committee on the progress of the negotiations on a regular basis.

We also do not expect to have such informal arrangements with any other customers for our dramas and films in the future. Nonetheless, in the event that the production of the drama or film has completed but the terms of the formal agreement between our Group and the customer have yet to be finalised, the relevant production team and management will first obtain the approval of our Audit and Risk Management Committee prior to the handover of the final product for the drama or film to the relevant customer. Our Audit and Risk Management Committee will take into consideration the status of the negotiations between our Group and the customer, the estimated date of finalisation and signing of the formal agreement, the production costs incurred to date, the expected release date of the drama or film and the marketing and publicity efforts undertaken, and whether other potential customers have expressed interest in the drama or film.

Engaged by our Customer for Production by our Group for a Fixed Fee

We may be approached by a customer, which is typically a third party TV network and/or video streaming platform, with a proposal to engage our Group to produce a drama or film based on certain ideas and themes, or a particular genre. Such proposals may already have a ready script, which is then further developed by our creative team. Otherwise, we may propose a script for the drama or film from our existing library of scripts or source for a suitable script from existing business contacts of our Group, such as scriptwriters and directors, which will then be further discussed and developed by our creative team and such customer.

Once the proposal for the production of the drama or film has been finalised, we will enter into a production contract with our customer, which will typically provide for payment of a fixed fee and stipulate that milestone payments are to be made upon completion of the various stages of the production process, such as upon delivery and acceptance of the final product and upon the release of the drama or film on the TV network or video streaming platform.

Developed for Production by our Group and Licensed or Sold to our Customer(s) for a Fixed Fee

We may also develop a drama or film and decide to commence production based on a particular script even before engaging with potential working partners and/or customers for the broadcast or distribution of the drama or film, depending on the outcome of the feasibility study conducted by our Group and if we anticipate positive reception by the potential working partners, customers and the general public audience. In such event, we may present proposals to third party TV networks and/or video streaming platforms during the pre-production and production phases for them to broadcast and/or distribute the drama or film once production has been completed.

In respect of such dramas or films, we will either:

- license the copyright and ancillary rights for a certain period of time and/or geographic region; or
- sell and transfer the copyright and ancillary rights to such drama or film to our customer.

The agreement will also typically provide for payment of a fixed fee and stipulate that milestone payments are to be made upon completion of the various stages of the production process, such as upon delivery and acceptance of the final product and the relevant licensing and/or copyright documents by our customer(s) and upon the release of the drama or film on the TV network or video streaming platform.

Developed for Production by our Group and Licensed or Sold to our Customer(s) for a Variable Fee

Where the drama or film is developed by our Group, we may also license the copyright and ancillary rights for a certain period of time and/or geographic region for variable fees.

The licensing agreement will stipulate the agreed rate for calculation of the variable fees based on user clicks or viewership. We may be provided with quarterly reports on viewership numbers for each episode or request for interim invoices.

Script Production

As at the Latest Practicable Date, we have an in-house team of three scriptwriters in our PRC production team who will pitch storylines and script ideas to our creative team on an ongoing basis and will develop scripts based on these storylines and script ideas. We also receive drama and film proposals and pitches from various scriptwriters, from time to time, and we may purchase the copyright to the scripts from such scriptwriters. Due to the length of time required for each drama or film project, we are only able to undertake a certain number of projects at any point in time and the scripts which have been developed or completed may be archived for our future drama or film projects or the copyright to the scripts may be sold to third parties, such as other production companies.

Concert Production

The concert production business of our Group comprises the Concert Organisation and Concert Management in various jurisdictions, depending on the scope and extent of the rights for the concert production typically granted to us by the management agency of the respective artistes.

The primary difference in the scope undertaken for Concert Organisation and Concert Management is that in undertaking Concert Organisation, we manage and execute the concert production process, including obtaining the relevant licences and/or permits, booking of the concert venue and coordinating ticket sales. However, in certain jurisdictions such as the PRC, the conduct of Concert Organisation is restricted. In the PRC, foreign investment in the equity interest of companies undertaking Concert Organisation is generally restricted to not more than 49.0% foreign ownership under the Commercial Performances Regulations, and requisite licences and/or permits are required to be obtained by the relevant companies in order to carry out the business of Concert Organisation in the PRC. See the section entitled “Regulations – PRC – Regulations on Commercial Performance Agency Institutions” of this Prospectus for further information on the PRC laws and regulations in relation to Concert Organisation. In such cases where there are foreign investment restrictions such as in the PRC, we will undertake Concert Management instead, where we will only retain general oversight and management of the concert production process, but will appoint sub-agents and/or collaborate with third party concert hosting companies as business partners who will undertake the execution of the other aspects of the concert production.

We have concert production teams based in both Singapore and the PRC, which will oversee the overall production and promotion of each concert and carry out the Concert Organisation and Concert Management, as the case may be. Our concert production teams will also liaise with the artiste and/or such artiste’s management team throughout the preparation, marketing and performance itself, in order to successfully stage each concert.

We are typically granted the rights to undertake the production of the concert(s) for the artiste through entry into an agreement with the management agency of the artiste, which will set out the terms of the concert production to be undertaken by our Group. As the theme and production aspects of a concert will depend on the preferences of the artiste and/or his management agency, certain aspects of the concert production such as stage design, costume design, dance choreography and publicity materials may be undertaken by the management agency itself. Notwithstanding the above, we may also be involved in the conceptualising and development of the set and stage design with the management agency and will liaise directly with the artiste and his management team for execution of the concert production.

Under the terms of the agreement with the management agency of the artiste, we will undertake the production of the concert and will typically receive all benefits derived from the concert, including proceeds from the ticket sales and sponsorship income from the respective concerts. In consideration for the grant of the rights by the artiste's management agency to our Group to undertake the production of the concert, a fee is paid by our Group to the management agency for the grant of such rights, as well as for the performance by the artiste at such concert and other aspects of the concert production which are undertaken by the management agency itself.

Mr. Yang Jun Rong, our Non-Executive Director and Substantial Shareholder, is also the manager to Jay Chou (周杰伦), who is a Taiwanese musician and singer-songwriter. Following the diversification of the entertainment business of our Group to include concert production, Mr. Yang Jun Rong was supportive of this business strategy and had procured that our Group be granted the rights to undertake the production of concerts for Jay Chou in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau) either on a long term basis or without any expiry in time, such that our Group will undertake the Concert Organisation and/or Concert Management of concerts for Jay Chou in such countries. As the Master Sure Legend Concert Agreement and the JVR Music Concert Agreement (both as described in the section entitled "Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by Interested Persons in the Prospectus") are already in place, which granted our Group with rights to produce concerts for Jay Chou in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau), our Group and Sure Legend or JVR Music (as the case may be) would discuss with each other on the feasibility of holding of concerts in any of the specified regions as and when either party is of the view that there is an opportunity for the holding of concerts for Jay Chou in any of the foregoing specified countries. The parties will then discuss and deliberate on the specific terms and the details of potential concerts for Jay Chou in these jurisdictions. In addition, we are not aware of JVR Music and/or Sure Legend granting rights to other companies for the production of concerts for Jay Chou in the same jurisdictions and at the same time periods as the rights granted to our Group.

See the sections entitled "Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by Interested Persons – Concert Production in Singapore, Malaysia, Australia, Japan and Thailand" and "Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by Interested Persons – Concert Management of Concerts in the PRC" of this Prospectus for further details.

Concert Organisation

We have undertaken the Concert Organisation of concerts for several well-known international artistes in Singapore, with upcoming concerts to be held in Singapore, Malaysia and Australia.

Concert Organisation entails managing, overseeing and executing the concert production, including obtaining the relevant licences and/or permits for the holding of the concert, booking of the concert venue and coordinating the ticket sales with the relevant ticketing agent in the country where the concert is to be organised. We will also carry out the production and engineering of the stage design, installation and setting up of lighting, sound and technical effects and concert merchandise, implement logistics and security arrangements, arrange for the music recording for the concert and conduct the marketing and publicity for the concert. As we undertake the execution of the other aspects of the concert production, we are responsible for the production costs for the concert and will receive the proceeds from the concert ticket sales.

Concert Management

In certain jurisdictions where our Group has not established a presence or do not meet the requirements and/or hold the requisite permits and/or licences for Concert Organisation under applicable laws, we intend to undertake concert production by way of Concert Management in such jurisdictions instead. In such situations, as we will be granted rights to undertake the production of the concert of the artiste in that particular jurisdiction, it is intended that we will do so by undertaking the Concert Management of the concert and will retain general oversight and management of the concert production process, but will appoint sub-agents and/or collaborate with third party concert hosting companies as business partners who will undertake the execution of the concert production instead.

Concert Management entails liaising directly with the artiste and his management team in terms of the development of the set and stage design, choreography and other aspects of the concert production, and managing the concert production process by appointing the relevant sub-agents and/or collaborating with concert hosting companies who have the requisite permits and/or licences. We will provide ancillary services such as marketing, publicity and logistics services in respect of certain aspects of the concert production. Such sub-agents and concert hosting parties will then handle the execution of the concert production, including booking the concert venue, coordinating the ticket sales, carrying out the production and engineering of the stage as well as the lighting, sound and technical effects and implementing logistics and security arrangements.

Upon appointment of the relevant sub-agent(s) and/or concert hosting company(ies), our Group will also enter into a separate agreement with such sub-agent and/or concert hosting company, to cover the scope of work as would be required under the terms of the concert agreement between our Group and the management agency. As such sub-agent and/or concert hosting company will be granted the rights to undertake the execution of the concert production, a fee is paid by such sub-agent and/or concert hosting company to our Group for the grant of such rights. As such sub-agent and/or concert hosting company will undertake the execution of the concert production, they will also be responsible for the production costs for the concert and will receive the proceeds from the concert ticket sales.

Concert Management of Concerts for Jay Chou in the PRC

In September 2019, our Directors had decided that our Group should make inroads into the concert production business in the PRC. Mr. Yang Jun Rong, our Non-Executive Director and Substantial Shareholder, was supportive of such business strategy, and accordingly, had procured that JVR Music, a talent management agency of Jay Chou, grant the rights to undertake the production of concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) to our Group. See the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by an Interested Person – Concert Management of Concerts in the PRC” for details of the JVR Music Concert Agreement entered into between our Group and JVR Music. As stated above, the conduct of Concert Organisation is restricted in the PRC under the Commercial Performances Regulations, and requisite licences and/or permits are required to be obtained in order to carry out such business of Concert Organisation in the PRC. Accordingly, we are only able to undertake the Concert Management of concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) under the JVR Music Concert Agreement.

However, as our concert production team had not undertaken the production of concerts in the PRC prior thereto, it was agreed that Eastern Eagle, an entity in which Mr. Yang Jun Rong has an interest in, which has business contacts in the PRC having concert production experience or capabilities, would act as our sub-agent for such concerts in the PRC. The intention was to allow our Group to gain experience in the Concert Management process in the PRC and it was intended that such arrangement would continue until we had gained sufficient experience and established

our business contacts in order to undertake the concert production business in the PRC on our own. Accordingly, our Group had entered into a concert agreement with Eastern Eagle for the grant of rights to Eastern Eagle to undertake the production of concerts in the PRC (excluding Hong Kong and Macau) as our agent in respect of the JVR Music Concert Agreement. See the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Appointment of an Interested Person as Agent for Concert Production” of this Prospectus for further details of the Eastern Eagle Concert Agreement.

During the Period Under Review, from the period of October 2019 to December 2019, we had agreed with JVR Music to undertake the production of a total of 16 concerts for Jay Chou in the PRC under the JVR Music Concert Agreement. In order to carry out the Concert Management of these concerts, Eastern Eagle thus provided its services under the Eastern Eagle Concert Agreement as our agent in respect of the JVR Music Concert Agreement. Our Group had therefore been involved in the production of these concerts by shadowing Eastern Eagle during the Concert Management process undertaken for these concerts and had also assisted in ancillary matters such as making transportation and accommodation arrangements and liaising with the various parties involved in the concert production process.

In this manner, we believe our Group has gained sufficient experience in the concert production business in the PRC and has established our own business contacts for Concert Management in the PRC. Following such involvement, we do not intend to appoint Eastern Eagle as sub-agent for the production of concerts in the PRC going forward, but we would retain general oversight and management of the Concert Management process, and may appoint other sub-agents and/or concert hosting companies to carry out the execution of the concert production, where necessary.

Concert Production Process

Feasibility Study

We may be approached by the management team of a concert artiste or our concert production team may approach the management team of a particular artiste for an initial discussion on the feasibility of organising a concert, which usually takes place around one year before the concert. Our concert production team will then conduct a feasibility study on whether our Group can undertake the Concert Organisation or Concert Management, as the case may be, in that particular jurisdiction, the potential reception of the concert, taking into consideration the past concerts of that particular artiste, his popularity in the local market and the general reception for other artistes with similar fanbases, and negotiate the concert fee with his management team.

Preparation

Once the artiste and/or his management agency confirms the engagement of our Group, our concert production team will proceed to either:

- (a) in respect of Concert Organisation, carry out the execution of the concert production, which will involve us applying for the relevant licences and/or permits and booking the concert venue in the city and/or country where the concert is to be staged, conceptualising and developing the concert set and stage design, with creative input from the management team of the artiste, amongst others. When the concert set and stage design has been finalised, our concert production team will then engage third party contractors such as stage, costume and concert merchandise designers, as well as sound, lighting and technical engineers. We may also purchase and/or lease costumes, props and concert equipment from third party suppliers for use at the concert venue, as well as source for sponsors and other event partners for the concert; and

- (b) in respect of Concert Management, we source for and appoint sub-agents and concert hosting companies, where necessary, in the city and/or country where the concert is to be staged and manage the entire concert production process by liaising between the management team of the artiste and such sub-agents and/or concert hosting companies in order to execute the concert production. We may also provide providing ancillary services such as marketing, publicity and logistics services.

Marketing and Publicity

Promotion and marketing of the concert will typically begin around eight months before the concert. Our concert production teams will also be responsible for the marketing of the concerts and will coordinate with the artiste management team in the promotion and marketing efforts, such as publicity through mainstream press releases and social media platforms, and prepare the marketing and promotional materials such as concert posters and other collaterals.

Performance and Post-Performance

We will liaise with the management team and the artiste himself in order to make the necessary logistical arrangements and coordinate the manpower and performances for the concert. As our concert production team is based in Singapore, most of the preparation and coordination work for overseas concerts will be conducted remotely and we will liaise with the relevant persons to ensure that there are no delays to the concert production schedule, including concert venue managers in order to ensure that the supplies and services required for the concert are delivered and carried out according to the concert production schedule where we undertake the Concert Organisation and our sub-agents and/or concert hosting companies where we undertake the Concert Management. Where we undertake the Concert Organisation of the concert, we will also oversee the pre-concert show rundown and rehearsals, including coordinating the setting up and installation of lighting, sound and technical effects.

After the conclusion of the concert, we typically take around two weeks to wrap up the event, including payment of the fee to the management agency and/or the artiste, payment by the sub-agent and/or concert hosting company to our Group, as well as payment of the relevant fees and expenses to our suppliers and contractors. Where we undertake the Concert Organisation, we will also handle the final settlement of ticket sales with the local ticketing agent, conduct stock take of concert merchandise and make payment of the venue fee to the concert venue manager.

Leasing of Concert Equipment

While we intend to engage more artistes and undertake the Concert Organisation and Concert Management of a larger number of concerts in Singapore, the PRC and other countries in the Asia-Pacific region in the future, the frequency of concert productions that can be undertaken by our Group is limited by several factors, including the availability of concerts artistes and suitable venues, the amount of planning and preparation involved for each concert and the initial fees and expenses incurred at the preparation phase. Accordingly, we lease the concert equipment owned by our Group to third party customers for use at their events and/or concerts, from time to time.

Concert equipment, such as amplifiers and speakers, are equipment typically required for the sound system for every concert or large-scale event. Such concert equipment is also typically unavailable at concert or event venues and would have to be sourced for by the concert or event organiser. In order to ensure high-quality performances at our concerts, we have acquired such concert equipment to be used at our concerts as these are not readily available for lease from third party suppliers, particularly in cities we are unfamiliar with. We believe that acquiring such concert equipment for use in our concert productions is more economical, due to the substantial costs involved in renting such equipment from third party suppliers and the uncertainty as to the availability of such concert equipment.

We have in the past leased, and intend to continue to, lease such concert equipment to third party event organisers and event production companies in the PRC for use at their events, when these are not in use by our Group for our concerts. Such third party event organisers and event production companies will typically lease the concert equipment from us for a period of two to three months, taking into account the time required for setting up, dismantling and equipment transportation before and after the event.

Talent Management Services

Our Group had established a talent management agency under Huahuo Entertainment in April 2019 and a second talent management agency under Tianjin Xinhe in August 2020. We identify and recruit artistes for our talent management services and have built up a stable pool of well-known artistes. As at the Latest Practicable Date, our talent management services business manages close to 50 artistes and the current pool of artistes we manage are actors and actresses who are primarily based, or whose projects and engagements are primarily based, in the PRC and/or Singapore. Our stable pool of artistes includes, among others, Yang Kun (杨昆), Yu Yi (于毅) and Dai Xiangyu (戴向宇), who are well-known artistes in the PRC, as well as Tay Ping Hui (郑斌辉), a Singapore home-grown artiste familiar to Singaporeans. Ms. Yue Lina, our Executive Director, who is also an established actress with over 20 years of experience in the drama and film industry, is also managed by our Group.

We provide talent management services to our artistes, which include managing their public image, grooming their talent for singing, acting and hosting, managing their appearance for events and sourcing for various media and entertainment related projects and engagements for them, such as films, dramas, variety shows, stage shows and other film projects, music recordings and concerts, media advertisements and sponsorships, as well as appearances at corporate and public events. Artistes have to undergo a selection process before we decide to onboard an artiste to our talent management agency, taking into consideration criteria such as experience, education background and credentials, industry reputation and public image, as well as professionalism and attitude.

Event organisers, corporate partners and production companies will approach our Group, as the talent management agency of these artistes, for event appearances and drama and film projects. The talent manager of each artiste, who is an employee of our Group, will negotiate the terms of the engagement. Under the terms of the talent management services contract entered with each artiste, we will generally be paid fees from their participation and engagement in the projects and events procured by our Group as their talent management agency on a project basis, and based on an agreed fee-sharing arrangement. Based on such fee-sharing arrangement, the fees paid to our Group ranges from 5.0% to 30.0% of the fees paid for such projects and events, which is determined based on factors including but not limited to, the popularity and experience of the artiste, the costs and expenses to be borne by our Group as the talent management agency and the number of projects and engagements expected to be undertaken by the artiste on an annual basis.

As our Group manages a pool of talented artistes, some of whom have years of experience in the drama and film industry and have won acting awards, the artistes managed by us may also audition and feature in the drama or film projects produced or co-produced by our Group. For instance, Yue Lina and Dai Xiangyu (戴向宇), who are artistes managed by us, were also cast members in our drama “The Little Nyonya 小娘惹”. Where there is a working partner in the drama or film project of our Group, the artiste selection process and budget for acting fees will be agreed between our Group and our working partner and the terms of the acting services agreement and the acting fees to be paid by our Group is negotiated by the talent manager of the artiste on his behalf, taking into account factors such as the popularity and experience of the artiste, the role in question for the artiste for the drama or film project (such as whether it is a leading or supporting role) and the production budget of the drama or film project.

Costumes, Props and Make-up Services

We provide costumes, props and make-up services for artistes and third party production companies in respect of their drama and film production activities by engaging subcontractors for the provision of such costumes, props and make-up services. In particular, we have in the past and will continue to engage Mr. Chen Minzheng to design and create costumes and props for our drama and film projects, as well as for third party production companies which engage his services through our Group by way of collaboration between our Group and Mr. Chen Minzheng. Mr. Chen Minzheng is a well-known designer for costumes, props and make-up in the PRC who has won, among others, the Golden Horse Award for Best Make-up & Costume Design in 2018 and the Asian Film Award for Best Costume Design in 2019.

In this regard, we have entered into an exclusive services and collaboration agreement with Mr. Chen Minzheng, pursuant to which Mr. Chen Minzheng has agreed to provide his costumes, props and make-up services to our Group on an exclusive basis. Under the terms of such agreement, third party production companies who wish to engage Mr. Chen Minzheng's services will enter into contracts with our Group. Such services will in turn be subcontracted by our Group to Mr. Chen Minzheng for the provision of such costumes, props and make-up services under the terms of the exclusive services and collaboration agreement. The fees for the costumes, props and make-up services provided by Mr. Chen Minzheng shall be determined based on the prevailing market rate. Such agreement is for a term of three years and is automatically renewed, unless terminated by either party with three months' notice. In the event of termination of the agreement, the rights to the costumes, props and make-up designed by Mr. Chen Minzheng shall be transferred to our Group for a nominal consideration of RMB1 or such other minimum price allowed by PRC laws and regulations. Our Group is not prevented from engaging other designers for costumes, props and make-up services.

Due to the nature of TV program and film production, the costumes and props utilised in each drama or film project are often reused for other projects, after having been modified and/or repurposed for such other projects. Accordingly, the costumes and props provided by Mr. Chen Minzheng or other third party costumes and props designers are typically modified and repurposed based on the requirements and specifications of the particular drama or film project produced by us and, in the case of other third party production companies, such costumes and props may then be leased to such customers for the entire duration of their drama or film production.

MAJOR CUSTOMERS

Our customers for our TV program and film production business comprise distributors and licensees of our films and dramas, such as TV networks and video streaming platforms, as well as sponsors and advertisers who promote their products and/or services through product placements, advertisements and promotional campaigns in the dramas and films produced by us. We provide our services for TV program and film production on a project basis and work with different customers, depending on the project at hand, and as a result, the revenue received from our customers may fluctuate.

Our customers for our concert production business comprise end consumers who attend our concerts and purchase tickets through ticketing agents engaged by our Group and corporate customers who bulk purchase tickets directly from our Group.

Our customers for our talent management services business comprise the corporate customers who engage such artistes managed by our Group for their projects, events and other engagements.

Our customers for our ancillary production services business comprise production companies and corporate customers who engage our costumes, props and make-up services, concert equipment leasing services and script production services.

The following table sets out the customers which accounted for 5.0% or more of our total revenue for FP2018, FY2019 and 6M2020:

Major Customer	Products or Services Provided	FP2018		FY2019		6M2020	
		Total revenue (S\$'000)	Percentage of our Group's revenue (%)	Total revenue (S\$'000)	Percentage of our Group's revenue (%)	Total revenue (S\$'000)	Percentage of our Group's revenue (%)
Young & Young International Corporation	Script production	3,222	93.6 ⁽¹⁾	–	–	–	–
SEL Productions Pte. Ltd.	Talent management services	205	6.0	–	–	–	–
iQIYI Group ⁽²⁾⁽³⁾	TV program and film production	–	–	60,651	91.9 ⁽³⁾	20,604	55.5
Sportshub Pte. Ltd. ⁽⁴⁾	Concert ticket sales	–	–	–	–	14,057	37.8

Notes:

- (1) In FP2018, our Group did not undertake any drama or film production and had only sold the script rights for one drama to Young & Young International Corporation.
- (2) To the best of our Directors' knowledge, Beijing iQIYI Science & Technology Co., Ltd. (北京爱奇艺科技有限公司), Beijing QIYI Century Science & Technology Ltd. (北京奇艺世纪科技有限公司) and Qiyi.com HK Limited (爱奇艺国际(香港)有限公司) (collectively, the "iQIYI Group") are subsidiaries or variable interest entities of iQIYI and we have therefore regarded them as one customer.
- (3) In FY2019, our Group had completed the production of two dramas, "Dance of the Sky Empire 天舞纪" and "The Little Nyonya 小娘惹", for which the iQIYI Group was the customer for the distribution of both dramas on its video streaming platform.
- (4) Ticketing agents, such as Sportshub Pte. Ltd., through whom the end consumers purchase tickets to attend our concerts are included as one of our customers which accounted for 5.0% or more of our total revenue for 6M2020.

See the section entitled "Risk Factors – Risks Relating to our Business and the Industry in which we Operate – We are exposed to concentration risk of reliance on our major customers" for further information.

Save as disclosed above, there are no other customers which contributed more than 5.0% of our Group's revenue for the Period Under Review.

As at the Latest Practicable Date and to the best of our knowledge, none of our Directors, Executive Officers, Substantial Shareholders or their Associates has any interest, direct or indirect, in any of our major customers.

MAJOR SUPPLIERS

Our suppliers for our TV program and film production business are contractors who provide us with production services and ancillary production services, such as costume, make-up and props services. As the services we require vary from project to project, our portfolio of suppliers for our TV program and film production business may vary from year to year, depending on the nature and requirements of the drama and film projects we undertake each year.

Our suppliers for our concert production business are venue owners and ticketing agents in respect of the use of the concert venue and ticketing services, respectively, which varies for each concert production undertaken by our Group. Due to the nature of our business, our portfolio of suppliers for our concert production business may vary from year to year as we hold our concerts at different venues and countries.

The following table sets out the supplier(s) which accounted for 5.0% or more of our total purchases for FP2018, FY2019 and 6M2020:

Major Supplier	Products or Services Purchased	FP2018	FY2019		6M2020		
		Total purchases (\$S'000)	Percentage of our Group's purchases (%)	Total purchases (\$S'000)	Percentage of our Group's purchases (%)	Total purchases (\$S'000)	Percentage of our Group's purchases (%)
Envision Productions	Production services	12,780	57.0	9,887	20.4	8,280	32.1
Sportshub Pte. Ltd.	Concert ticketing agent services	–	–	–	–	1,927	7.5
Sure Legend	Rights to undertake the production of concerts	–	–	–	–	1,910	7.4

For FP2018, FY2019 and 6M2020, the supplier(s) which accounted for 5.0% or more of our total purchases collectively accounted for approximately 57.0%, 20.4% and 47.0% of our total purchases, respectively.

We have entered into a master agreement with Sure Legend on 30 November 2018 for the grant of rights by Sure Legend to our Group to undertake the production of concerts and thereby, the appointment of our Group as the organiser of the worldwide concert tour of Jay Chou under the theme of “Jay Chou’s 20-Years Concert” in Singapore, Malaysia, Australia, Japan and Thailand on a non-exclusive basis (“**Master Sure Legend Concert Agreement**”). The Master Sure Legend Concert Agreement is in effect from 30 November 2018 and is valid for the duration of the specified theme, which, in line with industry practice, would be for period of approximately three years from the first concert held under the said theme. In addition, our Group is granted the right, under the Master Sure Legend Concert Agreement, to renew the Master Sure Legend Concert Agreement twice, after the completion of concerts for each theme. See the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by Interested Persons – Concert Production in Singapore, Malaysia, Australia, Japan and Thailand” of this Prospectus for further details of the Master Sure Legend Concert Agreement.

We have also entered into an exclusive services and collaboration agreement with Mr. Chen Minzheng, pursuant to which Mr. Chen Minzheng has agreed to provide his costumes, props and make-up services to our Group on an exclusive basis. Such agreement is for a term of three years and is automatically renewed, unless terminated by either party with three months’ notice. See the section entitled “History and Business – Our Business – Costumes, Props and Make-up Services” of this Prospectus for further details.

Save as disclosed above, we generally do not enter into long-term or exclusive agreements with any of our major suppliers. See the section entitled “Risk Factors – Risks Relating to our Business and the Industry in which we Operate – We are reliant on the services of certain suppliers and subcontractors” of this Prospectus for further information.

As at the Latest Practicable Date and to the best of our knowledge, none of our Directors, Executive Officers, Substantial Shareholders or their Associates has any interest, direct or indirect, in any of our major suppliers.

Save as disclosed above, there are no other suppliers who accounted for 5.0% or more of our purchases during the Period Under Review. To the best of their knowledge, our Directors are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major suppliers.

CREDIT MANAGEMENT POLICY

Credit Terms to our Customers

For our TV program and film production business, our customers comprise distributors of the dramas and films produced or co-produced by our Group. These customers are generally given credit terms of 30 days.

For our concert production business, our customers comprise end consumers who attend our concerts and purchase tickets through ticketing agents engaged by our Group and corporate customers who bulk purchase tickets directly from our Group, and such customers are generally make payment upon receipt of the invoice.

For our talent management services business, our customers comprise event organisers, corporate customers and production companies who engage the artistes managed by our Group for their projects, events and other engagements. These customers are generally given credit terms of 30 days.

For our costumes, props and make-up services business, our customers comprise production companies and other corporate customers who engage our costumes, props and make-up services. These customers are generally given credit terms of 30 days.

The credit terms extended to our customers vary from customer to customer, depending on factors such as the length of our business relationship with them, our evaluation of their creditworthiness, and their historical track record for timely payment.

The following table sets forth our average trade receivables turnover days for FP2018, FY2019 and 6M2020:

	FP2018	FY2019	6M2020
Average trade receivables turnover (days) ⁽¹⁾⁽²⁾	18.5	122.6	137.4

Notes:

- (1) For FP2018 and FY2019, average trade receivables turnover days = (Average trade receivables/revenue) X 365 days. Trade receivables are recorded on the date which the invoices are issued to our customers.
- (2) For 6M2020, average trade receivables turnover days = (Average trade receivables/revenue) X 182 days. Trade receivables are recorded based on the date which the invoices are issued to our customers.

Our Group recorded an increase in average trade receivables turnover days from 18.5 days in FP2018 to 122.6 days in FY2019 mainly because the invoices for two drama projects completed by our Group in FY2019 under our TV program and film production business were only issued to the relevant customers near the end of FY2019, based on the billing milestones under the terms of the respective contracts and receivable due from ticketing agents for concert tickets sold in advance. Approximately 67.6% of trade receivables in FY2019 are current and our Group did not record any material provisions and/or write-offs during the Period Under Review.

The increase in average trade receivables turnover days from approximately 122.6 days in FY2019 to approximately 137.4 days in 6M2020 was mainly due to higher trade receivables recorded as at 31 December 2019, hence resulting in higher average trade receivables used to compute the average trade receivables turnover days. As at 31 December 2019, approximately 32.4% of trade receivables in FY2019 were overdue and such trade receivables have been fully collected at 30 June 2020.

As at 30 June 2020, the amount of trade receivables was approximately S\$11.9 million, of which approximately 99.9% are current and approximately S\$4.9 million has been collected as at the Latest Practicable Date. Taking into consideration the foregoing, the outbreak of COVID-19 did not have any material impact on collectability of the trade receivables of our Group.

Credit Terms from our Suppliers

The credit terms vary from supplier to supplier. Our suppliers generally grant us credit terms of 30 days. The availability of credit and the credit terms extended to us by our suppliers vary from supplier to supplier, depending on factors such as the length of our business relationship with them, their evaluation of our creditworthiness, as well as the supplier’s internal policies.

The following table sets forth our average trade payables turnover days for FP2018, FY2019 and 6M2020:

	FP2018	FY2019	6M2020
Average trade payables turnover (days) ⁽¹⁾⁽²⁾	–	59.4	99.1

Notes:

(1) For FY2019, average trade payables turnover days = (Average trade payables/cost of sales) X 365 days.

(2) For 6M2020, average trade payables turnover days = (Average trade payables/cost of sales) X 182 days.

Our Group did not record any average trade payables turnover days in FP2018 as payment to the supplier for our script production and sale of copyright for the script under our TV program and film production business in FP2018 was based on cash terms with immediate payment made. As we had commenced our drama and film production under our TV program and film production business, as well as our concert production business and costumes, props and make-up services business in FY2019, we had thus started to engage suppliers and subcontractors which resulted in the increase in average trade payables turnover days in FY2019.

The increase in the average payables turnover for 6M2020 compared to FY2019 was due to better cashflow management coupled with a 0 average payable balance for FP2018, thus resulting in a lower average payables turnover days for FY2019.

MARKETING AND BUSINESS DEVELOPMENT

We have an in-house marketing team for our TV program and film production business. The pre-release promotion activities for any drama or film produced by our Group is typically undertaken by the relevant TV network and/or video streaming platform, such as producing advertisement and marketing materials, organising press visits to filming sites and coordinating interviews and participation in entertainment shows. Our marketing team will concurrently conduct our own marketing efforts and promotion activities to promote the drama or film in order to ensure that each drama or film produced by our Group is supported by an effective marketing strategy over a broad spectrum of advertising and promotional media, including TV, promotional events, print and social media.

We also have a business development director for our concert production business and talent management services businesses, who focuses on promoting awareness of the services that we provide and our brand name to new and existing customers, who are mainly artiste managers and agents, artiste management companies or the artistes themselves. We aim to foster long-term business relationships with our customers and to cultivate brand loyalty and goodwill amongst our existing customers, so that they will engage our services for the production and/or promotion of their artistes' concerts and events.

RESEARCH AND DEVELOPMENT

Due to the nature of our businesses, we have not carried out any research and development activities.

QUALITY ASSURANCE

Our Group recognises that the media and entertainment industry in which we operate is competitive and that it is vital to provide quality services and maintain high standards in our operations. To attract and retain our customers and to reduce disruptions to our services, we have adopted various policies and standards that are commensurate with this high standard and we have channels through which our customers and the general public may provide feedback to us on possible improvements to our services.

We maintain the high standards and quality of the dramas and films produced by our Group through stringent and rigorous review of each drama or film by Mr. Guo Jingyu, our Executive Chairman and Group CEO, and Mr. Xue Xin, our Senior Director of TV Program and Film Production, during the post-production phase, with feedback given to the relevant directors and the editing team. We may also arrange for a viewing session with the relevant stakeholders, including our working partners, for parties to preview the drama or film and provide their feedback, to ensure that the finished product will meet their requirements and standards. In particular, as each drama and film will have to be submitted to the relevant regulatory authorities to obtain the necessary ratings and permits for the commercial release of the drama or film on public channels in the relevant jurisdictions, the internal review and editing of the dramas and films during the post-production phase is important in order to ensure that the final cut of the drama or film submitted for review by the relevant regulatory authorities will be approved for commercial release.

In addition, we view the safety of our operations to be of paramount importance for our employees and crew involved in our production activities and concert activities, particularly in terms of the setting up of lighting, sound and technical effects and the setting-up of the concert stage and set. In addition, we have dedicated production team members to supervise external subcontractors that provide services to our production sites, filming locations and concert venues. We adopt the necessary safety measures at our production sites, filming locations and concert venues and obtain customary insurance policies for our employees, as well as the employees and crew of our subcontractors who carry out work at the respective locations.

MATERIAL LICENCES AND PERMITS

We are required to apply for and obtain the necessary licences and/or permits on a per project basis:

- in respect of the drama and film projects produced by our Group, we are typically required to obtain the necessary approval and/or permit for filming from the relevant government and/or regulatory authorities prior to the start of filming of the drama or film; and
- in respect of the concert productions undertaken by our Group, we are typically required to obtain the necessary licences and/or permits from the relevant government and/or regulatory authorities for the particular concert or event that we undertake the Concert Organisation for our customers.

As at the Latest Practicable Date, our Group has obtained the necessary licences and/or permits for the drama and film projects produced by us and the concerts productions undertaken by us.

Apart from the necessary licences and/or permits that we are required to obtain on a project basis, the following table sets out key details of the material approvals, licences and permits in respect of our businesses in PRC:

Licensee	Issuing Authority	Permitted Activity	Period of Validity	Licence Number
Tianjin Xinyuan	Tianjin Administration for Market Regulation (天津市市场监督管理委员会)	General business items – Organising artistic and cultural communication activities; information consulting services (excluding information consulting service); equipment for cultural activities rental services; advertising production; literary and artistic creation; Licensed business items – Performance agent	9 April 2020 to 7 April 2050	91120000MA0701NJ87
Beijing Xinyuan	Administration for Market Regulation of Beijing Huairou District (北京市怀柔区市场监督管理局)	Organising cultural and artistic exchange activities (excluding commercial performances); information technology consulting services; stationary equipment rental; stage props and costume rentals; corporate management consulting; advertising production services; literary creation; cultural and entertainment broker services; performance brokerage agency service.	28 August 2020 to 27 August 2050	91110116MA01UJ011N
Tianjin Changxin	Administration for Market Regulation of Tianjin Wuqing District (天津市武清区市场监督管理局)	Film and television program production, organising cultural and art exchange activities, engaging in advertising business, corporate image planning, cultural and entertainment broker services, film and television equipment, clothing, props rental, performance brokerage agency service	From 22 March 2018 onwards ⁽¹⁾	91120222MA06AU0D5Q

Licensee	Issuing Authority	Permitted Activity	Period of Validity	Licence Number
Tianjin Changxin	Tianjin Municipal Radio and Television Bureau (天津市广播电视局)	Production and distribution of radio and television programs (except for political affairs, news and similar topics, columns)	1 April 2019 to 31 March 2021	(津)字第818号
Beijing Changxin	Administration for Market Regulation of Beijing Huairou District (北京市怀柔区市场监督管理局)	Radio and television program production; performance brokers; organising cultural and art exchange activities (excluding performances), designing, producing, agency in, and publishing advertisements; corporate image planning; film and television equipment, clothing, props rental	From 22 August 2018 onwards ⁽¹⁾	91110116MA01E7E96R
Beijing Changxin	Beijing Municipal Radio and Television Bureau (北京市广播电视局)	Production and distribution of cartoons, feature films and TV variety shows, not allowed to produce radio and television programs regarding political affairs, news and similar topics, columns	20 August 2019 to 31 March 2021	(京)字第12157号
Tianjin Ruyang	Administration for Market Regulation of Tianjin Binhai New District (天津市滨海新区市场监督管理局)	Production of film and television program; organising cultural and art communication activities; advertising production services; corporate image planning; cultural and entertainment broker services; film and television equipment, clothing, props rental services; performance brokerage agency service	From 29 July 2019 onwards ⁽¹⁾	91120116M1A06R1R989
Tianjin Ruyang	Administrative Approval Bureau of Tianjin Wuqing District (天津市武清区行政审批局)	Production and distribution of radio and television programs (except for political affairs, news and similar topics, columns)	8 November 2019 to 31 March 2021	(津)字第1063号
Beijing Yizhongdao	Administration for Market Regulation of Beijing Huairou District (北京市怀柔区市场监督管理局)	Production of radio and television programs; film distribution; performance brokerage; literary and artistic creation; organising artistic and cultural exchange activities (excluding commercial performances)	From 19 April 2019 ⁽¹⁾	91110116MA01JLFG7Y
Beijing Yizhongdao	Beijing Municipal Radio and Television Bureau (北京市广播电视局)	Production and distribution of cartoon, feature films, reality shows (not allowed to produce radio and television programs regarding political affairs and news, and television programs on similar topics)	28 May 2019 to 31 March 2021	(京)字第13781号

Licensee	Issuing Authority	Permitted Activity	Period of Validity	Licence Number
Tianjin Xinhe	Tianjin Administration for Market Regulation (天津市市场监督管理委员会)	General business items – Organise cultural and artistic exchange activities, literary and artistic creation, cultural and entertainment brokerage services, advertising production; film and television and art prop setting services; props rental activities; information consulting services (not including licensing information consulting services); professional design services; non-residential real estate rental; office equipment rental services	27 March 2019 to 26 March 2049	91120000MA06KKJR8A
Tianjin Zhengzai	Administration for Market Regulation of Tianjin Binhai New District (天津市滨海新区市场监督管理局)	Licensed business items – performance brokerage agency service	19 April 2019 to 18 April 2039	91120116MA06LC130T
Huahuo Entertainment	Administration for Market Regulation of Tianjin Binhai New District (天津市滨海新区市场监督管理局)	Development and promotion of visual design technology; organisation of cultural and artistic exchange activities (except performances), advertising design, production, agency, release; corporate marketing planning; literary and artistic creation services; film and television equipment, props, clothing rental; clothing design and production	19 April 2019 to 18 April 2039	91120116MA06LCDY0T

Note:

(1) There are no expiry dates for such licences and permits.

As at the Latest Practicable Date, our Group has obtained all requisite approvals, licences and permit, and is in compliance with the laws and regulations that would materially affect our business operations. See the section entitled “Regulations” of this Prospectus for further information. In relation to the material approvals, licences and permits set out in the table above which are expiring within 12 months, our Group does not foresee any material difficulties in renewing such material approvals, licences and permits.

MATERIAL PROPERTIES AND FIXED ASSETS

Properties Owned by our Group

As at the Latest Practicable Date, we do not own any material properties.

Properties Leased by our Group

The following table summarises the information relating to material properties that we lease, as at the Latest Practicable Date:

Group Entity	Landlord	Address	Gross Floor Area	Lease Term	Usage	Rental
GHY Singapore	DBS Trustee Limited as trustee of Maple Industrial Trust	988 Toa Payoh North #07-01/06/07/08 Singapore 319002	862.8 sq m	1 September 2020 to 31 August 2023	Office	S\$32,968 per month
GHY Malaysia	Chuang Properties (Central Plaza) Sdn Bhd	Suite 13.01A, 13th Floor, Central Plaza, No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur	910 sq ft	1 April 2020 to 31 March 2022	Office	MYR5,232.50 per month
Tianjin Changxin ⁽¹⁾	Perfect World (Beijing) Software Co., Ltd.	“East One”, “East Three”, “West Three” office areas, 2nd floor, Building 310 (Building 8 of Perfect World Building), No. 86 Beiyuan Road, Chaoyang District, Beijing	958.26 sq m	1 April 2019 to 31 March 2022	Business	RMB2,490,326.04 per year
Tianjin Changxin ⁽¹⁾	Perfect World (Beijing) Software Co., Ltd.	“West Two” office area, 2nd floor, Building 310 (Building 8 of Perfect World Building), No. 86 Beiyuan Road, Chaoyang District, Beijing	167.18 sq m	11 May 2020 to 10 May 2021	Business	RMB36,205.62 per month
Beijing Changxin ⁽²⁾	Beijing Huailutong Transportation Facilities Co., Ltd.	201, No. 1, Yard 140, Li Liang He Village, Miaocheng Town, Beijing Huairou District	5,698 sq m	1 January 2020 to 31 December 2027	Film studio, landscape, warehouse and office	RMB2,600,000 per year

Notes:

- (1) Under the terms of the respective lease agreement, the landlord has the right to terminate the agreement unilaterally in the event that: (a) the rent is paid in arrears and is not paid within 14 days after a written reminder from the landlord; (b) the use of the property is changed without the consent of the landlord and is not rectified within 15 days after the written request from the landlord; and (c) the lessee alters or damages the main structure of the property and does not repair such alteration and/or damage within 15 days after the written request from the landlord.
- (2) Under the terms of the lease agreement, the landlord has the right to terminate the agreement in the event that: (a) the property is demolished without the written consent of the landlord; (b) damaged property has not been repaired within a reasonable period of time; (c) use of the property for illegal activities; (d) the lessee has not implemented all rectification actions proposed by the landlord within 15 days; and (e) overdue payment of fees that should be paid to the landlord as agreed and within 15 days after request from the landlord.

As at the Latest Practicable Date, we do not sub-lease any material properties to third parties.

Save as disclosed in the section entitled “Regulations” of this Prospectus, there are currently no regulatory requirements or environmental issues that may materially affect our Group’s utilisation of the above properties.

As at the Latest Practicable Date, save in respect of renewals of licences in the ordinary course of business, our Group has obtained the required material licences for its business operations in respect of our material properties and fixed assets.

INTELLECTUAL PROPERTY RIGHTS

Copyright

Our Group generally owns the copyright to the scripts for the dramas and films which are developed and produced or co-produced by our Group, including most of the current and upcoming TV and web dramas and films set out in the section entitled “History and Business – Business Overview – TV and Web Dramas and Films” of this Prospectus. When there is a co-producer for any drama or film project undertaken by our Group, the copyright to the script for such drama or film may be jointly held by us and such co-producer in a specified proportion.

We may also own or co-own the ancillary rights to such dramas and films, which are rights arising from or supplementary to the primary production rights arising from the drama or film, including title, interest in the story and dialogue, and rights to the sequels and other adaptations of the drama or film. Adaptations of the drama or film include other forms of entertainment content such as animation works, comics, gaming products and musical works. Such ancillary rights may also be licensed by our Group to third parties for adaptation into such other forms of entertainment content. For instance, in September 2020, we entered into a licensing agreement with a company, which is engaged in the development, distribution and operation of online games, pursuant to which we have granted the company an exclusive licence to use such ancillary rights in a particular drama to adapt, develop and distribute a game based on the drama, as well as gaming peripherals and merchandise, from the date of such licensing agreement to the date falling seven years after the storybook on which the drama is based on was completed. In addition, in the event that our Group produces a sequel to such drama, we have also granted such company priority to license the ancillary rights to such sequel for adaptation into gaming products.

The intellectual property rights for the films and dramas will not be held or owned by the respective producer(s), scriptwriter(s) or director(s), including where such person(s) are employee(s) of our Group and where Mr. Guo Jingyu is a director, producer and/or scriptwriter of the relevant drama or film. The terms of the employment contract between the employees of our Group, including the service agreement entered into by Mr. Guo Jingyu, our Executive Chairman and Group CEO, and our Group stipulate that our Group shall have the ownership and copyright to such intellectual property created and/or developed by our employees, including Mr. Guo Jingyu, during their employment with our Group, whether as an individual or as a group.

Trademarks

As at the Latest Practicable Date, the following trademark applications of our Group are pending:

Trademark	Place of Application	Applicant	Class	Application Date
	PRC	Tianjin Xinhe	9, 41	1 July 2019
	PRC	Tianjin Xinhe	10	20 May 2020

As at the Latest Practicable Date, the following trademarks have been registered by our Group:

Trademark	Place of Registration	Registered Owner	Class	Registration Date	Expiry Date
	Singapore	GHY Singapore	41	29 October 2018	29 October 2028
	Singapore	GHY Singapore	41	7 July 2018	7 July 2028
	Singapore	GHY Singapore	41	9 March 2020	9 March 2030
	PRC	Tianjin Xinhe	1 – 8, 10, 12 – 19, 22 – 27, 29 ⁽¹⁾ , 30 – 34, 36 – 40, 42 – 45	7 April 2020	6 April 2030
			20, 21, 28, 35	7 June 2020	6 June 2030
	PRC	Tianjin Xinhe	15	14 January 2020	13 January 2030
			35	7 March 2020	6 March 2030
			9	21 May 2020	20 May 2030
	PRC	Tianjin Xinhe	15, 27	14 January 2020	13 January 2030
			35	28 April 2020	27 April 2030
			9	21 May 2020	20 May 2030

Note:

(1) As at the date of this Prospectus, the trademark registered under Class 29 (which is in respect of food products) is pending due to a trademark opposition.

Trademark	Place of Registration	Registered Owner	Class	Registration Date	Expiry Date
G.H.Y	PRC	Tianjin Xinhe	23, 41	14 January 2020	13 January 2030
			1, 13	21 January 2020	20 January 2030
			22, 38	14 February 2020	13 February 2030
			4	7 March 2020	6 March 2030
			37	21 March 2020	20 March 2030
			34, 40, 45	7 April 2020	6 April 2030
			18, 31, 32, 44	14 April 2020	13 April 2030
			2, 8, 19, 21, 26, 28, 42	21 April 2020	20 April 2030
			5, 20, 43	28 April 2020	27 April 2030
			9	14 May 2020	13 May 2030
			11,17	21 May 2020	20 May 2030
			7	7 June 2020	6 June 2030
			花火乐娱	PRC	Huahuo Entertainment
1, 2, 4, 6 – 8, 10 – 15, 17 – 20, 22, 24 – 26, 28, 29, 31 – 33, 36 – 38, 40, 42 – 45	21 February 2020	20 February 2030			
34	14 March 2020	13 March 2030			
5	21 April 2020	20 April 2030			
16, 35	14 April 2020	13 April 2030			
41	21 July 2020	20 July 2030			

Web Domain

Web Domain	Registered Owner	Registration Date	Expiry Date
https://www.ghyculturemedia.com/	GHY Singapore	23 May 2018	23 May 2021

Save as disclosed above, we do not own or use any other registered trademarks, internet domain or intellectual property, including copyright and ancillary rights for our dramas and films, which are material to our business. Currently, our business and profitability are not materially dependent on any intellectual property such as patents, patent rights, licences and processes or other tangible assets. During the Period Under Review and up to the Latest Practicable Date, we did not have any dispute or any other pending legal proceedings concerning intellectual property rights.

INSURANCE

As at the Latest Practicable Date, we maintain the following comprehensive insurance policies to cover, among others, our risks relating to:

- in respect of our drama and film production activities, public liability insurance and equipment all risks insurance covering damage to sets, costume, make-up and ancillaries and production office contents;
- in respect of each concert production, public liability insurance; and
- in respect of our general business and operations, all risks, workmen compensation and group medical insurance, fire insurance of our office premises and insurance covering all-risks and business interruptions.

Based on the overall assessment of the operating risk for our present business operations, we are of the view that our insurance coverage is adequate and is in line with industry practice. As our business expands, we will continue to regularly review and assess our risk portfolio and adjust our insurance practice based on our needs and industry practice.

See the section entitled “Risk Factors – Risks Relating to our Business and the Industry in which we Operate – Our insurance coverage may be inadequate” of this Prospectus for further details.

EMPLOYEES

As at 30 June 2020, we employed a total of 125 persons. As at 30 June 2020, 38 of our employees were employed and working in Singapore, 84 of our employees were employed and working in the PRC and three of our employees were employed and working in Malaysia.

The following table sets forth the breakdown of our employees by activity as at the end of each of FP2018, FY2019 and 6M2020:

Function	As at 31 December		As at
	2018	2019	30 June 2020
Singapore			
Management ⁽¹⁾⁽²⁾	3	2	1
Finance ⁽³⁾⁽⁴⁾	7	6	5
TV Program and Film Production	8	7	20
Concert Production	4	6	7
Support Staff	4	4	5
PRC			
Management ⁽¹⁾	–	3	3 ⁽⁵⁾
Finance	–	7	8
Business Development, Branding and Marketing	–	6	6
Human Resource and Legal	–	3	4
TV Program and Film Production	–	29	32
Concert Production	–	7	7

Function	As at 31 December		As at
	2018	2019	30 June
			2020
Talent Management	–	15	20
Support Staff	–	5	4
Malaysia			
Finance	–	1	2
TV Program and Film Production	–	–	1
Total	27	101	125

Notes:

- (1) The decrease in the number of employees classified under Management in Singapore from 31 December 2018 to 31 December 2019 was due to (i) the re-classification of two directors of GHY Singapore as Management in the PRC during FY2019; and (ii) the appointment of one director of GHY Singapore during FY2019.
- (2) The decrease in the number of employees classified under Management in Singapore from 31 December 2019 to 30 June 2020 was due to (i) the resignation of two directors of GHY Singapore during 6M2020; and (ii) the re-classification of Ms. Low Hui Min, our Chief Financial Officer, from Finance to Management upon her appointment as a director of GHY Singapore in March 2020.
- (3) The decrease in the number of employees classified under Finance in Singapore from 31 December 2018 to 31 December 2019 was due to the resignation of one Finance employee in FY2019.
- (4) The decrease in the number of employees classified under Finance in Singapore from 31 December 2019 to 30 June 2020 was due to the re-classification of Ms. Low Hui Min, our Chief Financial Officer, from Finance to Management upon her appointment as a director of GHY Singapore in March 2020.
- (5) Comprising our three Executive Directors.

None of our full-time employees are unionised. We hold regular employee meetings with employee representatives where suggestions and comments on various aspects of our management are provided for us to consider making the appropriate adjustments and improvements.

We believe that we maintain a good working relationship with our employees and we did not experience any significant labour disputes or any difficulty in recruiting staff during the Period Under Review and up to the Latest Practicable Date. See the section entitled “Risk Factors – Risks Relating to Countries in which we Operate – We are subject to various labour laws and regulations in the jurisdictions in which we operate in and any non-compliance may materially and adversely affect our operations” of this Prospectus.

CORPORATE SOCIAL RESPONSIBILITY

Our Group values social responsibility and supports community development projects that align our commercial goals with social and community welfare and environmental sustainability, as well as making contributions towards charitable causes.

We have participated in the “Story Lab Apprenticeship” programme, an initiative in Singapore supported by the Infocomm Media Development Authority of Singapore, comprising apprenticeships by participants with our PRC drama or film projects for at least 12 months. Through this programme, we aim to nurture and grow Singapore’s creative talent pool by providing participants with structured training programs in scriptwriting, directing and producing, onsite training at production shoot locations and the opportunity to learn from industry professionals. In addition, we entered into a collaboration with Ngee Ann Polytechnic in Singapore to jointly develop and deliver a training course from September 2020 to November 2020 to equip the participants of the course with techniques on writing a screenplay in Chinese, with both local and overseas trainers for the course, including Mr. Guo Jingyu, our Executive Chairman and Group CEO.

We have also recently completed the production of the film series “I Come From Beijing 我来自北京”, with the last film of the series of seven films expected to be released in 1Q2021, each telling a story about the youth of Beijing helping to alleviate poverty. This web film series was produced by our Group, with the support of the Beijing Radio and Television Bureau, the Office of the Beijing Leading Group for Poverty Alleviation Cooperation and Support Cooperation and the Youth Working Committee of the China TV Drama Production Industry Association, with the aim of increasing awareness on the current poverty alleviation work undertaken in the PRC and showcasing the construction efforts in villages in the PRC.

Our Group has in the past sponsored certain initiatives of the China Film Art Direction Academy (中国电影美术学会) and the Beijing Film Academy (北京电影学院) in 2019. In addition, our Group has also made a donation of RMB1,000,000 to the Hubei Charity Foundation (湖北省慈善总会) on February 2020 in the Hubei Charity Federation (湖北省慈善总会) in support of COVID-19 relief efforts, which has been matched by Mr. Guo Jingyu, our Executive Chairman and Group CEO, and Ms. Yue Lina, our Executive Director, who have also made a similar donation.

Our Group recognises that for long-term sustainability, we need to achieve a balance between business profitability and corporate social responsibility. Accordingly, we also intend to undertake the following corporate social responsibility initiatives:

- (a) establishing supplier evaluation policies, procedures and code of conduct;
- (b) providing on the job training and external courses for employees, such as masterclasses, workshops or seminars conducted by drama or film production schools in the PRC; and
- (c) sponsoring scholarships or providing bursaries for film or scriptwriting foundations or academies.

While our Group currently does not have a fixed corporate social responsibility policy, our Board will establish a corporate social responsibility policy which will include the recommendation and review of the following areas of our Group’s activities:

- (i) our Group’s policy in respect of corporate social responsibility issues;
- (ii) our Group’s health, safety and environmental policies and standards;
- (iii) the social impact of our Group’s business practices in the communities that we operate in;
- (iv) policies and practices with regard to key stakeholders, including our suppliers, customers and employees; and
- (v) policies and practices with regard to regulators.

TREND INFORMATION

Barring unforeseen circumstances (including a prolonged COVID-19 outbreak or a reoccurrence of COVID-19 in the economies that our Group is operating in, for which the expected potential impact is described below), our Directors expect the following trends in respect of FY2020 and FY2021:

- (a) a phased reopening of economies in the PRC, Singapore, Malaysia and Australia after the COVID-19 outbreak, which can help:
 - (i) increase the production of dramas and films as the production for our drama and film projects has resumed and caught up with original production schedules, and our Group will be able to take on a larger number of drama and film projects in FY2021 as compared to our pipeline of projects for FY2020⁷; and
 - (ii) boost our concert production business as previously postponed concerts can be held and our Group will also be able to undertake more concert productions in FY2021⁸; and
- (b) an increase in other expenses due to one-off issue expenses, being costs and expenses payable by us in connection with the Offering and the issuance of the New Cornerstone Shares, which are expected to be expensed off in FY2020.

In 2H2020, we expect to recognise the revenue from the drama “Perfect Village 最美的乡村”, which was released in June 2020 (and which revenue has not been recognised in our revenue for 6M2020), as well as the drama “The Frontliners 最美逆行者” which was released in September 2020 and an additional two dramas “To Be With You 约定之青春永驻” and “Make a Wish Miss Xianqi 仙琦小姐许愿吧” which are expected to be released in 4Q2020.

Due to measures requiring the closure of workplaces and suspension of business activities during the recent global pandemic outbreak of COVID-19, the production schedule of our ongoing drama project “The Ferryman – Legends of Nanyang 灵魂摆渡 – 南洋传说” during 6M2020 has been delayed. We have resumed the production of such drama since April 2020 and production is expected to take place from 2Q2020 to 4Q2020. The production of two dramas “Sisterhood 南洋女儿情” and “Horror Stories of Tang Dynasty 唐朝诡事录”, three films of the film series “I Come From Beijing 我来自北京” and one online short drama series “Whimsical World 异想世界” have also taken place or are expected to take place from 3Q2020 to 2Q2021. These three dramas, three films and one online short drama series are expected to be released in 4Q2020 or in 2021.

7 According to Frost & Sullivan, in 2020, as the COVID-19 outbreak disrupted the shooting and production process of film and TV drama series, many shooting crews, especially film shooting crews, either cut their budget in post-production or halt their post-production process to save their budget for future use. Starting in 2021, as most business activities are expected to resume, including the post-production process of new films and TV drama series, the market size is expected to recover gradually and return to its previous level. Further, according to Frost & Sullivan, the production of drama series has gradually recovered and returned to previous levels from the start of the second quarter of 2020, which to some degree ensures the supply of drama series for TV channels and online video platforms, as well as the licensing revenue of the drama series production companies during the forecast period.

8 According to Frost & Sullivan, due to the COVID-19 outbreak, the concert industry experienced massive cancellation and rescheduling of events especially during the first half of 2020. As a result, the number of concerts in 2020 is expected to witness a sharp decrease as the end of the year. In the future, the market will gradually return to normal, and is expected to reach approximately 2,606 concerts in the PRC by 2024, according to Frost & Sullivan. In addition, due to the COVID-19 pandemic, many artistes who consider Southeast Asia as their global touring destinations were forced to stay home and reschedule or cancel their tours, resulting in a contracted market in 2020 with the impact forecasted to last for approximately 6-9 months. Further, according to Frost & Sullivan, in 2021, the market is expected to resume to normal, picking up its previously growing momentum, and reach approximately 2,144 concerts by the end of the year, with a further increase to approximately 2,826 concerts in Southeast Asia in 2024.

Together with the 13 dramas and one film which production are expected to take place and/or are expected to be released in FY2021 and FY2022, our Group has a pipeline of dramas and films for 2H2020, FY2021 and FY2022, which our Directors expect will contribute to the growth of our TV program and film production business over time. See the section entitled “History and Business – Business Overview – TV and Web Dramas and Films” of this Prospectus for further details of the current and upcoming TV and web dramas and films produced or co-produced by our Group.

In addition, due to the imposition of travel restrictions and concerns over the COVID-19 outbreak, our Group had to postpone the “Jay Chou Carnival World Tour” concerts in Kuala Lumpur, Malaysia and Sydney, Australia which were originally slated for 29 February 2020 and 14 March 2020, respectively, to 2021. We also intend to undertake the production of more concerts in FY2021 and FY2022.

Impact of COVID-19

In light of the recent global pandemic outbreak of COVID-19 announced by the World Health Organisation, our Directors expect the following potential impact to our Group’s business and financial prospects in respect of FY2020 and FY2021 in the event of a prolonged COVID-19 outbreak or a reoccurrence of COVID-19 in the economies our Group is operating in:

- (a) whilst we have resumed the production of our ongoing drama and film projects since April 2020, there may be potential delays in the production schedule of our drama and film projects which are undergoing production or slated to commence production in the future, if measures requiring the closure of workplaces and suspension of business activities are reinstated and/or implemented for a prolonged period of time;
- (b) an increase in demand for new dramas and films produced or co-produced by our Group by distributors such as video streaming platforms, arising from an increase in demand for new online entertainment content by audiences if stay-home and quarantine measures are reinstated and/or continue to be implemented, as evidenced by an increase in customers for streaming services in 2020⁹, if we are able to undertake and complete production of new drama and film projects; and
- (c) postponement of planned concerts and inability to undertake the production of any concerts until the travel restrictions, closure of public venues and safe-distancing measures imposed by the respective governments have been lifted and the general public’s concerns over the COVID-19 outbreak have been allayed.

Save as disclosed above and in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Prospectus, the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year Ended 31 December 2019 and Six Months Period Ended 30 June 2020” and the “Reporting Accountant’s Report and the Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020” and the related notes thereto as set out in Appendices A and B to this

⁹ This information was extracted from a media release entitled “Netflix doubles expected sign ups but warns coronavirus boost may fade” published by The Straits Times on 22 April 2020, which can be accessed at: <https://str.sg/JMMK>, data accessed on 15 August 2020. The Straits Times has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Prospectus and is therefore not liable for such information under Sections 253 and 254 of the SFA.

While we, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly, none of us, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

Prospectus, respectively, and the “Industry Report” as set out in Appendix J to this Prospectus, to the best of our Board’s knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources for at least FY2020 and FY2021, or that may cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition.

COMPETITION

According to Frost & Sullivan, the PRC drama series market is highly competitive with more than 18,000 market players in 2019 with differentiated background and capabilities. Although there are many market players, Frost & Sullivan noted that only the leading drama series production companies with strong competitive edge in drama series production and distribution and proven track record are more likely to differentiate be able to cooperate with or distribute through the leading broadcasting channels. These leading drama series production companies have superior industry resources and established long-term cooperation business relationships with leading broadcasting channels such as top TV channels and video streaming platforms and the top 10 market players accounted for approximately 24.8% of total licensing and distribution revenues of total drama series market with total revenues of approximately RMB10.8 billion in 2019.

The TV program and film production business of our Group is largely based in the PRC and our competitors are other drama and film production companies such as Huayi Brother Media Corp. (华谊兄弟传媒股份有限公司), Huace Group (华策集团), Ciwen Media. Co. Ltd. (慈文传媒股份有限公司), New Classics Media (新丽传媒集团有限公司) and Perfect World.

Our competitors in the concert production business of our Group are other concert production companies such as UnUsUaL Productions, Live Nation and One Production, IMC Live Global and iMe Entertainment, which undertake concert productions in various countries.

See “Risk Factors – Risks Relating to our Business and the Industry in which we Operate – We operate in a highly competitive industry and we may not be able to maintain our competitiveness locally and internationally” of this Prospectus for further details.

ORDER BOOK

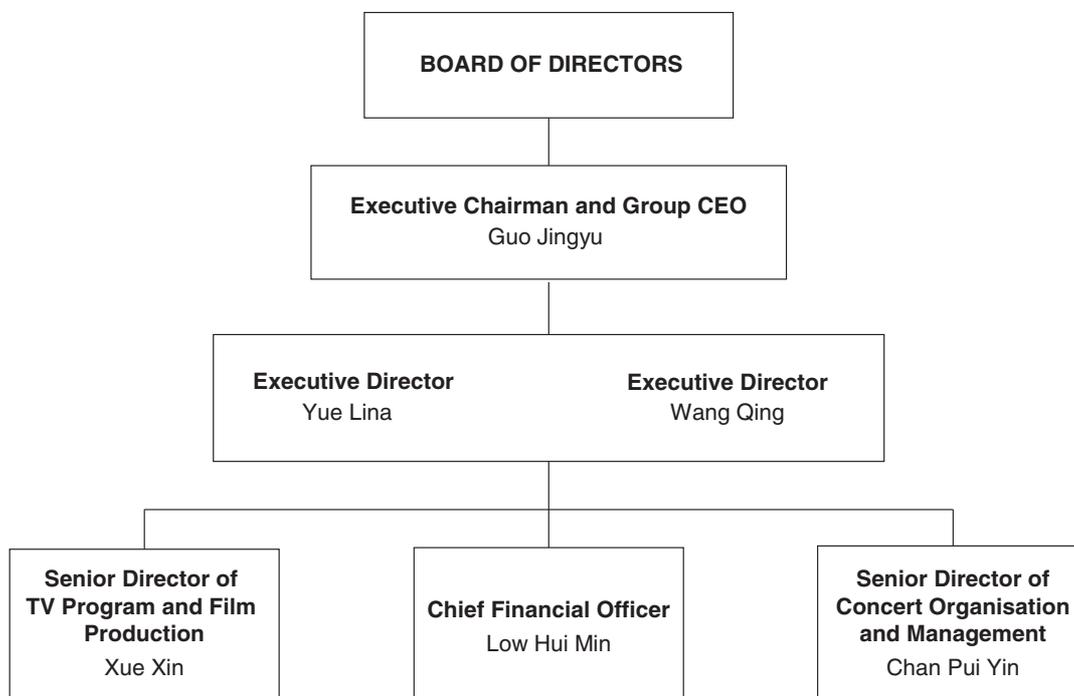
In respect of our TV program and film production business, we have six dramas in various stages of production. See the section entitled “Our History and Business – Business Overview” of this Prospectus for details of the dramas and films currently under production or co-production by us and dramas and films that are yet to be released. Whilst we have resumed the production of our ongoing drama and film projects as at the Latest Practicable Date, there may be potential delays in the production schedule of our drama and film projects which are undergoing production or slated to commence production in the future, if measures requiring the closure of workplaces and suspension of business activities are reinstated and/or implemented for a prolonged period of time in the event of a prolonged COVID-19 outbreak or a re-occurrence of COVID-19 in the economies our Group is operating in.

Due to the nature of our concert production business, talent management services business and costumes, props and make-up services business, we do not maintain an order book in respect of our business.

MANAGEMENT AND CORPORATE GOVERNANCE

MANAGEMENT REPORTING STRUCTURE

The management and reporting structure reflecting the reporting lines and functional responsibilities of our Executive Directors and Executive Officers are set out in the chart below:



DIRECTORS

Our Board is entrusted with the responsibility for our overall management and direction.

The following table sets forth information regarding our Directors.

Name	Age	Address	Designation
Mr. Guo Jingyu	47	988 Toa Payoh North #07-08, Singapore 319002	Executive Chairman and Group CEO
Ms. Yue Lina	46	988 Toa Payoh North #07-08, Singapore 319002	Executive Director
Ms. Wang Qing	42	988 Toa Payoh North #07-08, Singapore 319002	Executive Director
Mr. Yang Jun Rong	57	988 Toa Payoh North #07-08, Singapore 319002	Non-Executive Director
Mr. Yeo Guat Kwang	59	988 Toa Payoh North #07-08, Singapore 319002	Lead Independent Director
Mr. Ang Chun Giap	63	988 Toa Payoh North #07-08, Singapore 319002	Independent Director
Mr. Sng Peng Chye	64	988 Toa Payoh North #07-08, Singapore 319002	Independent Director

Name	Age	Address	Designation
Mr. Chen Mingyu	57	988 Toa Payoh North #07-08, Singapore 319002	Independent Director
Dr. Jiang Minghua	55	988 Toa Payoh North #07-08, Singapore 319002	Independent Director

Experience of our Board

Information on the key business and working experience of our Directors is set out below:

Mr. Guo Jingyu is the Executive Chairman and Group CEO and was appointed to our Board on 29 May 2018.

Mr. Guo is responsible for supervising the overall business operations and management of our Group, as well as business strategies and providing executive leadership and supervision to the senior management team. He is also responsible for directing and producing the drama, film and online video series projects produced by our Group.

Mr. Guo has more than 25 years of experience as a producer, director and scriptwriter. Prior to joining our Group, Mr. Guo was a director, producer and scriptwriter with Perfect World, an entertainment company listed on the Shenzhen Stock Exchange which business includes TV program and film production, from March 2011 to December 2018.

Mr. Guo started as an actor in the Hebei Chengde Drama Troupe (河北省承德话剧团) and has produced and directed numerous highly successful dramas and films, including “The Hero During the Anti-Japanese War 打狗棍”, “Brave Heart 勇敢的心”, “The Legend of the Condor Heroes (2017) 射雕英雄传(2017版)”, “Perfect Youth 最美的青春”, “Handsome Siblings 2020 绝代双骄(2020版)” and “The Little Nyonya 小娘惹”. He has also received numerous accolades for his work as a producer, director and scriptwriter. His latest awards include Outstanding Director of 2010 (2010年度优秀导演) granted by the China Television Director Committee, Outstanding Young Talent Award in the Director Category (“优秀青年人才奖(导演类)”称号) granted by the Hebei Federation of Literature and Art and the Hebei Film and Television Association in 2014, Golden Angel Award for Best Director of Chinese Television Series (中国电视剧最佳导演金天使奖) granted by the Chinese American Film Festival in 2014, Top 10 Most Influential Directors in the 10th National TV Film Industry (第十届全国电视制片业十佳电视剧最具影响力导演) granted by the Chinese Radio and Television Association in 2014, a nomination for the Television Drama Director Award at the 27th China TV Golden Eagle Award (第27届中国电视金鹰奖电视剧导演提名奖) granted by the Chinese Federation of Literature and Art in 2014, “Moving Chengde” Top 10 News Figure Award (“工行杯”2013年度感动承德十大新闻人物) in 2014, National Deyi Shuangxin Television Artistes Honorary Mention (“全国德艺双馨电视艺术工作者”荣誉称号) granted by the China Television Artistes Association in 2018, Best Screenplay for “Perfect Youth 最美的青春” in the 6th Wenrong Awards (2019年第六届“文荣奖”) at the China Hengdian Film Festival (中国-横店影视节) in 2019, Influential Screenplay (Television Drama) of the Year (Honorary Credentials) (年度电视剧影响力编剧) and Influential Director (Television Drama) of the Year (Honorary Credentials) (年度电视剧影响力导演) by the China Entertainment Data Release Organising Committee (中国文娱金数据发布盛典组委会) in 2019, and a nomination for “Perfect Youth 最美的青春” at the Magnolia Award at the 25th Shanghai Television Festival (第25届上海电视节“白玉兰奖”). He was the scriptwriter for “Perfect Youth 最美的青春” which was awarded the Best Script in the “Five One Projects” category of the Organisational Work Award granted by the Beijing Municipal Committee (第十五届精神文明建设“五个一工程”优秀作品奖) in 2019.

Mr. Guo graduated from Hebei Art School with a Certificate in Drama in 1993 and is currently Chairman of the Youth Committee of China Television Drama Production Industry Association (中国电视剧制作产业协会青年工作委员会).

Ms. Yue Lina is an Executive Director and was appointed to our Board on 23 November 2020.

Ms. Yue is responsible for the promotion and distribution of our drama and film projects and is an established executive producer and actress with over 20 years of experience in the drama and film industry. Prior to joining our Group, she was an artistic director with Perfect World, an entertainment company listed on the Shenzhen Stock Exchange which business includes TV program and film production, from March 2011 to March 2019.

Ms. Yue started as an actress in the Hebei Chengde Drama Troupe (河北省承德话剧团). She was the executive producer for various TV and web dramas, including “Angels Wear White 嘉年华”, “The Ferryman Manjusaka 灵魂摆渡-黄泉”, “The Hero During the Anti-Japanese War 打狗棍”, “Brave Heart 勇敢的心”, “Yangko Dance 大秧歌”, “The Legend of the Condor Heroes (2017) (2017版)”, “Perfect Youth 最美的青春”, “Handsome Siblings (2020) 绝代双骄(2020版)” and “The Little Nyonya 小娘惹”. Ms. Yue was also awarded the Breakthrough Actress Award at AnHui Television Network’s National Drama Series Ceremony (国剧盛典“极具突破精神女演员”) in 2013 and the Best Creator Award at the Asian American TV and Film Festival (美国亚洲影视节金橡树奖金牌出品人) in 2018.

Ms. Yue graduated from the Central Academy of Drama in Beijing, PRC in 2001 and obtained a Master’s in Business Administration from Peking University in 2019.

Ms. Wang Qing is an Executive Director and was appointed to our Board on 23 November 2020.

Ms. Wang joined our Group in April 2019 as Vice President. She is responsible for overseeing the accounts functions of the PRC entities of our Group, including finance-related matters and tax-related matters (within the PRC), and overall day-to-day management of the operations of our Group in the PRC. Prior to joining our Group, Ms. Wang was a tax director with Perfect World, an entertainment company listed on the Shenzhen Stock Exchange which business includes TV program and film production, from May 2014 to March 2019. She was also a senior tax manager with Thyssenkrupp China Ltd. from August 2012 to May 2014, and a manager with Ernst & Young Consultant Ltd. from August 2004 to July 2012.

Ms. Wang graduated from Qingdao Technological University with a Bachelor’s Degree in Accountancy in 2001. She has also obtained a Masters’ Degree in Accountancy from the University of International Business and Economics in 2004.

Mr. Yang Jun Rong is a Non-Executive Director and was appointed to our Board on 23 November 2020.

Mr. Yang is an established music album producer with more than 20 years of experience in the music industry. Mr. Yang is the manager to Jay Chou, who is a Taiwanese musician and singer-songwriter, and is the chief executive officer and music director at JVR Music, a record and management company established in Taiwan in 2007 by Jay Chou. He is also the chief executive officer of Eastern Eagle, a concert production company, and Sure Legend, a talent management company, which businesses are primarily based in Taiwan.

Mr. Yang graduated from the National Taiwan University in 1987 with a Bachelor’s Degree.

Mr. Yeo Guat Kwang is the Lead Independent Director and the Chairman of the Nominating Committee. He was appointed to our Board on 23 November 2020.

Mr. Yeo joined the National Trades Union Congress in 1996 and is presently the Assistant Director-General. He leads the U-SME Initiative for Small and Medium Enterprises, and is also the chairman of the Migrant Workers Centre and the Centre for Domestic Employees. Mr. Yeo is currently the Lead Independent Director of SIIC Environment Holdings Ltd, which is listed on the Main Board of the SGX-ST and the Main Board of the Stock Exchange of Hong Kong Limited, and is also an independent director of Koyo International Limited, which is listed on the Catalist of the SGX-ST.

Mr. Yeo was formerly a Member of the Parliament of Singapore from 1997 to 2015 and was the President of the Consumers Association of Singapore from 2002 to 2012. He is also the recipient of the Nanyang Alumni Achievement Award in 2018.

Mr. Yeo graduated from the National University of Singapore with a Bachelor of Arts (Hons) in 1986 and obtained a Master's in Public Administration and Management in 2013 from the National University of Singapore (Lee Kuan Yew School of Public Policy). He also obtained a Doctorate of Business Administration from the United Business Institutes, Brussels in 2016.

Mr. Ang Chun Giap is an Independent Director and the Chairman of the Audit and Risk Management Committee. He was appointed to our Board on 23 November 2020.

Mr. Ang is presently the audit director of Acevision & Associates PAC, a public accounting corporation and has over 15 years of experience in a public accounting profession, providing auditing, accounting, tax planning and advisory services to client from diverse industries, including construction, real estate development, investment holding, manufacturing, food and beverage, entertainment, trading, importers and exporters, engineering, charities, hotel management and logistics and has over 20 years of experience in finance and management in commercial corporations. Mr. Ang is currently an independent director of Lian Beng Group Ltd, a public company listed on the Main Board of the SGX-ST. Mr. Ang is also on the board of a number of other private corporations.

Mr. Ang is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants, a Public Accountant with the Accounting and Corporate Regulatory Authority, an Accredited Tax Practitioner (Income Tax and GST) with the Singapore Institute of Accredited Tax Professionals and a patron of the Citizens' Consultative Committee with the People's Association. He is also the recipient of the prestigious Pingat Bakti Masyarakat Award, a public service medal awarded by the President of Singapore. Mr. Ang graduated from the National University of Singapore with a Bachelor of Accountancy in 1981.

Mr. Sng Peng Chye is an Independent Director and the Chairman of the Remuneration Committee. He was appointed to our Board on 23 November 2020.

Mr. Sng was most recently a Senior Adviser, Corporate Banking of CIMB Bank Berhad, Singapore Branch from August 2018 to August 2020 and he served as the Chairman of the Singapore Branch Catalist Committee from January 2019 to March 2020. He has over 35 years of experience in the banking and finance industry. Mr. Sng was previously the Executive Vice President and Head of Corporate Banking of Malayan Banking Berhad, Singapore Operations from February 1997 to July 2018, the Vice President, Regional Business of Overseas Union Bank Ltd. from November 1992 to December 1996 and the Assistant Vice President of the Singapore branch of Privatbanken A/S, one of the largest Danish and Scandinavian banks, from August 1989 to October 1992. Mr. Sng is currently an independent director of Chemical Industries (Far East) Limited, a public company listed on the Main Board of the SGX-ST.

Mr. Sng graduated from the University of Singapore with a Bachelor of Arts in 1980 and from the National University of Singapore with a Bachelor of Social Sciences (Economics) in 1981.

Mr. Chen Mingyu is an Independent Director. He was appointed to our Board on 23 November 2020.

Mr. Chen is presently the managing partner of D&E (Beijing) Business Consulting Co., Ltd, a finance, tax and business advisory services firm, and a visiting professor in the Executive Masters in Business Administration programme at Tsinghua University. Having been a partner in the Beijing offices of Deloitte, EY and KPMG respectively, Mr. Chen has over 30 years of experience in providing advice on cross-border M&A transactions, enterprise evaluation, and designing and implementing global holding companies, tax efficient financing and capital repatriation strategies. Mr. Chen is currently an independent director of Fujian Cosunter Pharmaceutical Co., Ltd., a company listed on the Shenzhen Stock Exchange, and is a certified tax agent in the PRC.

Mr. Chen received his undergraduate degrees in Accounting from Shenyang Open University in 1985 and English from Liaoning University in 1987. He also received a Master's in Business Administration from Fordham University in 2005.

Dr. Jiang Minghua is an Independent Director. He was appointed to our Board on 23 November 2020.

Dr. Jiang is presently a professor of Peking University, Guanghua School of Management. He teaches the Marketing and Brand Management courses in the Guanghua School of Management, Peking University, to businessmen and senior managers and conducts classes for the Masters of Business Administration Programme (MBA) and Executive Masters of Business Administration Programme for senior management. He has also served as a strategic adviser to China Central Television Advertising Center (中央电视台广告中心) and brand consultant to Beijing Handian Pharmaceutical Co., Limited (北京汉典制药有限公司) and Beijing Keshuiwei Technology Co., Ltd (北京科旭威尔科技股份有限公司). Dr. Jiang was also an independent director of AVIC Culture Co., Ltd (中航文化有限公司) from April 2014 to December 2015, and a brand consultant and an independent director of Beijing Fund River Investment Co., Ltd. (北京方德瑞投资有限公司) from December 2015 to December 2018, where he provided strategic advice relating to marketing strategy, brand equity management and brand value.

Dr. Jiang graduated from Peking University with a Bachelor's Degree in Economics in 1986 and has obtained a Master's Degree in Economics in 1989 and a Doctorate's Degree in Economics in 1997.

Listed Company Experience

As evidenced by their respective business and working experience as set out above, three of our Directors, Mr. Yeo Guat Kwang, Mr. Ang Chun Giap and Mr. Sng Peng Chye, have prior and current experience as a director of a public listed company in Singapore and are familiar with the rules and responsibilities of a director of a public listed company in Singapore.

In accordance with the requirements under the Listing Manual, our remaining six Directors, Mr. Guo Jingyu, Ms. Yue Lina, Ms. Wang Qing, Mr. Yang Jun Rong, Mr. Chen Mingyu and Dr. Jiang Minghua do not have prior experience as directors of public listed companies in Singapore but have been briefed on the roles and responsibilities of a director of a public listed company in Singapore. Mr. Guo Jingyu, Ms. Yue Lina, Ms. Wang Qing, Mr. Yang Jun Rong, Mr. Chen Mingyu and Dr. Jiang Minghua will complete the prescribed mandatory training as specified under Practice Note 2.3 of the Listing Manual within one year from the date of their respective appointments to our Board.

Present and past principal directorships of our Directors

The present and past principal directorships held by our Directors in the last five years preceding the date of this Prospectus (excluding those held in our Company) are set out in the section entitled “Appendix G – List of Present and Past Principal Directorships” to this Prospectus.

Significant Changes in Percentage of Ownership

Save as disclosed in the section entitled “Share Capital and Shareholders – Ownership Structure” of this Prospectus, there have not been any significant changes in the percentage of ownership of our Directors in our Company in the last three years up to the Latest Practicable Date.

Term of Office

Save in respect of the appointments of Mr. Guo Jingyu, Ms. Yue Lina and Ms. Wang Qing, with whom we have entered into service agreements as described below, our Directors do not currently have fixed terms of office.

Our Articles of Association provides that each Director shall retire from office at least once every three years and that a retiring Director shall be eligible to stand for re-election.

EXECUTIVE OFFICERS

Our Executive Officers, together with our Executive Directors, are responsible for our day-to-day management and operations as well as the implementation and execution of our operational policies. The following table sets forth information regarding our Executive Officers.

Name	Age	Address	Designation
Ms. Low Hui Min	36	988 Toa Payoh North #07-08, Singapore 319002	Chief Financial Officer
Mr. Xue Xin	59	988 Toa Payoh North #07-08, Singapore 319002	Senior Director of TV Program and Film Production
Ms. Chan Pui Yin	50	988 Toa Payoh North #07-08, Singapore 319002	Senior Director of Concert Organisation and Management

Experience of our Executive Officers

Information on the key business and working experience, educational and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

Ms. Low Hui Min was appointed as Chief Financial Officer in November 2019. She joined our Group in November 2019 and is responsible for all finance-related matters and tax-related matters (outside of the PRC) of our Group.

Prior to joining our Group, Ms. Low was the Regional Financial Controller of BBDO Asia Pte. Ltd., a multinational advertising agency network which is a subsidiary of a listed company on the New York Stock Exchange, from November 2017 to October 2019, and managed the finance teams across 12 markets in the Asia-Pacific region for all working capital and audit-related matters. She was also a Senior Audit Manager with Deloitte & Touche LLP from July 2007 to October 2017, and was a lead manager responsible for the audit of multinational and local companies in a broad range of industries.

Ms. Low is a Chartered Accountant with the Institute of Singapore Chartered Accountants. She graduated from Nanyang Technological University with a Bachelor of Accountancy in 2006.

Mr. Xue Xin was appointed as the Senior Director of TV Program and Film Production in April 2019. He joined our Group in April 2019 and is responsible for overseeing the production of the drama and film projects of our Group.

Mr. Xue leads our PRC production team and was the executive producer for various notable dramas and films in the PRC, including “Rush Year 刀锋1937”, “The Red Lady 红娘子”, “Brave Heart 勇敢的心” and “The Blue Blade 火蓝刀锋”. Prior to joining our Group, Mr. Xue was previously a manager and producer of TV programs and films and responsible for the management of the production team at Perfect World, an entertainment company listed on the Shenzhen Stock Exchange which business includes TV program and film production, from March 2011 to March 2019. He has more than 30 years of experience as a producer and was also a producer with the China Film Group Corporation from March 2002 to July 2020 and a producer with Beijing Film Studio from December 1980 to January 2002.

Mr. Xue is a member of the China Alliance of Radio, Film and Television (中国广播电影电视社会组织联合会). He graduated from Minzu University of China in 1992 with a Degree in Business Management.

Ms. Chan Pui Yin was appointed as the Senior Director of Concert Organisation and Management in May 2020. She joined GHY Singapore in September 2017 as Director of TV Program and Drama Production and was subsequently re-designated as Senior Director of Concert Organisation and Management. She is responsible for overseeing the organisation and management of concerts of our Group and is supported by our concert production teams based in Singapore and the PRC, all of whom have experience and expertise in event organisation and production.

Prior to joining our Group, Ms. Chan was previously a producer with SIMF Management Pte. Ltd. from March 2011 to July 2017 and was responsible for funding, developing and managing the projects and activities for film and TV productions. She was also Assistant Vice President at MediaCorp Raintree Pictures Pte. Ltd. from September 2000 to March 2008 and was responsible for the development, production and distribution of films. She has more than 25 years of experience in the TV program and film production industry and has worked on award-winning films such as “I Not Stupid”, “Homerun” and “Painted Skin”.

Ms Chan holds a Certificate in Graphics Design from the Nanyang Academy of Fine Arts, a Bachelor of Accountancy from the Nanyang Technological University and a Graduate Diploma in Marketing Communications from the Marketing Institute of Singapore.

Present and past principal directorships of our Executive Officers

The present and past principal directorships held by our Executive Officers in the last five years preceding the date of this Prospectus (excluding those held in our Company) are set out in the section entitled “Appendix G – List of Present and Past Principal Directorships” to this Prospectus.

FAMILY RELATIONSHIPS

Our Executive Chairman and Group CEO, Mr. Guo Jingyu, and Executive Director, Ms. Yue Lina, are spouses. Save for the foregoing, there are no family relationships among any of our Directors, Executive Officers or Substantial Shareholders.

ARRANGEMENTS OR UNDERSTANDINGS

None of our Directors or Executive Officers has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers or other person pursuant to which such Director or Executive Officer was appointed as a Director or as an Executive Officer.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the maintenance of high standards of accountability to our Shareholders. Our Board has established three committees: (a) the Audit and Risk Management Committee; (b) the Nominating Committee; and (c) the Remuneration Committee.

Audit and Risk Management Committee

Our Audit and Risk Management Committee comprises three members, namely Mr. Ang Chun Giap, Mr. Sng Peng Chye and Mr. Chen Mingyu. The Chairman of our Audit and Risk Management Committee is Mr. Ang Chun Giap. The Audit and Risk Management Committee is responsible for:

- (a) reviewing the external auditor's audit plan and audit report, the external auditor's evaluation of the system of internal accounting controls, the assistance given by our Company's officers to the auditors, the scope and results of the internal audit procedures and consolidated financial statements of our Group (including our PRC Affiliated Entities);
- (b) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of our Group (including our PRC Affiliated Entities), including the classification of film investments in the financial statements of our Group, and any announcements relating to the financial performance of our Group (including our PRC Affiliated Entities);
- (c) reviewing at least annually the adequacy and effectiveness of the internal controls of our Group (including our PRC Affiliated Entities) (including financial, operational, compliance and information technology controls) and risk management systems and, where necessary and appropriate, providing a statement on the adequacy and effectiveness of our internal controls;
- (d) reviewing and reporting to our Board at least annually the implementation of risk treatment plans in relation to the adequacy and effectiveness of our Group's risk management and internal controls systems (including financial, operational, compliance and information technology controls);
- (e) reviewing audit plans and reports of the external auditors and internal auditors in relation to our Group (including our PRC Affiliated Entities), and considering the results, significant findings and recommendations, together with the effectiveness of actions taken by management on the recommendations and observations;
- (f) appraising and reporting to our Board on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;
- (g) commissioning an independent audit on internal controls and risk management systems for the Audit and Risk Management Committee's assurance, where necessary or where the Audit and Risk Management Committee is not satisfied with the systems of internal controls and risk management of our Group (including our PRC Affiliated Entities);

- (h) ensuring that the scope of review by the internal auditors includes (i) the internal control policies and procedures with respect to any informal arrangements for the production of dramas and/or films entered into by our Group, as and when such informal arrangement occur in a particular financial year; and (ii) any partially implemented measures recommended by the internal auditors in relation to our internal control policies and procedures, in order to ensure the effectiveness of such internal controls;
- (i) reviewing and approving the terms of any proposed informal arrangements with the distributor (with whom our Group has had informal arrangements in the past where our Group had commenced production of a drama or film and handed over the final product thereof, without a formal agreement in place) prior to commencement of production of any drama or film and monitoring ongoing negotiations for the finalisation of the formal agreement with such distributor;
- (j) approving the handover of the final product for the drama or film to the customer in the event that the production of the drama or film has been completed but the terms of the formal agreement between our Group and such customer have yet to be finalised;
- (k) monitoring and reviewing of our Group's implementation of any recommendations to satisfactorily address any internal control weaknesses highlighted by our Group's external auditor and internal auditor;
- (l) reviewing the assurance from our Executive Chairman and Group CEO and our Chief Financial Officer on the financial records and financial statements of our Group (including our PRC Affiliated Entities);
- (m) assisting our Board in discharging its statutory responsibilities on financing and accounting matters;
- (n) making recommendations to our Board on (i) the proposals to Shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (o) reviewing the adequacy and effectiveness, independence, scope and results of the external audit and our internal audit function;
- (p) reviewing the risk profile of our Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by our Board;
- (q) reviewing the internal control policies and procedures in place to safeguard our Group's assets which are held through the Contractual Arrangements (including the management of funds and the unwinding of the Contractual Arrangements as soon as the applicable PRC laws and regulations allow the business of our PRC Affiliated Entities to be operated without them) on a regular basis;
- (r) commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity, failure of internal controls or infringement of any law, rule or regulation which has, or is likely to have, a material impact on our Company's operating results and/or financial position and ensuring that appropriate follow-up actions are taken;
- (s) reviewing our policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

- (t) reviewing the adequacy of and approving procedures put in place related to any hedging policies to be adopted by our Group;
- (u) ensuring that our Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- (v) assessing the performance of the CFO, financial director and/or the financial controller (as the case may be), for the relevant period, on an annual basis to determine his or her suitability for the position;
- (w) being the primary reporting line of the internal audit function and ensuring that the internal audit function has direct and unrestricted access to the Chairman of our Board and our Audit and Risk Management Committee;
- (x) ensuring that the internal audit function is independent, effective and adequately resourced. The internal audit function should be staffed with persons with the relevant qualifications and experience;
- (y) deciding on the appointment, termination and remuneration of the head of the internal audit function;
- (z) approving the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit function is outsourced (if any);
- (aa) meeting with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually and reviewing the co-operation extended to the internal auditors and the external auditors;
- (bb) reviewing the nature, extent and costs of non-audit services performed by the external auditors, to ensure their independence and objectivity;
- (cc) reviewing interested person transactions (including the Contractual Arrangements and other transactions under any general mandate as may, from time to time, be approved by Shareholders pursuant to Chapter 9 of the Listing Manual) and monitoring the procedures established to regulate interested person transactions and conflicts of interest, including ensuring compliance with our internal control system and the relevant provisions of the Listing Manual and ensuring that proper measures to mitigate conflicts of interest have been put in place, in relation to interested person transactions;
- (dd) reviewing and monitoring any potential conflict of interest that may arise in respect of any Director(s) of our Group, and resolving all conflicts of interest matters referred to it;
- (ee) reviewing on an annual basis the terms and conditions of the Contractual Arrangements;
- (ff) reviewing and approving any new or additional Contractual Arrangements or any material changes to the terms of the Contractual Arrangements;
- (gg) reviewing and approving the terms of any loan agreements in respect of the transfer of the net proceeds due to us from the Offering and the issuance of the New Cornerstone Shares and/or funds (if any) raised through secondary fundraising in the future by our Company to our PRC subsidiaries and/or PRC Affiliated Entities or for use to finance their operations;
- (hh) proper monitoring of the measures and procedures adopted by our Group in relation to the Contractual Arrangements to ensure the effective operations of our Group with the adoption of the Contractual Arrangements and our Group's compliance with applicable laws and

regulations, including procedures to regulate interested person transactions to ensure that the Contractual Arrangements are not prejudicial to the interests of our Group or our minority Shareholders;

- (ii) monitoring the undertakings and confirmations provided by our Company to the SGX-ST, in particular where our Company has undertaken that the written consent of the relevant GHY WFOE to be provided to the Individual Shareholders and/or Tianjin Changxin, to sell, lease, lend, transfer, assign, gift, re-mortgage, trust, make capital contribution with the pledged equity or otherwise dispose of all or part of the pledged equity, agree to make resolutions to increase or decrease the registered capital of the relevant PRC Affiliated Entity or agree to any form of initial public offering, backdoor listing and/or asset restructuring, must be unanimously approved by our Audit and Risk Management Committee;
- (jj) monitoring (including making decisions on) the enforcement of the Equity Pledge Agreements and the Agreements on Exclusive Purchasing Power under the Contractual Arrangements;
- (kk) reviewing the procedures and terms of any transfer or disposal of the equity interest of our PRC Affiliated Entities, including the appointment of a valuer if applicable and/or any valuation to be conducted on our PRC Affiliated Entities in connection with the sale of equity interests under the Equity Pledge Agreements, in order to ensure that the bases of valuation adopted by the proposed valuer to be appointed will appropriately reflect the value of our Group's business operations conducted through our PRC Affiliated Entities, and considering whether the eventual terms pertaining to the sale of pledged equity, as a whole, is in the interests of our Company;
- (ll) reviewing on an annual basis the processes and procedures in relation to the appointment and removal of the legal representative of each of our PRC subsidiaries and PRC Affiliated Entities;
- (mm) monitoring and reviewing the adequacy and implementation of measures to safeguard the corporate seal, finance seal, legal seal and cheque books of each of our PRC subsidiaries and PRC Affiliated Entities;
- (nn) recommending the appointment of an independent financial adviser (where necessary under the Listing Manual) and its fees in respect of any transaction, matter or any other corporate action taken by our Company where such independent financial adviser is required;
- (oo) reviewing the statements to be included in our annual report concerning the adequacy and effectiveness of our internal controls (including financial, operational, compliance and information technology controls) and risk management systems, with a view to achieving clear disclosure of the same and including any material issues arising from the internal auditors' review of our internal control policies and procedures (including those in relation to the informal arrangements for the production of dramas and/or films entered into by our Group, if any, in that particular financial year) and how these material issues have been addressed with the implementation of the mitigating measures;
- (pp) reviewing the quarterly and annual financial statements before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

- (qq) undertaking such other reviews and projects as may be requested by our Board, and report to our Board its findings, from time to time, on matters arising and requiring the attention of our Audit and Risk Management Committee;
- (rr) taking into consideration all factors as may be specified in the Code of Corporate Governance and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented) in carrying out all its duties;
- (ss) reviewing our Audit and Risk Management Committee's terms of reference annually and recommending any proposed changes to our Board for approval; and
- (tt) assuming such other duties (if any) that may be required by law or the Listing Manual and/or the Code of Corporate Governance (as each may be, from time to time, amended, modified or supplemented).

In the event that a member of our Audit and Risk Management Committee is interested in any matter being considered by our Audit and Risk Management Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Adequacy of Internal Controls

Our Board has noted that no material weaknesses in the design or operation of the accounting and internal control systems have been raised by the Independent Auditor and Reporting Accountant, Deloitte & Touche LLP, in the ordinary course of their audit of the combined financial statements of our Group for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months period ended 30 June 2020.

Our Board has also noted that our Group has implemented measures recommended by its internal auditors, PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PwC**"), or implemented mitigating measures presented to PwC, to address the risks arising from the issues identified by PwC in relation to our internal control policies and procedures relating to certain financial, operational, compliance and information technology controls reviewed by PwC.

Based on the foregoing and the risk management and internal control policies and procedures established and maintained by our Group, work performed by the internal and external auditors of our Group and reviews performed by management, our Board, after making all reasonable enquiries and to the best of its knowledge and belief, is of the opinion that the risk management systems and the internal controls (including financial, operational, compliance and information technology controls) of our Group are adequate and effective. Our Audit and Risk Management Committee concurs with our Board's opinion on the adequacy and effectiveness of our Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

Following the admission of our Company to the Official List of the SGX-ST, our Audit and Risk Management Committee will continually review the effectiveness of our internal control policies and procedures and will outsource our internal audit function to PwC to ensure the adequacy and sufficiency of the internal control policies and procedures within our Group. As our internal audit function will be outsourced to PwC, the remediation measures implemented by our Group will be continually reviewed by PwC to ensure that such measures continue to be effective following the Listing. Our Audit and Risk Management Committee will also monitor and review the implementation of the recommendations raised by the internal auditors, PwC, in respect of the internal control policies and procedures within our Group and the Independent Auditor and Reporting Accountant, Deloitte & Touche LLP, in respect of the design or operation of the accounting and internal control systems of our Group.

Audit and Risk Management Committee's Opinion on the Suitability of our CFO

Our Audit and Risk Management Committee, after conducting an interview with Ms. Low Hui Min and having considered:

- (i) the qualifications and past working experience of Ms. Low Hui Min (as described in the section entitled "Management and Corporate Governance – Executive Officers" of this Prospectus) which are compatible with her position as CFO of our Group;
- (ii) Ms. Low Hui Min's demonstration of the requisite competency in finance-related matters of our Group in connection with the preparation for the Listing of our Company;
- (iii) the absence of feedback from the representatives of the Independent Auditor and Reporting Accountant, Deloitte & Touche LLP, that Ms. Low Hui Min is not suitable for the position of CFO of our Group;
- (iv) the absence of internal control weaknesses attributable to Ms. Low Hui Min that was identified during the internal audit conducted by PwC; and
- (v) the interactions of our Audit and Risk Management Committee with Ms. Low Hui Min in her capacity as the CFO of our Group and the views of and feedback from the executive management team of our Group,

is of the opinion that Ms. Low Hui Min has the necessary expertise and experience to discharge her duties as the CFO of our Group.

After making all reasonable enquiries, and to the best of the knowledge and belief of our Audit and Risk Management Committee, nothing has come to the attention of the members of our Audit and Risk Management Committee to cause them to believe that Ms. Low Hui Min does not have the competence, character and integrity expected of a chief financial officer (or its equivalent rank) of a listed issuer.

Board's view and Audit and Risk Management Committee's view on the Finance Function of our Group

Our Board and Audit and Risk Management Committee, having taken into consideration the present scale of our Group and that the finance function of our Group (which excludes the CFO of our Group, Ms. Low Hui Min) comprises five employees based in Singapore and eight employees based in the PRC, being a total of 13 employees (out of the 125 employees of our Group in total) as at 30 June 2020, is of the view that the finance function of our Group is adequately staffed to carry out its roles and responsibilities.

Our Group will expand the headcount of our finance function in the future as and when the need arises.

Nominating Committee

Our Nominating Committee comprises Mr. Yeo Guat Kwang, Mr. Guo Jingyu and Dr. Jiang Minghua. The Chairman of our Nominating Committee is Mr. Yeo Guat Kwang.

The Nominating Committee is responsible for:

- (a) making recommendations to our Board on relevant matters relating to:
 - (i) the review of board succession plans for Directors, in particular, the appointment and/or replacement of the Executive Chairman and Group CEO, and key management personnel;
 - (ii) the process and objective performance criteria for the evaluation of the performance and effectiveness of our Board as a whole, each board committees separately, the contribution by the Executive Chairman and Group CEO and each individual Director;
 - (iii) the review of training and professional development programmes for our Board, its board committees and our Directors; and
 - (iv) the appointment and re-appointment of Directors (including alternate directors, if any), including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates;
- (b) reviewing annually whether our Board and the board committees are of:
 - (i) an appropriate size;
 - (ii) an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of our Company; and
 - (iii) an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate;
- (c) reviewing and determining annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set out in the Listing Manual, the Code of Corporate Governance and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented);
- (d) ensuring that our Directors disclose their relationships with our Company, our related corporations, our Substantial Shareholders or our officers, if any, which may affect their independence and reviewing such disclosures from our Directors and highlighting these to our Board as required;
- (e) reviewing the training and professional development programs for our Board, in particular, ensuring that new Directors are aware of their duties and obligations;
- (f) reviewing and determining if a Director is able to and has been adequately carrying out his duties as a Director of our Company. Where a Director holds a significant number of listed company directorships and principal commitments which involve significant time commitment (such as a full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and non-profit organisations), providing a reasoned assessment of the ability of the Director to diligently discharge his duties;

- (g) reviewing the appointment of the relevant persons as the director and legal representative of our GHY WFOE(s);
- (h) reviewing any material amendments to the terms and conditions of the service agreement entered into between our Group and Mr. John Ho in respect of his role as our Group Adviser and the scope of the provision of his services for such role. See the section entitled “Management and Corporate Governance – Group Adviser – Service Agreement” of this Prospectus for further details;
- (i) in the event that any associate of Mr. John Ho proposes to be a Director or Executive Officer of our Company or our Group, assessing that such relevant associate possesses the relevant experience, expertise, qualification, character and integrity to perform in the proposed role as a Director or Executive Officer and ensuring that an announcement is made on the SGXNET, the web-based platform of the SGX-ST, on the proposed appointment of such relevant associate and our Nominating Committee’s views (including bases), in a timely manner;
- (j) setting the objectives for achieving board diversity and reviewing our progress towards achieving these objectives;
- (k) reviewing the statements relating to the following matters in our annual reports, with a view to achieving clear disclosure of the same:
 - (i) the induction, training and development provided to new and existing Directors;
 - (ii) our process for selection, appointment and re-appointment of Directors to our Board, criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates;
 - (iii) our Directors’ relationships with our Company, our related corporations, our Substantial Shareholders or our officers, if any, which may affect their independence and the reasons of our Board in determining that such Directors are independent notwithstanding the existence of such relationships;
 - (iv) the listed company directorships and principal commitments of each Director and our Board’s and Nominating Committee’s reasoned assessment of the Director’s ability to diligently discharge his duties;
 - (v) how the assessments of our Board, the board committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with our Company or any of our Directors; and
 - (vi) the board diversity policy and progress made towards implementing the board diversity policy, including objectives;
- (l) taking into consideration all factors as may be specified in the Code of Corporate Governance and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented) in carrying out its duties;
- (m) reviewing our Nominating Committee’s terms of reference annually and recommending any proposed changes to our Board for approval; and
- (n) assuming such other duties (if any) that may be required by law or the Listing Manual and/or the Code of Corporate Governance (as each may be, from time to time, amended, modified or supplemented).

Each member of our Nominating Committee is required to abstain from voting, approving or making a recommendation on any resolutions of our Nominating Committee in which he has a conflict of interest in the subject matter under consideration.

Board's view and Nominating Committee's view of Mr. Guo Jingyu

Our Board and Nominating Committee (with Mr. Guo Jingyu recusing himself), having taken into consideration the following:

- (a) Mr. Guo Jingyu only retains supervisory oversight in the drama and film projects of our Group and is not involved in the operational aspects thereof;
- (b) Mr. Guo Jingyu's service agreement states that he will devote sufficient time and attention to the matters of our Company; and
- (c) Mr. Guo Jingyu's role with Hebei Chengde Drama Troupe is that of an honorary member and he is not required, under the labour contract arrangement with Hebei Chengde Drama Troupe, to carry out or be otherwise involved in any business or operational aspects of the Hebei Chengde Drama Troupe. See the section entitled "Management and Corporate Governance – Service Agreements" of this Prospectus for further details of such labour contract arrangement,

is of the view that Mr. Guo Jingyu is able to devote sufficient time and resources to perform his duties as expected of our Executive Chairman and Group CEO and to the management of our Group.

Board's view and Nominating Committee's view of Ms. Yue Lina

Our Board (with Ms. Yue Lina recusing herself) and Nominating Committee, having taken into consideration the following:

- (a) Ms. Yue Lina only retains supervisory oversight of the production aspects of the drama and films that our Group undertakes and is not involved in any operational aspects thereof;
- (b) Ms. Yue Lina's service agreement states that she will devote sufficient time and attention to the matters of our Company; and
- (c) Ms. Yue Lina's role with Hebei Chengde Drama Troupe is that of an honorary member and she is not required, under the labour contract arrangement with Hebei Chengde Drama Troupe, to carry out or be otherwise involved in any business or operational aspects of the Hebei Chengde Drama Troupe. See the section entitled "Management and Corporate Governance – Service Agreements" of this Prospectus for further details of such labour contract arrangement,

is of the view that Ms. Yue Lina is able to devote sufficient time and resources to perform her duties as expected of our Executive Director and to the management of our Group.

Nominating Committee's view of our Independent Directors

Our Nominating Committee, having taken into consideration the following:

- (a) the number of listed company directorships held by each of our Independent Directors;
- (b) the principal commitments of our Independent Directors;

- (c) the confirmations by our Independent Directors stating that they are each able to devote sufficient time and attention to the matters of our Company;
- (d) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Controlling Shareholder of our Company, has no relationship with our Company, our related corporations or with any directors of these corporations, our Substantial Shareholders or our officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgment with a view to the best interests of our Company;
- (e) our Independent Directors' working experience and expertise in different areas of specialisation; and
- (f) the composition of our Board,

is of the view that (i) each of our Independent Directors is individually and collectively able to devote sufficient time to the discharge of their duties and are suitable and possess relevant experience as Independent Directors of our Company; and (ii) our Independent Directors, as a whole, represent a strong and independent element on the Board which is able to exercise objective judgment on corporate affairs independently from our Controlling Shareholders.

Board's view and Nominating Committee's view of Mr. Yeo Guat Kwang

Our Board and our Nominating Committee (with Mr. Yeo Guat Kwang recusing himself) has noted the service agreement dated 1 September 2017 entered into between our Group and Mr. Yeo Guat Kwang, our Lead Independent Director, for the provision of advisory services to our Group, which ceased on 31 December 2019, and having taken into consideration the following:

- (a) the services provided by Mr. Yeo Guat Kwang to our Group is advisory in nature and related primarily to his business and working experience, as our Group had sought to tap into his business network and contacts in Singapore to facilitate and to act as a springboard, where relevant, for the business operations of our Group in Singapore;
- (b) as mentioned in sub-paragraph (a) above, Mr. Yeo Guat Kwang's role was advisory in nature and was performed as an independent contractor of our Group. As he was not an employee of our Group, his role was not concerned with the management and day-to-day operations of our Group, nor were the business and operations of our Group dependent on the advisory services provided by him;
- (c) as an independent contractor of our Group and in the course of his provision of advisory services, Mr. Yeo Guat Kwang did not attend board and management meetings of our Group and did not take part in the decision-making processes or in the formulation of business strategies by the directors and/or management of our Group. In addition, he has no relationships with our Company, our related corporations or with any directors of these corporations, our Substantial Shareholders or our officers;
- (d) after GHY Singapore had established its foundation in the Singapore media and entertainment industry and had built up its own business relationships with the various industry players over the years, GHY Singapore was able to take on more projects and expand its TV program and film production business, as well as concert production business in 2019. Accordingly, the service agreement with Mr. Yeo Guat Kwang was not renewed after 31 December 2019 after review by our Group, given that we were able to expand our business operations in Singapore with the key management team and employees of our Group, and on our own business network and connections;

- (e) given Mr. Yeo Guat Kwang's experience as an independent director for listed companies, he would be well-versed and well-equipped with the necessary expertise and capability to discharge and exercise the independent business judgment of a Director in the best interests of our Company;
- (f) Mr. Yeo Guat Kwang's confirmation that he is independent in conduct, character and judgment, and has no relationship with our Company, our related corporations or with any directors of these corporations, our Substantial Shareholders or our officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment in the best interests of our Company;
- (g) with effect from 1 January 2021, his past service agreement would have ceased for more than a year and accordingly, no payments have been or will be received by him from our Group in the immediate past financial year, being FY2020, other than compensation for board services; and
- (h) his long-standing business and working experience as mentioned above will enable him to be a valuable member of our Board in terms of contribution to discussions and the decision-making process of our Board, and for our Board to draw on his views and experience,

are of the view that Mr. Yeo Guat Kwang is independent and, based on the above, are of the view that Provision 2.1 of the Code of Corporate Governance and Practice Guidance 2 of the Practice Guidance dated 7 February 2020 has been complied with. See the section entitled "Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Provision of Advisory Services by an Interested Person" of this Prospectus for more information.

Remuneration Committee

Our Remuneration Committee comprises Mr. Sng Peng Chye, Mr. Yeo Guat Kwang and Mr. Chen Mingyu. The Chairman of our Remuneration Committee is Mr. Sng Peng Chye. Our Remuneration Committee is responsible for:

- (a) reviewing and recommending to our Board a framework of remuneration and guidelines for the remuneration of our Directors and such other persons having authority and responsibility for planning, directing and controlling the activities of our Company, which, for the avoidance of doubt, will only take into consideration the role undertaken by our Directors in their capacity as a director of the Company, and will not take into consideration any other role(s) they may undertake in our Group, such as producer, director, scriptwriter or actor/actress in our drama and film projects;
- (b) reviewing and recommending to our Board specific remuneration packages for each Director and key management personnel;
- (c) considering all aspects of remuneration (including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments) and termination terms, to ensure they are fair and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of our Company, taking into account our strategic objectives;

- (d) ensuring that:
 - (i) a significant and appropriate proportion of the remuneration of Executive Directors and key management personnel is structured so as to link rewards to corporate and individual performance and performance-related remuneration is aligned with the interests of Shareholders and other stakeholders and promotes the long-term success of our Company;
 - (ii) the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities; and
 - (iii) the remuneration is appropriate to attract, retain and motivate our Directors to provide good stewardship of our Company, and key management personnel to successfully manage our Company for the long term;
- (e) administering any share schemes which may be approved by Shareholders, including the GHY Performance Share Plan and the GHY Employee Share Option Scheme;
- (f) reviewing our remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in our annual report with a view to achieving clear disclosure of the same;
- (g) taking into consideration all factors as may be specified in the Code of Corporate Governance and the accompanying Practice Guidance (as each may, from time to time, be amended, modified or supplemented) in carrying out its duties;
- (h) reviewing our Remuneration Committee's terms of reference annually and recommending any proposed changes to our Board for approval; and
- (i) assuming such other duties (if any) that may be required by law or the Listing Manual and/or the Code of Corporate Governance (as each may be, from time to time, amended, modified or supplemented).

If a member of our Remuneration Committee has an interest in a matter being reviewed or considered by our Remuneration Committee, he will abstain from voting on the matter.

LEGAL REPRESENTATIVES

Identity of Legal Representatives of our PRC subsidiaries and PRC Affiliated Entities

Our PRC subsidiaries

The legal representative of each of our PRC subsidiaries are as follows:

PRC Subsidiary	Name of the Legal Representative	Positions Held
Tianjin Xinyuan	Xue Xin (薛鑫)	Executive Director and General Manager
Beijing Xinyuan	Xue Xin (薛鑫)	Executive Director and General Manager
Tianjin Xinhe	Xue Xin (薛鑫)	Executive Director and General Manager
Tianjin Zhengzai	Xue Xin (薛鑫)	Executive Director and General Manager
Huahuo Entertainment	Ren Liwei (任力威)	Executive Director and General Manager

Our PRC Affiliated Entities

The legal representative of each of our PRC Affiliated Entities is as follows:

PRC Affiliated Entity	Name of the Legal Representative	Positions Held
Tianjin Changxin	Xue Xin (薛鑫)	Executive Director and General Manager
Tianjin Ruyang	Xue Xin (薛鑫)	Executive Director and General Manager
Beijing Changxin	Xue Xin (薛鑫)	Executive Director and General Manager
Beijing Yizhongdao	Xue Xin (薛鑫)	Executive Director and General Manager

See the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Registered Shareholders and Legal Representatives of our PRC Affiliated Entities” of this Prospectus for further details.

Powers and Duties of Legal Representatives

In accordance with applicable PRC laws, each of the above legal representatives has the powers to act as representative of that PRC subsidiary or PRC Affiliated Entity and to execute contracts on behalf of that PRC subsidiary or PRC Affiliated Entity, with or without the company seal.

Appointment and Removal of Legal Representatives

Under the applicable PRC laws, the legal representative shall be appointed and removed in accordance with the articles of association of the company, and the legal representative shall be either the chairman of the board (or the executive director in case no board is formed in the company), or the general manager of the company. The change of legal representative shall be registered with the competent authorities. Further, the chairman of the board or the executive director shall be appointed by the shareholders and the general manager shall be appointed by the board or the executive director. Therefore, the legal representative can be appointed and removed by the shareholders or through the appointed board or executive director, with or without the legal representative’s consent.

PRC Subsidiaries

Based on the above and the articles of association of each of our PRC subsidiaries, each of their respective shareholders shall be able to, either directly or indirectly, control the appointment and dismissal of the respective legal representatives of our PRC subsidiaries.

PRC Affiliated Entities

Based on the above and the articles of association of each of our PRC Affiliated Entities, each of their respective shareholders (being the Individual Shareholders or Tianjin Changxin, as the case may be) shall be able to, either directly or indirectly, control the appointment and dismissal of the respective legal representatives of our PRC Affiliated Entities.

However, notwithstanding that the articles of association of the relevant PRC Affiliated Entities vests the respective shareholders (being the Individual Shareholders or Tianjin Changxin, as the case may be) with the right to control the appointment and dismissal of the respective legal representatives, the Individual Shareholders and Tianjin Changxin have provided Powers of Attorney in favour of the relevant GHY WFOE, appointing our GHY WFOE and its designated third party as trustee and as each of their sole, comprehensive and exclusive agent, and in the name of the Individual Shareholders or Tianjin Changxin, to exercise all rights they enjoy as the shareholder of the relevant PRC Affiliated Entity to allow our GHY WFOE to pass the relevant shareholders' resolution approving the appointment, removal or change in director(s) and/or general manager(s) (and consequently, the legal representative(s), who shall be the director or general manager of the relevant PRC Affiliated Entity), in accordance with the applicable laws and articles of association of our PRC Affiliated Entity. Accordingly, in respect of each of our PRC Affiliated Entities, our GHY WFOEs shall be able to control the control the appointment and dismissal of the respective legal representatives of our PRC Affiliated Entities.

In addition, pursuant to the Exclusive Business Cooperation Agreement, the Individual Shareholders and the shareholder(s) of the relevant PRC Affiliated Entity shall appoint the persons designated by the relevant GHY WFOE as the directors/executive directors, members of the board of supervisors not elected by the staff representatives (if applicable), chief financial officer/financial officer and other management personnel (including the general manager and other executive officers) of our PRC Affiliated Entities, and will not be able to change such persons (which includes the legal representative(s), who shall be the director or general manager of the relevant PRC Affiliated Entity) without the prior consent of the relevant GHY WFOE.

Based on the above and the arrangements established under the Contractual Arrangements to safeguard our Company's interests in the event of any change of our PRC Affiliated Entities' legal representatives, our GHY WFOEs shall be able to, either directly or indirectly, control the appointment and dismissal of the legal representatives of the respective PRC Affiliated Entities.

Accordingly, there are no impediments to the removal of the legal representatives of our PRC subsidiaries and PRC Affiliated Entities under the applicable PRC laws, the articles of association of the respective PRC subsidiaries and PRC Affiliated Entities and the Contractual Arrangements.

Under the applicable PRC laws, in order to effect a change in legal representative and director, a shareholders' resolution approving the change in legal representative and director has to be passed and registration of such change has to be filed with relevant local branches of the State Administration for Market Regulation, which typically takes no more than 20 days.

Measures Implemented by our Group

Considering the impact in the event that a legal representative represents any of our PRC subsidiaries or PRC Affiliated Entities without having obtained prior authorisation, our Group has implemented the following measures in the event of a change to any of our PRC subsidiaries or PRC Affiliated Entities:

- (a) the implementation of internal control systems to ensure proper authorisation as to delegation of authority and to ensure that payments require proper approvals;
- (b) the implementation of measures to safeguard the corporate seal, finance seal, legal seal and cheque books in each of our PRC subsidiaries and PRC Affiliated Entities such as the safekeeping of such documents and items in a safe at our Group's headquarters at our principal place of business in the PRC;
- (c) annual reviews by our Audit and Risk Management Committee of the processes and procedures in relation to the appointment and removal of the legal representative of each of our PRC subsidiaries and PRC Affiliated Entities;
- (d) safekeeping of the originals of the business licences of each of our PRC subsidiaries and PRC Affiliated Entities in a safe at the headquarters of our Group located at our principal place of business in the PRC with restricted physical access;
- (e) ensuring that the documents required to be registered with the relevant authorities in the PRC to effect a change of legal representatives of each of our PRC subsidiaries and PRC Affiliated Entities are executed and affixed with the company stamp, but left undated and kept in escrow at the headquarters of our Group located at our principal place of business in Singapore;
- (f) ensuring that the resolutions to effect a change of legal representatives of each of our PRC subsidiaries and PRC Affiliated Entities by the respective directors and shareholders, as well as a power of attorney by the respective legal representatives are executed, but left undated and kept in escrow at the headquarters of our Group located at our principal place of business in Singapore;
- (g) ensuring the segregation of cash management duties, including receipt and payment procedures;
- (h) the maintenance of a register in relation to the legal representatives of each of our PRC subsidiaries reflecting all other appointments and/or business interests (e.g. directorships, sole proprietorships, partnerships, or shareholdings above 5.0%) of the legal representative outside of our Group; and
- (i) the legal representative undertakes to seek the approval of the key Executive Officers of our Company to assume any executive roles outside of our Group.

Based on the above, each of the Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law is of the view that the procedures in place to appoint and remove the legal representatives of our PRC subsidiaries (which includes our GHY WFOEs) and PRC Affiliated Entities are adequate to mitigate the risks in relation to the appointment of the legal representatives and safeguard the interests of our Group.

Based on the above, our Directors are of the view that the procedures in place to appoint and remove the legal representatives of our PRC subsidiaries (which includes our GHY WFOEs) and our PRC Affiliated Entities are adequate to mitigate the risks in relation to the appointment of legal representatives and safeguard the interests of our Group.

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The compensation, in remuneration bands of S\$250,000⁽¹⁾, paid to our Directors and our Executive Officers for services rendered to us in all capacities on, an aggregate basis, in the financial period from 22 March 2018 to 31 December 2018 and the financial year ended 31 December 2019, and the estimated amount of compensation to be paid for the current financial year ending 31 December 2020, is as follows:

	FP2018	FY2019	FY2020 Estimated ⁽²⁾
Directors			
Mr. Guo Jingyu ⁽³⁾	A	A	B
Ms. Yue Lina	A	A	A
Ms. Wang Qing	–	A	A
Mr. Yang Jun Rong	–	–	A
Mr. Yeo Guat Kwang	–	–	A
Mr. Ang Chun Giap	–	–	A
Mr. Sng Peng Chye	–	–	A
Mr. Chen Mingyu	–	–	A
Dr. Jiang Minghua	–	–	A
Executive Officers			
Ms. Low Hui Min	–	A	A
Mr. Xue Xin	–	A	A
Ms. Chan Pui Yin	A	A	A

Notes:

- (1) Remuneration band “A” refers to remuneration below the equivalent of S\$250,000.
Remuneration band “B” refers to remuneration between the equivalent of S\$500,001 and S\$750,000.
- (2) The estimated amount of remuneration excludes any bonus, profit-sharing plan or any other profit-linked agreement or arrangement payable for the financial year ending 31 December 2020 as such bonuses are variable and discretionary in nature. See the section entitled “Management and Corporate Governance – Service Agreements” of this Prospectus.
- (3) No compensation or remuneration was paid to Mr. Guo Jingyu for his roles or his services rendered in his capacity as producer, director and/or scriptwriter in any of the dramas and films produced or co-produced by our Group and no such compensation and/or remuneration will be paid to Mr. Guo Jingyu by our Group.

Compensation includes benefits in kind and any deferred compensation accrued for the relevant financial year and payable at a later date. The estimated amount of compensation payable in the current financial year excludes any bonus or profit-sharing plan or any other profit-linked agreement or arrangement.

As at the date of this Prospectus, our Company does not have in place any formal bonus or profit-sharing plan or any other profit-linked agreement or arrangement with any of our employees, and bonuses are expected to be paid on a discretionary basis.

As at the date of this Prospectus, none of the employees of our Group is an immediate family member of our Executive Chairman and Group CEO and/or our Directors.

PENSION AND RETIREMENT BENEFITS

Other than amounts set aside or accrued for compliance with applicable Singapore, Malaysia, Australia, PRC and Hong Kong laws and regulations and as disclosed in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operation – Principal Components of our Combined Statement of Profit or Loss – Administrative Expenses” of this Prospectus, no amounts have been set aside or accrued by our Company, our subsidiaries or PRC Affiliated Entities to provide for pension, retirement or similar benefits for our employees.

SERVICE AGREEMENTS

Our Company has entered into separate service agreements (each, a “**Service Agreement**”) with each of our Executive Directors namely, Mr. Guo Jingyu, Ms. Yue Lina and Ms. Wang Qing on 23 November 2020. The Service Agreements will take effect from the Listing Date and shall continue thereafter for a period of three years (the “**Initial Term**”) and thereafter be automatically renewed yearly. The Service Agreements shall be effective for the Initial Term and may not be terminated by either party giving notice of termination during the Initial Term. After the expiry of the Initial Term, each Service Agreement may be terminated by either party with six months’ notice or by our Company paying such Executive Director an amount equal to six months’ salary in lieu of notice. Notwithstanding the foregoing, we may also forthwith terminate their Service Agreements at any time if they, among others, are guilty of any dishonesty, gross misconduct, or material breach of the Service Agreement, or if our Executive Director acts in a manner that is likely to bring himself/herself and/or any member of our Group into disrepute. Our Company is not required to make any termination payments to our Executive Director in the event of termination under such circumstances.

Our Executive Directors shall not, during the continuance of his/her employment (except as a representative of our Company or with the consent in writing of our Board), be directly or indirectly engaged or concerned in the conduct of any other business which may, from time to time, be in direct or indirect competition with our Group.

Mr. Guo Jingyu and Ms. Yue Lina are currently honorary members of the Hebei Chengde Drama Troupe (河北省承德话剧团) (“**Hebei Chengde Drama Troupe**”). The Hebei Chengde Drama Troupe is engaged in the film, culture and entertainment business and has cultivated several talented directors, producers, scriptwriters, choreographers and artistes through its production of dramas. As our Group intends to nurture future talents and bolster the local talent pool, and has in the past sponsored initiatives or collaborated with other drama schools and programmes in the PRC and Singapore, Mr. Guo Jingyu and Ms. Yue Lina have continued to be honorary members of the Hebei Chengde Drama Troupe as they believe that their continued membership is in line with such business strategy and enables them to maintain their business connections and relationships with the local talent pool and other players in the media and entertainment industry in the PRC. Thus, each of Mr. Guo Jingyu and Ms. Yue Lina continue to have a labour contract arrangement with Hebei Chengde Drama Troupe Performing Arts Co., Limited (河北省承德话剧团演艺有限公司), recognising their role as honorary members of the troupe.

Mr. Guo Jingyu and Ms. Yue Lina are expressly permitted by the Hebei Chengde Drama Troupe (during the continuance of such labour contract arrangement and after such arrangement has been terminated) to be engaged or concerned in the conduct of film, culture and entertainment business (including TV program and film production and distribution, concert production, talent management and costumes, props and make-up services businesses), whether by undertaking an employment or managerial position, establishing a company or investing in such businesses, to the extent permitted under the applicable PRC laws and regulations and the internal policies of Hebei Chengde Drama Troupe. Hebei Chengde Drama Troupe has also confirmed that each of Mr. Guo Jingyu and Ms. Yue Lina has not entered into any confidentiality agreements, non-competition agreements or agreements regarding the ownership of work products or

intellectual property rights and Mr. Guo Jingyu and Ms. Yue Lina are not subject to any other similar restrictions or requirements by Hebei Chengde Drama Troupe. Mr. Guo Jingyu and Ms. Yue Lina have confirmed that they are honorary members of the Hebei Chengde Drama Troupe and they are not required, under their respective labour contract arrangements with Hebei Chengde Drama Troupe, to carry out or be otherwise involved in any business or operational aspects of Hebei Chengde Drama Troupe.

Our Executive Directors will be reimbursed for all travelling, entertainment and other out-of-pocket expenses reasonably incurred by them in the discharge of their duties on behalf of our Group. One of our Executive Directors will also be entitled to accommodation allowance, in addition to a basic monthly salary.

Directors' fees do not form part of the terms of the Service Agreements as these require the approval of Shareholders in our Company's annual general meeting.

Save as disclosed above, there are no existing or proposed service agreements between our Company, our subsidiaries or PRC Affiliated Entities and any of our Directors.

None of our Directors has entered, or proposes to enter, into any service agreement with our Company or any of our subsidiaries or PRC Affiliated Entities which provides for benefits upon termination of employment.

GROUP ADVISER

Mr. John Ho has been formally appointed as our Group Adviser since November 2019. Mr. John Ho has more than 30 years of experience in film production and distribution, as well as events management, in the media industry in Singapore. He was previously the chief executive officer and executive director of a company listed on the Catalist of the SGX-ST (the "**listed company**"), which was engaged in the distribution of video entertainment program, from February 1994 to March 2011. He was also the founder of a private limited company distributing Chinese language movies in Singapore in 1994 and a company distributing Chinese TV programs in Singapore in 1999, but have ceased his roles since.

Service Agreement

Mr. John Ho has an extensive network of industry contacts in Singapore, Malaysia, Hong Kong and the PRC in the film and video entertainment and distribution industry, given his vast experience in such industry. In view of Mr. John Ho's familiarity and knowledge of the Singapore and Malaysia media and entertainment industry, Mr. Guo Jingyu (under the direction of Perfect World) decided to tap on Mr. John Ho's business connections for the venture into the Singapore media and entertainment industry. Accordingly, GHY Singapore (which was formerly known as "Perfect World Pictures (Singapore) Pte. Ltd. (完美建信(新加坡)私人有限公司)") was incorporated by Mr. John Ho and Ms. Lian Lee Lee, who is Mr. John Ho's spouse, as initial subscribers, and Mr. Guo Jingyu was appointed as the sole director of GHY Singapore. See the section entitled "History and Business – Our History" of this Prospectus for further details of the history of our Group and the respective roles and equity participation of Mr. Guo Jingyu and Mr. John Ho in our Group.

Due to his business connections and advisory insights into the Singapore media and entertainment industry, Mr. John Ho had, from time to time, introduced business contacts and presented business opportunities to our Group, as and when such business opportunities were identified by Mr. John Ho. As our Group's business and operations were not substantial until on or around November 2019, Mr. John Ho's role as business adviser to our Group was not formalised prior to such period. As our Group's business and operations started to grow in November 2019 and Mr. John Ho's scope of advisory services had also correspondingly expanded

with the larger number of new and potential dramas, films and concert production opportunities introduced, our Group had decided to formalise his appointment as our Group Adviser with effect from November 2019. Mr. John Ho is not involved in the day-to-day operations of any part of our Group and does not participate in any of the execution or implementation of business strategies of our Group.

Mr. John Ho's role with our Group and the scope of the provision of his services are set out in a service agreement (as amended and supplemented) dated 1 December 2019 ("**JH Service Agreement**"), pursuant to which Mr. John Ho is to provide advisory services in identifying potential business opportunities and to provide general advice in relation to the business operations of our Group, through the introduction of business contacts and such potential business opportunities to our Group (as and when such opportunities arise). Pursuant to the terms of the JH Service Agreement, he is to provide his services for a period of one year from 1 January 2020, and such term will be automatically renewed from year to year thereafter, unless such service agreement is terminated in accordance with its terms. A fixed monthly fee of not more than S\$30,000 is payable to Mr. John Ho at the end of each calendar month and there are no commission and/or referral fees payable to him under the terms of such service agreement. The fixed monthly fee payable to Mr. John Ho was negotiated on an arm's length basis and on normal commercial terms, taking into account his experience and expertise in the industry, and is subject to annual review by our Group. The JH Service Agreement may be terminated by either Mr. John Ho or our Group by giving two months' notice in writing and no termination payments are to be made under the terms of such service agreement. In the event of any material amendments to the terms of the JH Service Agreement, such material amendments will be subject to the applicable requirements of the Listing Manual from time to time, including the review and approval by our Board and our Nominating Committee.

None of our Directors, Executive Officers and Controlling Shareholders is an associate of Mr. John Ho. None of our Directors, Executive Officers, Substantial Shareholders or their Associates has entered into any arrangements, written or otherwise, with Mr. John Ho.

Undertaking by Mr. John Ho

Certain disciplinary actions were taken by the SGX-ST against the listed company and its directors (including Mr. John Ho) in October 2011 and as a result, Mr. John Ho was placed on the directors' and executive officers' watchlist of the SGX-ST. For further details, please refer to the SGX-ST's website at <https://www.sgx.com/regulation/directors-and-executive-officers-watchlist>. In light of the foregoing, Mr. John Ho has provided an undertaking to our Company that he will not, and will not procure any of his nominees, to be appointed as a director or executive officer of any of the entities in our Group for so long as he is named in the directors' and executive officers' watchlist of the SGX-ST.

Our Nominating Committee will also ensure that none of Mr. John Ho and/or his nominees will be appointed as a director or executive officer of any of the entities in our Group for so long as Mr. John Ho is named in the directors' and executive officers' watchlist of the SGX-ST. In the event that any associate of Mr. John Ho proposes to be a Director or Executive Officer of our Company or our Group, our Nominating Committee will assess that such relevant associate possesses the relevant experience, expertise, qualification, character and integrity to perform the proposed role as a Director or Executive Officer and will ensure that an announcement is made on the SGXNET, the web-based platform of the SGX-ST, on the proposed appointment of such relevant associate and our Nominating Committee's views (including bases), in a timely manner.

GHY SHARE INCENTIVE SCHEMES

On 25 November 2020, our Shareholders adopted the following share incentive schemes:

- (a) a share scheme known as the GHY Performance Share Plan, the rules of which are set out in “Appendix H – Rules of the GHY Performance Share Plan” to this Prospectus; and
- (b) an employee share option scheme known as the GHY Employee Share Option Scheme, the rules of which are set out in “Appendix I – Rules of the GHY Employee Share Option Scheme” to this Prospectus.

collectively, the “**GHY Share Incentive Schemes**”

The GHY Share Incentive Schemes will provide eligible participants with an opportunity to participate in the equity of our Company, motivate them towards better performance through increased dedication and loyalty, and to align the interests of the Directors and our Group’s employees, especially key executives, with those of Shareholders. The GHY Share Incentive Schemes, which form an integral and important component of our Group’s compensation plan are designed primarily to reward and retain our Directors (including Independent Directors) and our Group’s employees whose services are vital to our Group’s well-being and success.

The GHY Share Incentive Schemes are designed to complement each other in our Group’s efforts to reward, retain and motivate employees to achieve better performance. The purpose of adopting more than one share incentive scheme is to increase our Group’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve better performance by providing our Group with a more comprehensive set of remuneration tools and further strengthen our competitiveness in attracting and retaining local and foreign talent.

Unlike the GHY Employee Share Option Scheme whereby participants are required to pay the exercise price of the Options, the GHY Performance Share Plan allows our Group to provide an incentive for participants to achieve certain specific performance targets by awarding fully paid Shares to participants after these targets have been met. In addition to the common objectives of fostering an ownership culture within our Group and ensuring that our Group is able to retain skilled staff, the GHY Performance Share Plan incorporates an element of stretched targets for senior executives and Directors, which is aimed at delivering long-term shareholder value and sustaining long-term growth. As such, the assessment criteria for granting Options under the GHY Employee Share Option Scheme are more general (such as based on length of service and general performance of our Group) and do not relate to specific performance targets imposed by our Group. On the other hand, the assessment criteria for granting of Awards under the GHY Performance Share Plan will be based on specific performance targets, time-based service conditions or a combination of both.

The GHY Share Incentive Schemes comply with the relevant rules as set out in Chapter 8 of the Listing Manual. As at the Latest Practicable Date, no Awards or Options have been granted under the GHY Performance Share Plan and the GHY Employee Share Option Scheme, respectively. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in “Appendix H – Rules of the GHY Performance Share Plan” and “Appendix I – Rules of the GHY Employee Share Option Scheme” to this Prospectus.

Objectives of the GHY Share Incentive Schemes

The objectives of the GHY Share Incentive Schemes are as follows:

- (a) foster an ownership culture within our Group which aligns the interests of our Group's employees with the interests of Shareholders;
- (b) motivate participants to achieve key financial and operational goals of our Company and/or their respective business units;
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with our Company's ambition to become a world-class company; and
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders.

Participants of the GHY Share Incentive Schemes

Full-time employees of our Company, our subsidiaries and our PRC Affiliated Entities) and Directors (including Independent Directors) who have attained the age of 21 years and hold such rank as may be designated by our Remuneration Committee, from time to time, shall be eligible to participate in the GHY Share Incentive Schemes, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

Associates of such Controlling Shareholders who meet the criteria above are also eligible to participate in the GHY Share Incentive Schemes if their participation and Awards and/or Options are approved by independent Shareholders in separate resolutions for each such person and for each such Award or Option.

The selection of a participant and the number of Shares which are the subject of each Award to be granted to a participant in accordance with the GHY Performance Share Plan or of each Option to be granted in accordance with the GHY Employee Share Option Scheme shall be determined in the absolute discretion of our Remuneration Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his rank, role, seniority, length of service, performance during the performance period, potential for future development, his future contribution to the success and development of our Group and, if applicable, the extent of effort and difficulty with which the performance target(s) may be achieved within the performance period.

Rationale for Participation of Executive Directors and Group's employees in the GHY Share Incentive Schemes

The extension of the GHY Share Incentive Schemes to our Executive Directors and Group's employees allows us to have a fair and equitable system to reward our Executive Directors and Group's employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the grant of Awards and/or Options to our Executive Directors and Group's employees will enable us to attract, retain and provide incentives to our Directors and Group's employees to produce higher standards of performance, encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services and motivate them generally to contribute towards the long-term growth of our Group.

Rationale for participation by our Non-Executive Directors (including Independent Directors) in the GHY Share Incentive Schemes

The extension of the GHY Share Incentive Schemes to our Non-Executive Directors allows our Group to have a fair and equitable system to reward our Non-Executive Directors who are not employed within our Group but work closely with our Group and who have made, and will continue to make, significant contributions to the long-term growth of our Group.

We recognise that it is important to the well-being and stability of our Group that we acknowledge the services and contributions made by our Non-Executive Directors, and that we continue to receive their support and contributions. In particular, our Non-Executive Directors are persons who are able to provide us with valuable support, input and business contracts and also provide us with strategic or significant business alliances or opportunities.

Although our Non-Executive Directors are not involved in the day-to-day running of our Group's operations, they, nonetheless, play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by Non-Executive Directors in the GHY Share Incentive Schemes will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the Directors' fees or other forms of cash payment. For instance, our Non-Executive Directors may bring strategic or other value to our Company which may be difficult to quantify in monetary terms. The grant of Awards and/or Options to our Non-Executive Directors will allow our Company to attract and retain experienced and qualified persons from different professional backgrounds to join our Company as Non-Executive Directors, and to motivate existing Non-Executive Directors to take extra efforts to promote the interests of our Company and/or our Group.

In deciding whether to grant Awards and/or Options to our Non-Executive Directors, our Remuneration Committee will take into consideration, among others, the contributions made to the growth, development and success of our Group and the years of service of a particular Non-Executive Director. Our Remuneration Committee may also, where it considers relevant, take into account other factors such as economic conditions and our Company's performance.

In order to minimise any potential conflict of interests and so as to not compromise the independence of our Non-Executive Directors, our Company intends to grant only a nominal number of Awards and/or Options under the GHY Share Incentive Schemes to our Non-Executive Directors.

Rationale for Participation of Associates of Controlling Shareholders

An employee who is an Associate of a Controlling Shareholder shall be eligible to participate in the GHY Share Incentive Schemes if (a) his participation in the GHY Share Incentive Schemes; and (b) the actual number and terms of the Awards and/or Options to be granted to him have been approved by independent Shareholders of our Company in separate resolutions for each such person. The relevant employee is required to abstain from voting on, and (in the case of employees who are Directors) refrain from making any recommendation on, the resolutions in relation to the GHY Share Incentive Schemes.

One of the main objectives of the GHY Share Incentive Scheme is to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group. The objectives of the GHY Share Incentive Schemes apply equally to our employees who are Associates of our Controlling Shareholders. Our view is that all deserving and eligible participants should be motivated, regardless of whether they are Associates of our Controlling Shareholders. It is in our interest to incentivise outstanding employees who have contributed to the growth of our Group and continue to remain with us.

As at the Latest Practicable Date, none of the Associates of our Controlling Shareholder have any shareholding interests in our Company. Accordingly, the extension of the GHY Share Incentive Schemes to allow Associates of our Controlling Shareholder the opportunity to participate in the GHY Share Incentive Schemes will ensure that they are equally entitled, with our Group's other employees, to participate in and benefit from this system of remuneration. The GHY Share Incentive Schemes are intended to be part of our Company's system of employee remuneration and our Company is of the view that employees who are Associates of our Controlling Shareholder should not be unduly discriminated against by virtue of their position as an Associate of our Controlling Shareholder.

SUMMARY OF THE GHY SHARE INCENTIVE SCHEMES

The rules of the GHY Performance Share Plan and the rules of the GHY Employee Share Option Schemes may be inspected by Shareholders at the business office of our Company in Singapore for a period of six months from the date of registration of this Prospectus.

Summary of the GHY Performance Share Plan

A summary of the rules of the GHY Performance Share Plan is set out as follows:

Administration of the GHY Performance Share Plan

The GHY Performance Share Plan shall be administered by our Remuneration Committee in its absolute discretion with such powers and duties conferred to it by our Board, provided that no member of the Remuneration Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

Size of the GHY Performance Share Plan

In order to reduce the dilutive impact of the GHY Performance Share Plan, the aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the GHY Performance Share Plan on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the GHY Performance Share Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the GHY Employee Share Option Scheme; and
- (c) the total number of Shares over which options and awards are granted under any other share option schemes or share schemes of our Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time, if any) on the day preceding that date.

Maximum Entitlements

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the GHY Performance Share Plan on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the GHY Performance Share Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the GHY Employee Share Option Scheme; and
- (c) the total number of Shares subject to any other share option or share schemes of our Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time, if any) on the date preceding the grant of the relevant new Award.

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the GHY Performance Share Plan to participants who are Associates of Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the GHY Performance Share Plan.

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the GHY Performance Share Plan to each participant who is an Associate of a Controlling Shareholder shall not exceed 10.0% of the total number of Shares available under the GHY Performance Share Plan.

However, it does not necessarily mean that our Remuneration Committee will definitely issue the Award Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Award Shares to be granted to each participant, which will depend on the performance and value of the participant to our Group.

Awards

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

An Award shall be personal to the participant and, prior to the allotment and/or transfer to the participant of the Shares to which the released Award relates, shall not be transferred (other than to a participant's personal representative on the death of that participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of our Remuneration Committee.

The number of Award Shares to be granted to a participant in accordance with the GHY Performance Share Plan shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, job performance during the performance period, potential for future development and his future contribution to the success and development of our Group and the extent of effort and difficulty with which the performance condition(s) may be achieved within the performance period, which is to be determined by our Remuneration Committee.

Details of Awards

Our Remuneration Committee shall decide, in relation to each Award to be granted to a participant:

- (a) the participant;
- (b) the date on which the Award is to be granted;
- (c) the performance period;
- (d) the number of Shares which are the subject of the Award (subject to the rules of the GHY Performance Share Plan);
- (e) the performance condition(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (f) the extent to which Award Shares shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;
- (g) the vesting date; and
- (h) any other condition which our Remuneration Committee may determine in relation to that Award.

Timing of Awards

Awards may be granted at any time during the period when the GHY Performance Share Plan is in force. An Award letter confirming the Award and specifying, among others, the number of Award Shares, the prescribed performance condition(s), the performance period during which the prescribed performance condition(s) are to be attained or fulfilled and the schedule setting out the extent to which Award Shares will be released on satisfaction of the prescribed performance condition(s), will be sent to each participant as soon as reasonably practicable after the making of an Award.

Vesting of Awards

Subject to the applicable laws, our Company will deliver Shares to participants upon vesting of their Awards by way of either an allotment and issue of new Shares and/or a transfer of existing Shares, including any Shares held by our Company as treasury Shares.

In determining whether to issue new Shares to participants upon vesting of their Awards, our Company will take into account factors such as, but not limited to, whether the performance conditions has been satisfied and, if so, the extent to which it has been satisfied, whether any other condition applicable to such Award has been satisfied and the number of Shares (if any) comprised in any Award to be released to the relevant participant.

The financial effects of the above methods are discussed below.

Our Remuneration Committee shall have full discretion to determine whether any performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, our Remuneration Committee shall have the right to make reference to the audited results of our Company or our Group (as the case may be), to take into account such factors as our Remuneration Committee may determine to be relevant, such as changes in accounting

methods, taxes and extraordinary events, and further, the right to amend any performance condition if our Remuneration Committee decides that a changed performance target would be a fairer measure of performance.

Termination of Awards

Special provisions in the rules of the GHY Performance Share Plan dealing with the lapse or earlier vesting of Awards apply in circumstances which include the termination of the participant's employment, the bankruptcy of the participant and the winding-up of our Company.

Rights of Shares arising

New Shares allotted and issued and existing Shares procured by our Company for transfer pursuant to the release of an Award shall be eligible for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the later of (a) the relevant vesting date; and (b) the date of allotment and issue of our Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Duration of the GHY Performance Share Plan

The GHY Performance Share Plan shall continue in force at the discretion of our Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the GHY Performance Share Plan is adopted by our Company in general meeting, provided always that the GHY Performance Share Plan may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The GHY Performance Share Plan may be terminated at any time by our Remuneration Committee and by resolution of our Company in general meeting, subject to all relevant approvals which may be required being obtained. The termination of the GHY Performance Share Plan shall not affect Awards which have been granted in accordance with the GHY Performance Share Plan.

Notwithstanding the expiry or termination of the GHY Performance Share Plan, any Awards made to participants prior to such expiry or termination will continue to remain valid.

Abstention from voting

Shareholders who are eligible to participate in the GHY Performance Share Plan are to abstain from voting on any Shareholders' resolution relating to the GHY Performance Share Plan, including any Shareholders' resolution relating to the implementation of the GHY Performance Share Plan, or the participation by, and Awards granted to, Associates of Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

Adjustments and alterations to the GHY Performance Share Plan

The following describes the adjustment events under, and provisions relating to alterations of, the GHY Performance Share Plan.

Adjustment Events

If a variation in the issued ordinary share capital of our Company (whether by way of a bonus issue, rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place or if our Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then our Remuneration Committee may, at its sole discretion, determine whether, then:

- (a) the class and/or number of Award Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Award Shares in respect of which future Awards may be granted under the GHY Performance Share Plan,

shall be adjusted to give such participant the same proportion of the equity capital of our Company as that to which he was previously entitled, in such manner as our Remuneration Committee may, in its discretion, determine to be appropriate, provided that no adjustment shall be made if, as a result, the participant receives a benefit that a Shareholder does not receive.

Unless our Remuneration Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the GHY Performance Share Plan; or (d) any issue of Shares arising from the exercise of options or warrants or the conversion of any loan stock or any securities convertible into Shares by our Company, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a bonus issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.

Modifications to the GHY Performance Share Plan

The GHY Performance Share Plan may be modified and/or altered, from time to time, by a resolution of our Remuneration Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the consent in writing of such number of participants who, if their Awards were released to them upon the performance conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards upon the performance condition(s) of all outstanding Awards being satisfied in full under the GHY Performance Share Plan.

Any modification or alteration which would be to the advantage of Participants under the GHY Performance Share Plan shall be subject to the prior approval of our Shareholders in general meeting.

Disclosure in Annual Reports

Details of, among others, the number of Shares comprised in Awards and the number of Shares comprised in Awards which have vested will be disclosed in our annual reports.

Financial Effects of the GHY Performance Share Plan

The GHY Performance Share Plan is considered a share-based payment that falls under Singapore Financial Reporting Standards (International) 2 – Share-based Payment (“**SFRS(I) 2**”) where Participants will receive Shares and the Award would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to the reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made.

The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition and the Awards vest as a result of meeting such performance target, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment by our CFO at such accounting date of whether the non-market conditions would have been met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately vest.

The following sets out the financial effects of the GHY Performance Share Plan:

(a) Share capital

The GHY Performance Share Plan will result in an increase in our Company’s issued share capital when new Shares are issued to Participants. The number of new Shares issued will depend on, among others, the size of the Awards granted under the GHY Performance Share Plan. In any case, the GHY Performance Share Plan provides that the number of Shares to be issued or transferred under the GHY Performance Share Plan, when aggregated with the aggregate number of Shares which options are granted under any other share option schemes of our Company, will be subject to the maximum limit of 15.0% of our Company’s total number of issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time, if any). If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the GHY Performance Share Plan will have no impact on our Company’s issued share capital.

(b) NTA

As described in paragraph (c) below on EPS, the GHY Performance Share Plan is likely to result in a charge to our Company’s income statement over the period from the grant date to

the vesting date of the Awards. The amount of the charge will be computed in accordance with SFRS(I) 2. When new Shares are issued under the GHY Performance Share Plan, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to Participants under the GHY Performance Share Plan will generally be contingent upon the eligible Participants meeting prescribed performance targets and conditions.

(c) EPS

The GHY Performance Share Plan is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS(I) 2.

It should again be noted that the delivery of Shares to participants of the GHY Performance Share Plan will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

(d) Dilutive Impact

The issuance of new Shares under the GHY Performance Share Plan will have a dilutive impact on our consolidated EPS.

Summary of the GHY Employee Share Option Scheme

A summary of the GHY Employee Share Option Scheme is set out as follows:

Administration of the GHY Employee Share Option Scheme

The GHY Employee Share Option Scheme shall be administered by our Remuneration Committee with such powers and duties conferred to it by our Board. A member of our Remuneration Committee who is also a participant of the GHY Employee Share Option Scheme must not be involved in its deliberation in respect of the Option granted or to be granted to him.

Size of the GHY Employee Share Option Scheme

The aggregate number of Shares over which our Remuneration Committee may grant Options under the GHY Employee Share Option Scheme, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share plans of our Company, shall not exceed 15.0% of the total number of all issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings, from time to time).

Maximum Entitlements

The aggregate number of Shares which may be issued or transferred pursuant to the exercise of the Options granted under the GHY Employee Share Option Scheme on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the GHY Employee Share Option Scheme;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the GHY Performance Share Plan; and

(c) the total number of Shares subject to any other share option or share schemes of our Company,

shall not exceed 15.0% of the total number of all issued Shares (excluding Shares held by our Company as treasury Shares and subsidiary holdings from time to time) on the day preceding that date.

The aggregate number of Shares which may be issued or transferred pursuant to the exercise of the Options granted under the GHY Employee Share Option Scheme to participants who are Associates of Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the GHY Employee Share Option Scheme.

The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the GHY Employee Share Option Scheme to each participant who is an Associate of a Controlling Shareholder shall not exceed 10.0% of the total number of Shares available under the GHY Employee Share Option Scheme.

However, it does not necessarily mean that our Remuneration Committee will definitely issue the Option Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each participant which will depend on the performance and value of the participant to our Group.

The number of Shares comprised in Options to be offered to a participant shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, years of service, potential for future development and his contribution to the success and development of our Group.

Grant of Options

There are no fixed periods for the grant of Options. As such, offers of Options may be made at any time and, from time to time, at the discretion of our Remuneration Committee.

However, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers of Options may only be made on or after the second Market Day from the date on which such announcement is released.

Acceptance of Options

The grant of Options shall be accepted within 30 days from the Date of Grant of that Option. Offers of Options made to grantees, if not accepted in the manner as provided in the GHY Employee Share Option Scheme, shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00.

Options Exercise Period and Exercise Price

The Exercise Price for each Share in respect of which an Option is exercisable shall be determined by our Remuneration Committee, in its absolute discretion, on the date of grant, at:

- (a) a price equal to the market price; or
- (b) a price which is set at a discount to the market price, provided that:

- (i) the maximum discount shall not exceed 20.0% of the market price (or such other percentage or amount as may be determined by our Remuneration Committee and permitted by the SGX-ST); and
- (ii) our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the GHY Employee Share Option Scheme at a discount not exceeding the maximum discount as aforesaid.

Subject as provided in the GHY Employee Share Option Scheme and any other conditions as may be introduced by our Remuneration Committee from time to time, a Market Price Option or an Incentive Option (as defined in the Rules of the GHY Employee Share Option Scheme), as the case may be, shall be exercisable, in whole or in part, as follows:

- (a) in the case of Market Price Option, during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such date of grant (or such shorter period if so determined by our Remuneration Committee); and
- (b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such shorter period if so determined by our Remuneration Committee).

Exercise of Options

Subject to applicable law and the rules of the Listing Manual, our Company shall have the flexibility to deliver Shares to participants upon exercise of their Options by way of either an allotment and issue of new Shares and/or a transfer of existing Shares, including any Shares held by our Company in treasury.

In determining whether to issue new Shares to participants upon the exercise of their Options, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of our Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

Termination of Options

Special provisions in the rules of the GHY Employee Share Option Scheme dealing with the lapse or earlier exercise of Options apply in circumstances which include the termination of the Participant's employment, the bankruptcy of the Participant and the winding-up of our Company.

Rights of Shares arising

Shares arising from the exercise of an Option shall be subject to the provisions of the Companies Law and the Memorandum and Articles of Association of our Company and rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date (as defined in the GHY Employee Share Option Scheme) for which is on or after the later of (a) the relevant date upon which such exercise occurred; and (b) the date of issue of our Shares, and shall in all respects rank *pari passu* with other existing Shares then in issue.

Duration of the GHY Employee Share Option Scheme

The GHY Employee Share Option Scheme shall continue to be in force at the discretion of our Remuneration Committee, subject to a maximum period of 10 years commencing on the date which the GHY Employee Share Option Scheme is adopted by our Company in a general meeting, provided always that the GHY Employee Share Option Scheme may continue beyond the

above-stipulated period with the approval of our Shareholders in a general meeting and of any relevant authorities which may then be required.

The GHY Employee Share Option Scheme may be terminated at any time by our Remuneration Committee and by resolution of our Company in general meeting, subject to all relevant approvals which may be required being obtained. The termination of the GHY Employee Share Option Scheme shall not affect Options which have been granted in accordance with the GHY Employee Share Option Scheme.

Abstention from voting

Shareholders who are eligible to participate in the GHY Employee Share Option Scheme are to abstain from voting on any Shareholders' resolution relating to the GHY Employee Share Option Scheme, including any Shareholders' resolution relating to the implementation of the GHY Employee Share Option Scheme, or the making of offers and grants of Options under the GHY Employee Share Option Scheme at a discount not exceeding the maximum discount, or the participation by, and options granted to, Associates of Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy forms on how the vote is to be cast.

Adjustments and alterations to the GHY Employee Share Option Scheme

The following describes the adjustment events under, and provisions relating to alterations of, the GHY Employee Share Option Scheme.

Adjustment Events

If a variation in the issued ordinary share capital of our Company (whether by way of bonus issue, rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if our Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie) then our Remuneration Committee may, in its sole discretion, determine whether, then:

- (a) the exercise price of the Options, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares in respect of which Options may be granted under the GHY Employee Share Option Scheme,

shall be adjusted to give such Participant the same proportion of the equity capital of our Company as that to which he was previously entitled, in such manner as our Remuneration Committee may, in its discretion, determine to be appropriate, provided that no adjustment shall be made if as a result, a participant receives a benefit that a Shareholder does not receive.

Unless our Remuneration Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by our Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the GHY Employee Share Option Scheme; or (d) any issue of Shares arising from the exercise of any warrants or the conversion of any loan stock or any securities convertible into Shares by our Company, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a bonus issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.

Modifications to the GHY Employee Share Option Scheme

The GHY Employee Share Option Scheme may be modified and/or altered from time to time by a resolution of our Remuneration Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Options granted prior to such modification or alteration except with the written consent of such number of participants under the GHY Employee Share Option Scheme who, if their Options were exercised in full, would thereby become entitled to not less than three-quarters of the number of all Shares which would fall to be allotted or transferred upon exercise in full of all outstanding Options under the GHY Employee Share Option Scheme.

Any modification or alteration which would be to the advantage of participants under the GHY Employee Share Option Scheme shall be subject to the prior approval of our Shareholders in general meeting.

Grant of Incentive Options with a Discounted Price

The ability to offer Incentive Options to Participants of the GHY Employee Share Option Scheme with exercise prices set at a discount to the prevailing market prices of our Shares will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel, while encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation. The GHY Employee Share Option Scheme will also serve to recruit new employees whose contributions are important to the long-term growth and profitability of our Group. Discounted options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Incentive Options, as only Group Employees who have made outstanding contributions to the success and development of our Group would be granted Incentive Options.

The flexibility to grant Incentive Options is also intended to cater to situations where stock market performance has overrun the general market conditions. In such events, our Remuneration Committee will have absolute discretion to:

- (a) grant Incentive Options set at a discount to the market price of a Share (subject to a maximum limit of 20.0%); and
- (b) determine the participants to whom, and the Incentive Options to which, such reduction in exercise prices will apply.

In determining whether to give a discount and the quantum of such discount, our Remuneration Committee shall be at liberty to take into consideration factors including the performance of our Company, our Group, the performance of the participant concerned, the contribution of the participant to the success and development of our Group and the prevailing market conditions. Our Remuneration Committee (in its absolute discretion) will determine on a case-by-case basis whether a discount will be given, and if so, the quantum of the discount, taking into account the objective that is desired to be achieved by our Company and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount

may vary from one case to another, and from time to time, subject to a maximum discount of 20.0% of the market price of a Share. The discretion to grant Incentive Options will, however, be used judiciously.

It is envisaged that our Company may consider granting the Incentive Options under circumstances including (but not limited to) the following:

- (a) firstly, where it is considered more effective to reward and retain talented individuals by way of an Incentive Option rather than a Market Price Option. This is to reward the outstanding employees who have contributed significantly to our Group's performance and the discounted price option serves as additional incentive to such participants. Options granted by our Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such Options at a discount would allow our Company to grant Options on a more realistic and economically feasible basis. Furthermore, Options granted at a discount will give an opportunity to participants to realise some tangible benefits even if external events cause our Share price to remain largely static;
- (b) secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a discounted price option rather than paying him a cash bonus. For example, Options granted at a discount may be used to compensate participants and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Incentive Options, as part of eligible employees' compensation packages. The GHY Employee Share Option Scheme will provide participants with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of our Shares after the vesting period; and
- (c) thirdly, where due to speculative forces and having regard to the historical performance of our Share price, the market price of our Shares at the time of the grant of the Options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Such flexibility in determining the quantum of discount would enable our Remuneration Committee to tailor the incentives in the grant of Incentive Options to be commensurate with the performance and contribution of each individual participant. By individually recognising the degree of performance and contribution of each participant, the granting of Incentive Options at a commensurate discount would enable our Remuneration Committee to provide incentives for better performance, greater dedication and loyalty of the participants.

Our Company may also grant Market Price Options without any discount to the market price of our Shares. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the Market Price or at a discount to the Market Price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

Disclosure in Annual Reports

Details of, among others, the Options granted during the financial year under review, the aggregate Options granted since commencement of the GHY Employee Share Option Scheme, the aggregate Options exercised since commencement of the GHY Employee Share Option Scheme and the aggregate Options outstanding as at the end of the financial year under review, will be disclosed in our annual reports.

Financial effects of the GHY Employee Share Option Scheme

Any Options granted under the GHY Employee Share Option Scheme would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to our Company. The amounts of such costs may be more significant in the case of Incentive Options, where such Options are granted with Exercise Prices set at a discount to the prevailing market price of our Shares. The cost to our Company of granting Options under the GHY Employee Share Option Scheme would be as follows:

- (a) the exercise of an Incentive Option at the discounted exercise price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that our Company would have received from such exercise had the exercise been made at the prevailing market price of our Shares. Such reduction of the proceeds from the exercise of such Option would represent the monetary cost to our Company of granting Options with a discounted exercise price;
- (b) as the monetary cost of granting Incentive Options with a discounted exercise price is borne by our Company, the earnings of our Company would effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from the exercise price with no discount versus the discounted exercise price. Such reduction would, accordingly, result in the dilution of our EPS; and
- (c) the effect of the issue of new Shares upon the exercise of Options is that our Company's NTA per Share will increase if the exercise price is above the NTA per Share, and decrease if the exercise price is below the NTA per Share.

The costs as discussed above would only materialise upon the exercise of the relevant Options. Share options have value because the option to buy a company's share for a fixed price during an extended future time period is a valuable right, even if there are restrictions attached to such an option. As our Company is required to account for share-based awards granted to our Group's employees, the cost of granting Options will affect our financial results as this cost to our Company would be required to be charged to our Company's income statement commencing from the time Options are granted. Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the NTA of our Company and our share capital base will grow. Where Options are granted with exercise prices that are set at a discount to the market prices for our Shares prevailing at the time of the grant of such Options, the amount of the cash inflow to our Company on the exercise of such Options would be diminished by the quantum of the discount given, as compared with the cash inflow that would have been received by our Company had the Options been granted at the market price of our Shares prevailing at the time of the grant.

The grant of Options will have an impact on our Company's reported profit under the accounting rules in the SFRS(I) 2. It requires the recognition of an expense in respect of Options granted. The expenses will be based on the fair value of the Options at the Date of Grant (as determined by an option-pricing model) and will be recognised over the vesting period.

SHARE CAPITAL AND SHAREHOLDERS

SHARE CAPITAL

Our Company (Registration No. 337751) was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 29 May 2018, under the name “G.H.Y Culture & Media Holding Co., Limited”.

At the date of incorporation of our Company, our Company had an authorised share capital of US\$50,000 divided into 50,000 shares of par value of US\$1.00 each, of which one share of par value of US\$1.00 was issued as fully-paid up to Sertus Nominees (Cayman) Limited as subscriber, and then transferred to G.Y Media & Entertainment Limited. As at the Latest Practicable Date, our authorised share capital was US\$50,000 comprising 500,000,000 shares of par value US\$0.0001 each in the capital of our Company and our issued and paid-up share capital was US\$9,109.30 comprising 91,093,000 shares of par value US\$0.0001 each in the capital of our Company.

As at the date of this Prospectus, our authorised share capital was US\$50,000 comprising 5,000,000,000 Shares and our issued and paid-up share capital was US\$9,109.30 comprising 910,930,000 Shares (after adjusting for the Share Split).

Pursuant to written resolutions dated 25 November 2020, our Shareholders at that time approved, among others, the following:

- (a) the adoption by our Company of a new Memorandum and Articles of Association;
- (b) the sub-division of each ordinary share of par value US\$0.0001 in the capital of our Company into 10 Shares (the “**Share Split**”);
- (c) the allotment and issuance of the Offering Shares and the New Cornerstone Shares. The Offering Shares and the New Cornerstone Shares, when issued and fully-paid up, will rank pari passu in all respects with the existing issued and fully paid-up Shares;
- (d) the adoption of the GHY Performance Share Plan (details of which are set out in the section entitled “Appendix H – Rules of the GHY Performance Share Plan” to this Prospectus) and the authorisation of our Directors to allot and issue Shares upon the vesting of share awards granted under the GHY Performance Share Plan;
- (e) the adoption of the GHY Employee Share Option Scheme (details of which are set out in the section entitled “Appendix I – Rules of the GHY Employee Share Option Scheme” to this Prospectus) and the authorisation of our Directors to allot and issue Shares upon the exercise of the share options granted under the Employee Share Option Scheme;
- (f) the authorisation to our Directors to:
 - (i) (A) issue Shares whether by way of rights, bonus or otherwise; and/or
 - (B) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such person(s) as our Directors may in their absolute discretion deem fit; and

- (ii) (notwithstanding such authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by our Directors while such authority was in force,

provided that:

- (1) the aggregate number of Shares issued pursuant to such authority (including Shares issued in pursuance to any Instruments made or granted pursuant to this resolution), does not exceed 50.0% of the total number of issued Shares excluding treasury Shares and subsidiary holdings of our Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) does not exceed 20.0% of the total number of issued Shares excluding treasury Shares and subsidiary holdings of our Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares post-Offering following the completion of the Offering and the issuance of the New Cornerstone Shares (excluding treasury Shares and subsidiary holdings of our Company), after adjusting for:
 - (aa) new Shares arising from the conversion or exercise of any convertible securities, or share options or vesting of share awards which are outstanding or subsisting at the time such authority is given; and
 - (bb) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by such authority, our Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and our Articles of Association; and
- (4) (unless revoked or varied by our Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required to be held, whichever is the earlier.

Our Shares are issued in registered form. As at the Latest Practicable Date, there is only one class of shares in the capital of our Company, being our Shares. The rights and privileges of our Shares are stated in our Articles of Association. A summary of selected provisions of our Articles of Association relating to share rights and restrictions is set out in the “Appendix C – Description of our Shares” and “Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company” to this Prospectus. Save for any Shares reserved for issuance pursuant to the GHY Share Incentive Schemes, there are no founder, management, deferred or unissued shares reserved for the issuance for any purpose. Substantial Shareholders are not entitled to any different voting rights from the other Shareholders.

Immediately after the allotment and issuance of the Offering Shares and the New Cornerstone Shares, the resultant issued and paid-up share capital of our Company will be US\$10,737.92 comprising 1,073,792,000 Shares.

Changes in Issued Share Capital

Details of the issued and paid-up share capital of our Company at the beginning and end of FY2019, and the resultant issued and paid-up share capital immediately after the Share Split, the Offering and the issuance of the New Cornerstone Shares are as follows:

Purpose of Issue	Number of shares	Resultant issued and paid-up share capital
Shares issued as at 1 January 2019	100,000,000	US\$10,000
Repurchase of shares from Epical Entertainment Limited on 27 December 2019	10,000,000	US\$9,000
Shares issued as at 31 December 2019	90,000,000	US\$9,000
Shares issued to Ong Pang Aik on 24 March 2020	1,093,000	US\$9,109.30
Total issued shares before the Share Split	91,093,000	US\$9,109.30
Total issued Shares following the Share Split	910,930,000	US\$9,109.30
Shares to be issued pursuant to the Offering and the New Cornerstone Shares	162,862,000	US\$10,737.92
Issued and paid-up share capital after the Offering	1,073,792,000	US\$10,737.92

See the section entitled “General Information – Share Capital” of this Prospectus for details of changes in the issued and paid-up share capital of our Group within the three years prior to the Latest Practicable Date.

SUBSTANTIAL SHAREHOLDING DISCLOSURE

Under the SFA, a person has a substantial shareholding in a company if he has an interest or interests in one or more voting shares (excluding treasury shares) in that company and the total votes attached to that share, or those shares, is not less than five per cent. of the total votes (excluding treasury shares) attached to all the voting shares in that company, and a substantial shareholder is a person who holds a substantial shareholding.

The SFA requires a person who is or (if he has ceased to be one) had been a Substantial Shareholder in our Company to give notice in writing to our Company of particulars of the voting Shares in our Company in which he has or had an interest or interests and the nature and extent of that interest or those interests, in such form and shall contain such information as the Authority may prescribe, within two business days after such person:

- (a) becomes aware that he is or (if he has ceased to be one) had been a Substantial Shareholder in our Company; or
- (b) becomes aware of a change in the percentage level¹⁰ of the interest or interests of the Substantial Shareholder in our Company in voting Shares in our Company.

Where a person (the “**beneficial owner**”) authorises another person (the “**legal owner**”) to hold, acquire or dispose of, on his behalf, voting Shares or an interest or interests in voting Shares in our Company, the beneficial owner shall take reasonable steps to ensure that the legal owner notifies him as soon as practicable and, in any case, no later than two business days after any

¹⁰ “Percentage level”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting Shares in which the Substantial Shareholder has an interest or interests immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting Shares (excluding treasury Shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

acquisition or disposal of any of those voting Shares or interest or interests in voting Shares effected by the legal owner on his behalf which will or may give rise to any duty on the part of the beneficial owner to give notice under the SFA.

In addition, where a person holds voting Shares in our Company, being voting Shares in which another person has an interest, he shall give to the second-mentioned person a notice of any acquisition or disposal of any of those Shares effected by him, in the form as the Authority may prescribe, as soon as practicable and, in any case, no later than two business days after acquiring or disposing of the Shares.

OWNERSHIP STRUCTURE

Name	Shares Owned as of the Latest Practicable Date (prior to the Share Split)			
	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
<u>Directors</u>				
Mr. Guo Jingyu ⁽¹⁾	–	–	64,000,000	70.26
Ms. Yue Lina	–	–	–	–
Ms. Wang Qing	–	–	–	–
Mr. Yang Jun Rong ⁽³⁾	–	–	8,000,000	8.78
Mr. Yeo Guat Kwang	–	–	–	–
Mr. Ang Chun Giap	–	–	–	–
Mr. Sng Peng Chye	–	–	–	–
Mr. Chen Mingyu	–	–	–	–
Dr. Jiang Minghua	–	–	–	–
<u>Substantial Shareholders</u>				
Mr. John Ho ⁽²⁾	13,000,000	14.27	–	–
Taiho Holding Ltd ⁽³⁾⁽⁴⁾	8,000,000	8.78	–	–
Mdm. Yeh Hui Mei ⁽⁴⁾	–	–	8,000,000	8.78
Kang Ru Investments Limited ⁽¹⁾⁽⁶⁾	64,000,000	70.26	–	–
Da Yuan Developments Limited ⁽⁶⁾	–	–	64,000,000	70.26
G.Y Media & Entertainment Limited ⁽¹⁾	–	–	64,000,000	70.26
Guo Yue Family Trust ⁽¹⁾	–	–	64,000,000	70.26
Vistra Trust (Singapore) Pte. Limited ⁽¹⁾⁽⁶⁾⁽⁷⁾	–	–	64,000,000	70.26
<u>Others</u>				
Ms. Lian Lee Lee ⁽²⁾	3,000,000	3.29	–	–
Epical Entertainment Limited ⁽⁵⁾	2,000,000	2.20	–	–
Mr. Ong Pang Aik	1,093,000	1.20	–	–
Total	91,093,000	100%	–	–

Notes:

- (1) Mr. Guo Jingyu is the investment manager of the Guo Yue Family Trust, which is a discretionary trust. Mr. Guo Jingyu and G.Y Media & Entertainment Limited are the beneficiaries of the Guo Yue Family Trust. Mr. Guo Jingyu is the sole shareholder and director of G.Y Media & Entertainment Limited, which is also the settlor of the Guo Yue Family Trust. Under the terms of the Guo Yue Family Trust, Mr. Guo Jingyu, as the investment manager, has the power to make any investment decisions pertaining to the Guo Yue Family Trust as he may, in his absolute discretion, think fit and desirable and may, among others, exercise all voting powers attaching to the assets of the Guo Yue Family Trust. The trustee of the Guo Yue Family Trust is Vistra Trust (Singapore) Pte. Limited and under the terms of the Guo Yue Family Trust, Vistra Trust (Singapore) Pte. Limited shall use its best endeavours to procure that the relevant investment holding company held under the Guo Yue Family Trust complies with any such instructions given by Mr. Guo Jingyu, as the investment manager. Accordingly, each of Mr. Guo Jingyu and G.Y Media & Entertainment Limited (each, a beneficiary of the Guo Yue Family Trust) is deemed to have an interest in all the Shares held by Kang Ru Investments Limited by virtue of Section 4 of the SFA.
- (2) Mr. John Ho and Ms. Lian Lee Lee are spouses.
- (3) Mr. Yang Jun Rong holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mr. Yang Jun Rong is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.
- (4) Mdm. Yeh Hui Mei holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mdm. Yeh Hui Mei is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.
- (5) Epical Entertainment Limited is a Cornerstone Investor. Epical Entertainment Limited is a wholly-owned subsidiary of Perfect Credit Pictures (Singapore) Pte. Ltd., which ultimate holding company is Perfect World Co., Ltd., a company listed on the Shenzhen Stock Exchange.
- (6) Vistra Trust (Singapore) Pte. Limited holds 100.0% of the issued and paid-up share capital of Da Yuan Developments Limited, which holds 100.0% of the issued and paid-up share capital of Kang Ru Investments Limited. Accordingly, each of Vistra Trust (Singapore) Pte. Limited and Da Yuan Developments Limited is deemed to have an interest in all the Shares held by Kang Ru Investments Limited by virtue of Section 4 of the SFA.
- (7) Vistra Trust (Singapore) Pte. Limited provides trustee services in Singapore, and is (i) wholly-owned by Vistra Group (Asia) Limited; (ii) which is in turn wholly-owned by Vistra Group Holdings (Cayman) Limited; (iii) which is in turn wholly-owned by Vistra Group Holdings (BVI) Limited; (iv) which is in turn wholly-owned by Vistra Group Holdings (BVI) I Limited; (v) which is in turn wholly-owned by Vistra Group Holdings (BVI) II Limited; and (vi) which is in turn wholly-owned by Vistra Group Holdings (BVI) III Limited. Vistra Group Holdings (BVI) III Limited is substantially held (directly or indirectly) by Baring Private Equity Asia VI Holding (4) Limited, and Kowloon Aggregator, L.P. The limited partners of Kowloon Aggregator, L.P. are (A) Kowloon Co-Investment L.P., (B) The Baring Asia Private Equity Fund VI, L.P.1, (C) The Baring Asia Private Equity Fund VI, L.P.2., (D) The Baring Asia Private Equity Fund VI Co-Investment L.P. ((A) to (D) collectively referred to as "**Fund VI**"), (E) The Baring Asia Private Equity Fund V, L.P. and (F) The Baring Asia Private Equity Fund V Co-Investment L.P. ((E) and (F) together referred to as "**Fund V**"). Fund VI, Fund V and Kowloon Aggregator, L.P. are managed by their respective general partners, being Baring Private Equity Asia GP VI L.P. and Baring Private Equity Asia GP V L.P., which are in turn managed by their general partners, Baring Private Equity Asia GP VI Limited and Baring Private Equity Asia GP V Limited, respectively. Accordingly, each of the foregoing entities is deemed to be interested in the Shares that Vistra Trust (Singapore) Pte. Limited is interested in by virtue of Section 4 of the SFA.

Name	Shares Owned Immediately Prior to the Offering and the Issuance of the New Cornerstone Shares (Adjusted for the Share Split)				Shares Owned Immediately After Completion of the Share Split, the Offering and the Issuance of the New Cornerstone Shares (Adjusted for the Share Split)			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Mr. Guo Jingyu ⁽¹⁾	–	–	640,000,000	70.26	–	–	640,000,000	59.60
Ms. Yue Lina	–	–	–	–	–	–	–	–
Ms. Wang Qing	–	–	–	–	–	–	–	–
Mr. Yang Jun Rong ⁽³⁾	–	–	80,000,000	8.78	–	–	76,230,000	7.10
Mr. Yeo Guat Kwang	–	–	–	–	–	–	–	–
Mr. Ang Chun Giap	–	–	–	–	–	–	–	–
Mr. Sng Peng Chye	–	–	–	–	–	–	–	–
Mr. Chen Mingyu	–	–	–	–	–	–	–	–
Dr. Jiang Minghua	–	–	–	–	–	–	–	–
Substantial Shareholders								
Mr. John Ho ⁽²⁾	130,000,000	14.27	–	–	112,230,000	10.45	–	–
Taiho Holding Ltd ⁽³⁾⁽⁴⁾	80,000,000	8.78	–	–	76,230,000	7.10	–	–
Mdm. Yeh Hui Mei ⁽⁴⁾	–	–	80,000,000	8.78	–	–	76,230,000	7.10
Kang Ru Investments Limited ⁽¹⁾⁽⁶⁾	640,000,000	70.26	–	–	640,000,000	59.60	–	–
Da Yuan Developments Limited ⁽⁶⁾	–	–	640,000,000	70.26	–	–	640,000,000	59.60
G.Y Media & Entertainment Limited ⁽¹⁾	–	–	640,000,000	70.26	–	–	640,000,000	59.60
Guo Yue Family Trust ⁽¹⁾	–	–	640,000,000	70.26	–	–	640,000,000	59.60
Vistra Trust (Singapore) Pte. Limited ⁽¹⁾⁽⁶⁾⁽⁷⁾	–	–	640,000,000	70.26	–	–	640,000,000	59.60
Cornerstone Investors⁽⁸⁾	–	–	–	–	130,528,000	12.16	–	–
Others								
Ms. Lian Lee Lee ⁽²⁾	30,000,000	3.29	–	–	30,000,000	2.79	–	–
Epical Entertainment Limited ⁽⁵⁾	20,000,000	2.20	–	–	52,178,000	4.86	–	–
Mr. Ong Pang Aik	10,930,000	1.20	–	–	10,930,000	1.02	–	–
Public Shareholders (arising from the Offering)	–	–	–	–	21,696,000	2.02	–	–
Total	910,930,000	100	–	–	1,073,792,000	100	–	–

Notes:

- (1) Mr. Guo Jingyu is the investment manager of the Guo Yue Family Trust, which is a discretionary trust. Mr. Guo Jingyu and G.Y Media & Entertainment Limited are the beneficiaries of the Guo Yue Family Trust. Mr. Guo Jingyu is the sole shareholder and director of G.Y Media & Entertainment Limited, which is also the settlor of the Guo Yue Family Trust. Under the terms of the Guo Yue Family Trust, Mr. Guo Jingyu, as the investment manager, has the power to make any investment decisions pertaining to the Guo Yue Family Trust as he may, in his absolute discretion, think fit and desirable and may, among others, exercise all voting powers attaching to the assets of the Guo Yue Family Trust. The trustee of the Guo Yue Family Trust is Vistra Trust (Singapore) Pte. Limited and under the terms of the Guo Yue Family Trust, Vistra Trust (Singapore) Pte. Limited shall use its best endeavours to procure that the relevant investment holding company held under the Guo Yue Family Trust complies with any such instructions given by Mr. Guo Jingyu, as the investment manager. Accordingly, each of Mr. Guo Jingyu and G.Y Media & Entertainment Limited (each, a

beneficiary of the Guo Yue Family Trust) is deemed to have an interest in all the Shares held by Kang Ru Investments Limited by virtue of Section 4 of the SFA.

- (2) Mr. John Ho and Ms. Lian Lee Lee are spouses.
- (3) Mr. Yang Jun Rong holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mr. Yang Jun Rong is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.
- (4) Mdm. Yeh Hui Mei holds 50.0% of the issued and paid-up share capital of Taiho Holding Ltd. Accordingly, Mdm. Yeh Hui Mei is deemed to have an interest in all the Shares held by Taiho Holding Ltd by virtue of Section 4 of the SFA.
- (5) Epical Entertainment Limited is a wholly-owned subsidiary of Perfect Credit Pictures (Singapore) Pte. Ltd., which ultimate holding company is Perfect World Co., Ltd., a company listed on the Shenzhen Stock Exchange.
- (6) Vistra Trust (Singapore) Pte. Limited is the trustee of the Guo Yue Family Trust, which is a discretionary trust. The Shares held by Kang Ru Investment Limited are assets of the Guo Yue Family Trust and the beneficiaries of the Guo Yue Family Trust are Mr. Guo Jingyu and G.Y Media & Entertainment Limited. Accordingly, each of Mr. Guo Jingyu and G.Y Media & Entertainment Limited is deemed to have interest in all the Shares held by Kang Ru Investments Limited by virtue of Section 4 of the SFA.
- (7) Vistra Trust (Singapore) Pte. Limited provides trustee services in Singapore, and is (i) wholly-owned by Vistra Group (Asia) Limited; (ii) which is in turn wholly-owned by Vistra Group Holdings (Cayman) Limited; (iii) which is in turn wholly-owned by Vistra Group Holdings (BVI) Limited; (iv) which is in turn wholly-owned by Vistra Group Holdings (BVI) I Limited; (v) which is in turn wholly-owned by Vistra Group Holdings (BVI) II Limited; and (vi) which is in turn wholly-owned by Vistra Group Holdings (BVI) III Limited. Vistra Group Holdings (BVI) III Limited is substantially held (directly or indirectly) by Baring Private Equity Asia VI Holding (4) Limited, and Kowloon Aggregator, L.P. The limited partners of Kowloon Aggregator, L.P. are (A) Kowloon Co-Investment L.P., (B) The Baring Asia Private Equity Fund VI, L.P.1, (C) The Baring Asia Private Equity Fund VI, L.P.2., (D) The Baring Asia Private Equity Fund VI Co-Investment L.P. ((A) to (D) collectively referred to as "**Fund VI**"), (E) The Baring Asia Private Equity Fund V, L.P. and (F) The Baring Asia Private Equity Fund V Co-Investment L.P. ((E) and (F) together referred to as "**Fund V**"). Fund VI, Fund V and Kowloon Aggregator, L.P. are managed by their respective general partners, being Baring Private Equity Asia GP VI L.P. and Baring Private Equity Asia GP V L.P., which are in turn managed by their general partners, Baring Private Equity Asia GP VI Limited and Baring Private Equity Asia GP V Limited, respectively. Accordingly, each of the foregoing entities is deemed to be interested in the Shares that Vistra Trust (Singapore) Pte. Limited is interested in by virtue of Section 4 of the SFA.
- (8) Excludes Epical Entertainment Limited, which is also a Cornerstone Investor. None of the Cornerstone Investors will hold 5.0% or more of our Shares immediately after the completion of the Offering and issuance of the New Cornerstone Shares.

The Shares held by our Directors and Substantial Shareholders, and the new Shares to be issued pursuant to the grant of share awards under the GHY Performance Share Plan and the grant of share options under the GHY Employee Share Option Scheme (if any) do not carry different voting rights from the Offering Shares which are the subject of the Offering.

Significant Changes in Percentage of Ownership

Details of the changes in our issued and paid-up capital from the date of our incorporation and up to the Latest Practicable Date are set out in the table below:

Description	Resultant Number of shares	Resultant Issued and Paid-up Share Capital
Number of shares of par value of US\$1.00 each issued as at incorporation of our Company on 29 May 2018	1	US\$1.00
Upon the share split of 1 share of par value US\$1.00 each into 10,000 shares of par value US\$0.0001 each on 21 June 2018	10,000	US\$1.00
87,990,000 shares of par value US\$0.0001 each issued to G.Y Media & Entertainment Limited, Bestin B & J Holding Ltd., Bestin J & B Holding Ltd., Sweet B & J Holding Ltd. and Taiho Holding Ltd on 21 June 2018	88,000,000	US\$8,800
12,000,000 shares of par value US\$0.0001 each issued to Epical Entertainment Limited on 16 July 2018	100,000,000	US\$10,000
10,000,000 shares of par value US\$0.0001 each purchased from Epical Entertainment Limited on 27 December 2019 ⁽¹⁾	90,000,000	US\$9,000
1,093,000 shares of par value US\$0.0001 each issued to Ong Pang Aik on 24 March 2020 ⁽²⁾	91,093,000	US\$9,109.30

Notes:

- (1) The 10,000,000 shares were repurchased by our Company from Epical Entertainment Limited pursuant to a share purchase agreement dated 27 December 2019, at a per share price of S\$0.28, amounting to an aggregate redemption price of S\$2,800,000, which was determined on a willing-buyer, willing-seller basis and with reference to the issued and paid-up share capital of GHY Singapore at the time Epical Entertainment Limited acquired the shares in GHY Singapore. The shares were repurchased by the Company from Epical Entertainment Limited as Perfect World, through Epical Entertainment Limited, its indirect wholly-owned subsidiary, had decided to reduce its shareholding in our Company. Notwithstanding the foregoing, Perfect World still holds some shareholding interest in our Company due to its good working relationship with our Group and Mr. Guo Jingyu's longstanding relationship with Perfect World, as evidenced by the fact that Perfect World had been and will be a co-producer of certain dramas and films with our Group.
- (2) The 1,093,000 shares were issued to Mr. Ong Pang Aik by our Company for non-cash consideration, pursuant to the capitalisation of the outstanding loan and accrued interest owed by our Company to Mr. Ong Pang Aik as at 24 March 2020.

Save as disclosed above and in the sections entitled "Corporate Structure and Ownership – Corporate Reorganisation", "Share Capital and Shareholders – Changes in Issued Share Capital" and "Share Capital and Shareholders – Ownership Structure" of this Prospectus, there were no significant changes in the percentage ownership of our Company since the date of incorporation of our Company and up to the Latest Practicable Date.

CONTROL OF OUR COMPANY

Save as disclosed in the section entitled “Share Capital and Shareholders – Ownership Structure” of this Prospectus, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other person or government and there is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of our Company.

INFORMATION ON THE CORNERSTONE INVESTORS

Concurrently with, but separately from the Offering, the Cornerstone Investors have entered into Cornerstone Agreements dated 30 November 2020, 1 December 2020 or 2 December 2020, as the case may be, with our Company to subscribe for, or our Company and the Vendors to subscribe for and purchase, an aggregate of 162,706,000 Cornerstone Shares at the Offering Price, conditional upon, among others, the Underwriting Agreement having been entered into and not having been terminated pursuant to its terms on or prior to the Listing Date. The Cornerstone Investors are:

Epical Entertainment Limited

Epical Entertainment Limited is an indirect wholly-owned subsidiary of Perfect World Co., Ltd. Perfect World is a global leading entertainment group, which is listed on the Shenzhen Stock Exchange. It operates offices in Beijing, Hong Kong, Shanghai, Chongqing, Chengdu, Shenzhen, as well as some other cities in the United States of America, Canada, the Netherlands, France, South Korea and Japan. Perfect World is involved in several business segments, including movies & TV, games and e-sports, and has expanded into markets outside of the PRC. Perfect World has introduced its products into over 100 countries and regions, with a principal focus on North America, Europe and Asia. Since 2011, Perfect World has been voted nine times as one of the Top 30 Chinese Cultural Enterprises.

Hong Kong Chixin Investment Co., Limited

Hong Kong Chixin Investment Co., Limited was established on 22 October 2014. Its main businesses include industrial investment, venture capital, asset management, investment consulting and corporate management consulting.

Hong Kong Chixin Investment Co., Limited is an indirect wholly-owned subsidiary of Zhongzhi Enterprise Group Co., Ltd. (“ZEG”). Founded in 1995, ZEG is an asset management company established in the PRC. Adhering to the concept of “Growing with Excellent Companies”, ZEG has gradually developed into a diversified financial services group, covering asset management, wealth management, physical industry, financial services and other fields. Its core business segments include wealth management, mergers and acquisitions, and industrial funds.

ICH Capital Pte Ltd

ICH Capital Pte Ltd is a consultancy company wholly owned by ICH Singapore Holdings Pte. Ltd., of which its ultimate beneficial owners are Mr Toe Teow Heng (Vincent) and Mr Toe Teow Teck (Danny), respectively.

iQIYI International Singapore Pte. Ltd.

iQIYI International Singapore Pte. Ltd. is a subsidiary of iQIYI, Inc., which is listed on the NASDAQ Global Select Market. As a market-leading online entertainment service in the PRC, iQIYI fosters an environment for continuous innovation and the production of blockbuster content. iQIYI also distinguishes itself in the online entertainment industry by its leading technology platform powered by advanced artificial intelligence (AI), big data analytics and other core proprietary technologies.

King Kong Media Production Pte. Ltd.

King Kong Media Production Pte. Ltd. (“**King Kong Media**”), an indirect subsidiary of Yinson Capital Pte Ltd. King Kong Media is a diversified regional entertainment company with an integrated business model encompassing theatrical film development and production, online content creation, social media marketing, events management and talents representation. Helmed by Singapore entertainer, Mark Lee, King Kong Media strives to represent a perfect blend of creativity and resources to create genre-specific content to meet the fast-paced audience demands and trends.

Mr. Ron Sim Chye Hock

Mr. Ron Sim Chye Hock is the Executive Chairman of the V3 Group, comprising V3 Brands Pte. Ltd. (“**V3 Brands**”), V3 Capital Investments Pte. Ltd. (“**V3 Capital**”) and V3 Assets Pte. Ltd. (“**V3 Assets**”) and their related entities (the “**V3 Group**”), and is responsible for the formulation of the strategic direction of the group. He founded the business in 1979 with a trading company selling general household items, and later branched into home healthcare products. Throughout the years, the business expanded into the lifestyle and wellness markets, and now includes brands such as OSIM, TWG Tea, ONI Global (GNC / Xndo / LAC) and Futuristic. Over the years, Mr. Ron Sim has earned numerous awards including, among others, the Ernst & Young “Entrepreneur of The Year 2003” award, the Business Times “Businessman of the Year 2003” award and the Singapore Corporate Awards (2012) “Best CEO Award”.

Qilin Asset Management Pte. Ltd.

Qilin Asset Management Pte. Ltd. (“**Qilin Asset Management**”) is headquartered in Singapore and owned by Mr. Lim Chap Huat, the owner and Executive Chairman of Soilbuild Group Holdings Ltd. Qilin Asset Management oversees a global portfolio of equities, debt, funds, derivatives and foreign currencies. Its principal strategies and divisions include value-driven allocations, quantitative trading as well as long-short strategies.

Songful Global Investment Ltd

Songful Global Investment Ltd is an investment holding company incorporated in British Virgin Islands and its ultimate beneficial owner is Ms. Shi Haoen. Mr. Guo Zhong, the father of Ms. Shi Haoen, is the sole director of Songful Global Investment Ltd. Mr. Guo Zhong is an entrepreneur and is currently the Executive Director of Shenyang Fumao Refrigerating Equipment Company Limited (沈阳富懋制冷设备有限公司), which was founded in 2003 and is principally engaged in the sale of compressors, air conditioning units, refrigeration equipment and condensers.

V3 Brands Pte. Ltd.

V3 Brands focuses on the creation and development of lifestyle and wellness brands, including OSIM, TWG Tea, and ONI Global, which is a specialty retailer of nutritional products which carries brands such as GNC, LAC and Xndo. V3 Brands, V3 Capital and V3 Assets are subsidiaries of the V3 Group. V3 Brands also own Futuristic, a manufacturer in store fixtures. V3 Capital includes V3 FinTech, the V3 Group’s unit spearheading the development of digital and financial technology to enhance the financial well-being of businesses and people in Singapore and Asia. V3 Assets holds investments in real estate, as well as in private and public markets.

Yinson Capital Pte Ltd

Yinson Capital Pte Ltd is an investment holding company incorporated in Singapore, with a key focus on investments in the oil and gas, clean and renewable energy, entertainment, technology, disruptive innovation, port and warehouse industries.

INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

For purposes of this section, the following definitions will apply:

“our Group” means:

- (a) our Company;
- (b) a subsidiary of our Company that is not listed on the SGX-ST or any approved exchange; or
- (c) an associated company of our Company that is not listed on the SGX-ST or any approved exchange and which our Group and our interested person(s) have control. For the avoidance of doubt, our PRC Affiliated Entities are associated companies of our Company and our Group includes our PRC Affiliated Entities.

“approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Listing Manual.

“interested person” means:

- (a) a director, chief executive officer, or controlling shareholder of our Company; or
- (b) an associate of any such director, chief executive officer, or controlling shareholder.

Certain terms such as “associate”, “control”, “controlling shareholder”, and “interested person” used in this section have the meanings as provided in the Listing Manual and in the SFR, unless the context specifically requires the application of the definitions in one or the other as the case may be.

In general, transactions between our Group and any of our interested persons would constitute interested person transactions for the purposes of Chapter 9 of the Listing Manual.

Details of the present and ongoing transactions as well as the past transactions between our Group and our interested persons which are material in the context of the Offering are set out below and in the sections entitled “Corporate Structure and Ownership – Corporate Reorganisation” and “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” of this Prospectus. Save as disclosed in these sections, there are no interested person transactions that are material in the context of the Offering for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019, the six months period ended 30 June 2020, and the period commencing 1 July 2020 to the Latest Practicable Date.

Investors, upon subscription for the Offering Shares and the Cornerstone Shares are deemed to have specifically approved these transactions entered into with our interested persons set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions” of this Prospectus and as such, these transactions are not subject to Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent material changes to the terms of the agreements in relation to each of these transactions.

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction which value is less than S\$100,000 is not considered material in the context of the Offering and is not taken into account for the purposes of aggregation in this section.

PAST INTERESTED PERSON TRANSACTIONS

Details of the past transactions between our Group and interested persons which are material in the context of the Offering, for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019, the six months period ended 30 June 2020, and the period commencing 1 July 2020 to the Latest Practicable Date are as follows:

Loan from an Interested Person

Our Group had entered into a loan agreement with Mr. Guo Jingyu, pursuant to which Mr. Guo Jingyu had agreed to grant a loan of up to RMB90.0 million (approximately S\$18.4 million) to our Group for the term of 1 January 2019 to 31 December 2020, to finance the initial phase of production of the dramas “The Little Nyonya 小娘惹” and “Make a Wish Miss Xianqi 仙琦小姐许愿吧” undertaken by our Group. Pursuant to such loan agreement, our Group had obtained a loan of an aggregate amount of RMB77.0 million (approximately S\$15.8 million) from Mr. Guo Jingyu.

Mr. Guo Jingyu is our Executive Chairman and Group CEO and Controlling Shareholder and is accordingly an interested person. As at the Latest Practicable Date, such loans have been repaid in full and there is no outstanding amount owing from our Group to Mr. Guo Jingyu. The largest amount outstanding under such loan during the Period Under Review and up to the Latest Practicable Date was RMB77.0 million (approximately S\$15.8 million).

The loan from Mr. Guo Jingyu was unsecured, repayable on demand and interest-free, and was therefore provided on a non-arm’s length basis and was not on normal commercial terms, but was not prejudicial to the interests of our Group or our minority Shareholders.

Following the admission of our Company to the Official List of the SGX-ST, while we have no immediate intention of entering into transactions similar to the aforesaid, if we assess that such borrowings may be beneficial to our Group, such as having no or at a lower interest rate as compared with external financing, our Group may consider entering into such borrowings with interested persons. Such transactions will be subject to the approval of our Audit and Risk Management Committee, and in compliance with Chapter 9 of the Listing Manual.

Provision of Personal Guarantee by an Interested Person

On 10 October 2019, Mr. Guo Jingyu, who is our Executive Chairman and Group CEO and Controlling Shareholder, and accordingly an interested person, had entered into a deed of guarantee with Mr. Ong Pang Aik to provide a personal guarantee in respect of a loan for an aggregate sum of S\$7.5 million owing by our Company to Mr. Ong Pang Aik, pursuant to a loan agreement entered into between our Company and Mr. Ong Pang Aik on the same date (“**OPA Loan**”).

Under the terms of the OPA Loan, the rate of interest shall be 8.0% per annum, calculated on the outstanding amount based on the actual number of days elapsed over a 365-day year, and the loan and all accrued interest shall be repaid by our Company at the expiry of six calendar months from 1 November 2019. The largest amount outstanding under the OPA Loan during the Period Under Review and up to the Latest Practicable Date was approximately S\$7.7 million. The OPA Loan was fully satisfied and repaid by our Company by the issue of 1,093,000 ordinary shares of par value of US\$0.0001 to Mr. Ong Pang Aik on 24 March 2020. See the section entitled “Corporate Structure and Ownership – Corporate Reorganisation – Subscription by Mr. Ong Pang Aik” of this Prospectus for further details.

As no consideration was paid by our Group to procure the personal guarantee provided by Mr. Guo Jingyu, the personal guarantee was not provided on an arm’s length basis and was not on normal commercial terms. However, as the personal guarantee was to secure the obligations of our Group, it was not prejudicial to the interests of our Group or our minority Shareholders.

We do not intend to enter into transactions of the above nature with our interested persons after the admission of our Company to the Official List of the SGX-ST.

Appointment of Group to Undertake Concert Production by an Interested Person

Pursuant to the Master Sure Legend Concert Agreement, as described in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by an Interested Person – Concert Production in Singapore, Malaysia, Australia, Japan and Thailand” below, our Group had entered into an agreement with Sure Legend, a talent management agency of Jay Chou, on 20 September 2019 for the appointment of our Group to undertake the production of concerts for Jay Chou in Singapore on 10 January 2020 and 11 January 2020 (“**Singapore Concert Agreement**”) and we had undertaken the Concert Organisation of such concerts. Sure Legend is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director, and accordingly, Sure Legend is an associate of Mr. Yang Jun Rong and an interested person.

We undertook the Concert Organisation of two concerts for Jay Chou as part of the “Jay Chou Carnival World Tour” at the Singapore National Stadium in Singapore on 10 and 11 January 2020 (“**Singapore Concerts**”). Under the terms of the Singapore Concert Agreement, our Group was appointed as the organiser of the Singapore Concerts and we were responsible for, among others, the planning and coordination of the concerts, including execution of the stage, lighting, sound, stage design and concert programme, as well as transportation and accommodation, insurance, venue rental, stage production, ticketing, publicity and security.

Under the terms of the Singapore Concert Agreement, we undertook the production of the Singapore Concerts and had received all the benefits derived from the Singapore Concerts, including proceeds from the ticket sales and sponsorship income from the Singapore Concerts. In consideration of the appointment by Sure Legend of our Group to undertake the production of the Singapore Concerts, we paid an aggregate fee of US\$1.4 million (approximately S\$1.9 million) to Sure Legend, comprising the concert artiste fee, fees for stage design and choreography, publicity fees and other administrative expenses. We also paid an amount of US\$5,000 (approximately S\$6,700) in respect of the insurance in connection with the Singapore Concerts to JVR Music, which had invoiced us on behalf of Sure Legend. The Singapore Concerts have taken place and the Singapore Concert Agreement is no longer subsisting.

The aggregate amounts paid by our Group to Sure Legend for the appointment of our Group to undertake the production of the Singapore Concerts under the Singapore Concert Agreement during the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate Amounts paid to Sure Legend for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Appointment of our Group to undertake production of the Singapore Concerts	–	1,599	289	–

The Singapore Concert Agreement was commercially negotiated between the parties on an arm’s length basis and was on normal commercial terms with reference to our Group’s usual business practices and industry norms, taking into consideration corroborative inputs from our Group’s concert production team in relation to, among others, the concert artiste fee (having regard to the popularity of the artiste, among others), fees for stage design and choreography, publicity fees and other administrative expenses as compared to past concert productions undertaken by our

Group, other factors such as the number of concerts to be held, the country to be held in, as well as the estimated profit margin from projected ticket sales to be earned by our Group as compared to the realised profit margin of past concert productions undertaken by our Group, and after having conducted our internal budgeting and analysis of estimated profit/loss based on the foregoing factors. Accordingly, the terms of the Singapore Concert Agreement were not prejudicial to the interests of our Group and our minority Shareholders.

We intend to continue to enter into similar transactions with Sure Legend under the IPT General Mandate following the admission of our Company to the Official List of the SGX-ST. To ensure that all future appointments by Sure Legend of our Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management), whether or not pursuant to the Master Sure Legend Concert Agreement, are on an arm's length basis and will not be prejudicial to the interests of our Group and our minority Shareholders, such transactions will be subject to the review procedures under the IPT General Mandate as set out in the section entitled "Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions" of this Prospectus.

Appointment of an Interested Person as Agent for Concert Production

In September 2019, our Directors decided that our Group should make inroads into the concert production business in the PRC. Mr. Yang Jun Rong, our Non-Executive Director and Substantial Shareholder, was supportive of such business strategy, and accordingly, had procured that JVR Music, a talent management agency of Jay Chou, grant the rights to undertake the production of concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) to our Group under the JVR Music Concert Agreement, as described in the section entitled "Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by an Interested Person – Concert Management of Concerts in the PRC" below. We are thus able to undertake the Concert Management of concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) under the JVR Music Concert Agreement. Under the JVR Music Concert Agreement, we had, during the Period Under Review, agreed with JVR Music to undertake the production of a total of 16 concerts (such concerts were held from the period of October 2019 to December 2019) for Jay Chou in the PRC (the "**PRC Concerts**").

However, given that we have had no experience in concert production in the PRC, it was agreed that Eastern Eagle, which has business contacts in the PRC having concert production experience or capabilities, would act as our sub-agent for such concerts in the PRC, with the intention that such arrangement would continue until we had gained sufficient experience and established our business contacts in order to undertake the concert production business in the PRC on our own. See the section entitled "History and Business – Our Business – Concert Production – Concert Management" of this Prospectus for further details. Accordingly, on 5 September 2019, our Group entered into a concert agreement with Eastern Eagle for the grant of rights to undertake the production of concerts in the PRC (excluding Hong Kong and Macau) to Eastern Eagle as our agent in respect of the PRC Concerts under the JVR Music Concert Agreement ("**Eastern Eagle Concert Agreement**"). Eastern Eagle is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director, and accordingly, Eastern Eagle is an associate of Mr. Yang Jun Rong and an interested person.

Pursuant to the terms of the Eastern Eagle Concert Agreement, Eastern Eagle was appointed as our agent in respect of the PRC Concerts under the JVR Music Concert Agreement. Accordingly, we agreed to authorise Eastern Eagle to enter into contracts on our behalf in respect of the PRC Concerts pursuant to the JVR Music Concert Agreement. The salient terms of the Eastern Eagle Concert Agreement are as follows:

- (a) a fee of RMB2,245,400 (approximately S\$459,000) (after tax) is payable by Eastern Eagle to our Group for the arrangement for the artiste to perform under the Eastern Eagle Concert Agreement, which includes but is not limited to the fee payable to the artiste for each performance, which shall be remitted to our designated account within 30 days of settlement of the proceeds from each concert;
- (b) we shall guarantee that the artiste will arrive at the performance venue on the arrival date agreed between both parties for each performance;
- (c) Eastern Eagle shall arrange and pay for the accommodation expenses, venue rental, stage design, lighting, equipment and security maintenance for each concert, handle all approval procedures required for the performance, and shall arrange and pay for the round-trip airfares, visa fees, transportation fee to and from each airport, insurance fee and airport tax incurred by our personnel. Additional expenses incurred by our personnel at the hotel shall be borne by us;
- (d) all benefits, including publicity, sponsorship and ticket sales, derived from the individual concerts to which this agreement applies to shall belong to Eastern Eagle;
- (e) if Eastern Eagle breaches the agreement and the performance cannot be completed, we reserve the right to use the fee for the concert as liquidated damages;
- (f) if the performance cannot be completed due to our breach of the agreement, we shall refund the fee in full and compensate Eastern Eagle for the cost incurred, which shall be remitted to its designated account within 10 working days after the occurrence of the fact; and
- (g) in the event of force majeure, including but not limited to, epidemic in the area where either party is located as reported in the news or a declaration of epidemic or war in the area where either party is located, illnesses of the artiste thus preventing him from performing, or natural disasters, floods, earthquakes or other calamities that would affect the performance of the concert or that cannot be surmounted by any person in the circumstance, the parties shall negotiate with each other to set another date for the concert or cancel the concert, and both parties shall not hold each other responsible in such event. All transportation, accommodation and related performance conditions for our personnel to travel to another performance, except for the fee, shall be paid by Eastern Eagle pursuant to the relevant provisions of the agreement.

Under the terms of the Eastern Eagle Concert Agreement, Eastern Eagle had undertaken the production of the PRC Concerts, and had received all the benefits derived from the PRC Concerts, including proceeds from the ticket sales. In consideration of the grant of such rights by our Group to Eastern Eagle to undertake the production of the PRC Concerts as our agent in respect of the JVR Music Concert Agreement, Eastern Eagle paid a fee of RMB2,245,400 (approximately S\$459,000) to our Group for each PRC Concert.

The aggregate amounts paid by Eastern Eagle to our Group for the appointment as agent to undertake the production of the PRC Concerts under the Eastern Eagle Concert Agreement (as our agent in respect of the JVR Music Concert Agreement) after the conclusion of the PRC Concerts during the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate Amounts paid by Eastern Eagle for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Appointment as agent to undertake production of the PRC Concerts (as our agent in respect of the JVR Music Concert Agreement)	–	–	7,352	–

As stated above, a fee of RMB2,245,400 (approximately S\$459,000) (after tax) for each PRC Concert was paid by Eastern Eagle to our Group in consideration of the appointment of Eastern Eagle as agent to undertake the production of the PRC Concerts (as our agent in respect of the JVR Music Concert Agreement). A fee of RMB2,180,000 (approximately S\$446,000) (after tax) for each PRC Concert was paid by our Group to JVR Music under the JVR Music Concert Agreement. Accordingly, we retained a net amount of RMB65,400 (approximately S\$13,000) for each of the PRC Concerts, amounting to an aggregate amount of RMB1,046,400 (approximately S\$214,000) for the 16 PRC Concerts in FY2019. The transaction was made on an arm's length basis and was on a cost-plus basis for Eastern Eagle to provide its services under the Eastern Eagle Concert Agreement in order for our Group to undertake the Concert Management of the 16 PRC Concerts under the JVR Music Concert Agreement. Given the foregoing, the transaction was on normal commercial terms, and was not prejudicial to the interests of our Group or our minority Shareholders.

Whilst Eastern Eagle had provided its services under the Eastern Eagle Concert Agreement as our agent in respect of the PRC Concerts under the JVR Music Concert Agreement as described above, we undertook ancillary work such as making transportation and accommodation arrangements and liaising with the various parties involved in the concert production process of the PRC Concerts. As we believe that our Group has gained sufficient experience in the concert production business through the PRC Concerts and have established our own business contacts for such business in the PRC, the Eastern Eagle Concert Agreement was subsequently terminated with effect from 10 July 2020 pursuant to a termination agreement entered into between our Group and Eastern Eagle. Our Group intends to undertake the production of concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) under the JVR Music Concert Agreement by ourselves in the future, for which we will undertake Concert Management of such concerts.

We do not intend to enter into transactions of the above nature with our interested persons after the admission of our Company to the Official List of the SGX-ST.

Music Composition by an Interested Person

Our Group had engaged JVR Music from time to time to compose music for our dramas and films. As JVR Music is primarily engaged in the business of music record and talent management of mainstream singers in Taiwan and is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director, JVR Music is accordingly an associate of Mr. Yang Jun Rong and an interested person.

During the Period under Review and up to the Latest Practicable Date, we had engaged JVR Music to compose music for the following dramas which were produced or co-produced by our Group:

- (a) the theme song and the end credits song used for each episode of “The Little Nyonya 小娘惹” in January 2020; and
- (b) the theme song and the end credits song used for each episode of “The Ferryman – Legends of Nanyang 灵魂摆渡 – 南洋传说” in August 2020.

Pursuant to the arrangement between our Group and JVR Music, JVR Music retains the intellectual property rights pertaining to the foregoing works, such as copyright to the lyrics, composition, musical arrangement, sound recording and music demo and our Group had licensed the intellectual property rights to the music from JVR Music.

The aggregate amount paid or to be paid by our Group to JVR Music for the music compositions, being the royalties for the licensing of the intellectual property rights to the music from JVR Music, for the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate Amounts paid or to be paid to JVR Music for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Royalties for the licensing of the intellectual property rights to the music for “The Little Nyonya 小娘惹”	–	–	63	–
Royalties for the licensing of the intellectual property rights to the music for “The Ferryman – Legends of Nanyang 灵魂摆渡 – 南洋传说”	–	–	–	40

We have, from time to time, engaged unrelated third party music composers, singers and/or their respective management agencies, to compose music for the drama and film projects of our Group, including for the music composition of other songs used in the abovementioned dramas, and we had similarly licensed the intellectual property rights to the music for the purposes of these dramas and films. We had used past transactions with such other unrelated third party music composers, singers and/or their respective management agencies as historical benchmarks in order to ascertain that the amounts paid to JVR Music in respect of the music composition for these dramas were competitive. Based on the arrangements we have had with such unrelated third party music composers, singers and/or their respective management agencies, we note that such parties retain the intellectual property rights to the music composed by them. Accordingly, we believe that it is industry practice for JVR Music to retain the intellectual property rights to the music composed by their artistes. Accordingly, the transactions with JVR Music were entered into on an arm’s length basis and on normal commercial terms, and were not prejudicial to the interests of our Group or our minority Shareholders.

Following the admission of our Company to the Official List of the SGX-ST, while we have no immediate intention of entering into transactions similar to the aforesaid, we may engage our interested persons in respect of the music composition for our drama and film projects. Such transactions will be subject to the approval of our Audit and Risk Management Committee, and in compliance with Chapter 9 of the Listing Manual.

Provision of Acting Services by Interested Persons

Ms. Yue Lina

Our Group had established a talent management agency under Huahuo Entertainment in April 2019 and Ms. Yue Lina, our Executive Director and accordingly, an interested person, had joined Huahuo Entertainment as an artiste in May 2019, with Huahuo Entertainment providing its talent management services to Ms. Yue Lina. Subsequently, our Group had established a second talent management agency under Tianjin Xinhe in June 2020 as part of our business expansion. Our Group had transferred certain artistes, including Ms. Yue Lina, from Huahuo Entertainment to Tianjin Xinhe, and the talent management agency under Tianjin Xinhe had commenced operations in August 2020. Accordingly, we had entered into acting services agreements with Ms. Yue Lina and/or Huahuo Entertainment or Tianjin Xinhe, as her talent management agency at the relevant time, for certain dramas and films described below.

Pursuant to the Yue Talent Management Agreement (as defined below), our Group, as Ms. Yue Lina's talent management agency, has procured and will procure drama and film projects for her participation as an actress from time to time, which includes the dramas and films produced or co-produced by our Group. The selection of Ms. Yue Lina for the acting roles in past dramas and films produced or co-produced by our Group was determined through an audition process for that particular role in the drama or film conducted by the director(s) and producer(s) involved (who may be external third parties) and our production team, and taking into consideration factors such as the experience of the actress and the requirements of that particular role. Where there are other co-production parties or working partners involved in the drama or film project, their consensus on the cast members for the drama or film will also be obtained before the cast is finalised.

During the Period Under Review up to the Latest Practicable Date, we had entered into the following acting services agreements with Ms. Yue Lina and/or her talent management agency (being Huahuo Entertainment or Tianjin Xinhe, as the case may be), for the provision of acting services by Ms. Yue Lina to our Group for the following dramas and films:

- (a) an acting services agreement was entered into between Tianjin Changxin and Ms. Yue Lina for the drama "The Little Nyonya 小娘惹" for the period from 10 October 2018 to 28 February 2019;
- (b) an acting services agreement between Beijing Changxin, Huahuo Entertainment, Ms. Yue Lina and Perfect World 乡 for the provision of acting services by Ms. Yue Lina for the drama "Perfect Village 最美的乡村" for the period from 1 October 2019 to 30 November 2019;
- (c) an acting services agreement between Beijing Changxin and Huahuo Entertainment for the provision of acting services by Ms. Yue Lina for the film "I Come From Beijing – Braised Goose in Iron Pan 我来自北京之铁锅炖大鹅" for the period from 5 December 2019 to 4 January 2020;
- (d) an acting services agreement (as amended and supplemented by a supplemental agreement dated 30 September 2020) between Beijing Changxin and Ms. Yue Lina for the film "I Come From Beijing – Tibetan Mani Stone Pile in Autumn 我来自北京之玛尼堆的秋天" for the period from 13 September 2020 to 25 October 2020; and
- (e) an acting services agreement between Beijing Changxin and Ms. Yue Lina for the drama "To Be With You 约定之青春永驻" for the period from 7 August 2020 to 7 September 2020.

The provision of acting services by Ms. Yue Lina under each of the abovementioned agreements has been completed and these agreements are no longer subsisting.

The terms and conditions of the aforementioned agreements (including those entered into between our Group and Mr. Yue Lina) were not negotiated by Ms. Yue Lina or her associates, but were negotiated by her talent manager, who is an employee of Huahuo Entertainment or Tianjin Xinhe, as the case may be, and is independent of Ms. Yue Lina, with the relevant parties. Pursuant to the terms of the respective agreements and in connection with the fee-sharing arrangement under the Yue Talent Management Agreement, the fees generated from Ms. Yue Lina's participation in such drama and film projects procured by Huahuo Entertainment or Tianjin Xinhe, as the case may be, as her talent management agency are calculated on a project basis, with 10.0% of such fees to be paid to the relevant Group entity as her talent management agency, and the remaining 90.0% of such fees to be paid directly by the relevant production company of our Group to Ms. Yue Lina. See the section entitled "Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Provision of Talent Management Services to Interested Persons – Ms. Yue Lina" below for further information on the Yue Talent Management Agreement.

The aggregate amount paid by our Group to Ms. Yue Lina for the provision of acting services by Ms. Yue Lina for the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate Amounts paid to Ms. Yue Lina for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Provision of acting services for "The Little Nyonya 小娘惹"	819	–	–	–
Provision of acting services for "Perfect Village 最美的乡村"	–	553 ⁽¹⁾	–	–
Provision of acting services for "I Come From Beijing – Braised Goose in Iron Pan 我来自北京之铁锅炖大鹅"	–	–	74	–
Provision of acting services for "I Come From Beijing – Tibetan Mani Stone Pile in Autumn 我来自北京之玛尼 堆的秋天"	–	–	–	96
Provision of acting services for "To Be With You 约定之青春永驻"	–	–	–	276 ⁽²⁾

Notes:

- (1) As "Perfect Village 最美的乡村" was co-produced with, among others, Perfect World, our Group had entered into joint investment agreements with such co-production parties for, among others, (a) payment of their co-production investment amounts to our Group in proportion to their respective interests (either full payment prior to commencement of the production, or partial payment prior to the commencement of the production with the remaining co-production investment amounts to be paid during the production process, depending on the terms of the respective joint investment agreements); and (b) payment of production costs by our Group on behalf of such co-production parties for administrative reasons, with the production costs to be spilt among the co-production parties in proportion to their respective interests. Our Group had borne 45.7% of the production costs under the terms of the joint investment agreements entered into with the co-production parties. Accordingly, whilst our Group had paid the entire aggregate amount of RMB2,700,000 (approximately S\$553,000) to Ms. Yue Lina for the provision of acting services for "Perfect Village 最美的乡村" in FY2019 under the terms of the relevant acting services agreement on behalf of the other co-production parties for administrative reasons, our share of such fees amounted to RMB1,234,000 (approximately S\$253,000), representing 45.7% of RMB2,700,000 (approximately S\$553,000). As at 31 July 2020, our Group's interest in "Perfect Village 最美的乡村" was increased to 60.0%, and our share of such fees amounted to RMB1,620,000 (approximately S\$332,000) representing 60.0% of RMB2,700,000 (approximately S\$553,000), as we had acquired the 14.3% interest of a co-production party and paid RMB8.0 million (approximately S\$1.6 million) (which was determined based on the initial co-production investment amount which had been payable by such co-production party in proportion to its 14.3% interest), after deducting outstanding co-production investment amount of RMB2.0 million (approximately S\$409,000) owed by such co-production party to our Group. The other co-production parties, including Perfect World, had already made full payment of their respective co-production investment amounts to our Group.

- (2) Inclusive of the withholding tax amount of RMB435,000 (approximately S\$89,000) to be paid by our Group on behalf of Ms. Yue Lina, arising from the fees paid by our Group to Ms. Yue Lina for the provision of acting service for “To Be With You 约定之青春永驻”.

As the fees paid by our Group to Ms. Yue Lina were not negotiated by Ms. Yue Lina or her associates, but were negotiated by her talent manager on her behalf and were comparable to the fees paid to other artistes of similar popularity and experience in respect of other drama and film projects produced by our Group or other production studios, the transactions were carried out on an arm’s length basis and on normal commercial terms, and were not prejudicial to the interests of our Group or our minority Shareholders.

Mr. Yang Zhigang

Pursuant to the Yang Talent Management Agreement (as defined below), our Group, as Mr. Yang Zhigang’s talent management agency, has procured and will procure drama and film projects for his participation as an actor from time to time, which includes the dramas and films produced or co-produced by our Group. Accordingly, Mr. Yang Zhigang had provided his acting services to our Group for certain dramas and films produced by our Group, which includes role planning for his acting roles. Mr. Yang Zhigang is the brother of Mr. Guo Jingyu, our Executive Chairman and Group CEO, and is accordingly an interested person. The selection of Mr. Yang Zhigang for the acting roles in such dramas and films produced or co-produced by our Group was determined through an audition process for that particular role in the drama or film conducted by the director(s) and producer(s) involved (who may be external third parties) and our production team, and taking into consideration factors such as the experience of the actor and the requirements of that particular role. Where there are other co-production parties or working partners involved in the drama or film project, their consensus on the cast members for the drama or film will also be obtained before the cast is finalised.

During the Period Under Review and up to the Latest Practicable Date, we had entered into the following acting services agreements with Mr. Yang Zhigang and/or his talent management agency (being Huahuo Entertainment), for the provision of acting services by Mr. Yang Zhigang to our Group for the following dramas and films:

- (a) an acting services agreement entered into between Beijing Changxin, Huahuo Entertainment, Mr. Yang Zhigang and Perfect World for the provision of acting services by Mr. Yang Zhigang for the web drama “Perfect Village 最美的乡村” for the period from 27 August 2019 to 27 October 2019;
- (b) an acting services agreement between Beijing Changxin and Mr. Yang Zhigang for the provision of acting services by Mr. Yang Zhigang for the film “I Come From Beijing – Happy New Year 我来自北京之过年好” for the period from 4 December 2019 to 5 January 2020; and
- (c) an acting services agreement between Beijing Changxin and Mr. Yang Zhigang for the film “I Come From Beijing – The Rise of the Pear Village 我来自北京之按下葫芦起来梨” for the period from 30 September 2020 to 20 October 2020.

The provision of acting services by Mr. Yang Zhigang under each of the abovementioned agreements has been completed and these agreements are no longer subsisting.

The terms and conditions of the acting services agreements (including those entered into between our Group and Mr. Yang Zhigang) were not negotiated by Mr. Yang Zhigang or his associates, but were negotiated by his talent manager, who is an employee of Huahuo Entertainment and is independent of Mr. Yang Zhigang, with the relevant parties. Pursuant to the terms of the agreements and in connection with the fee-sharing arrangement under the Yang Talent Management Agreement (as defined below), the fees generated from Mr. Yang Zhigang’s participation in such drama and film projects procured by Huahuo Entertainment as his talent

management agency are calculated on a project basis, with 5.0% of such fees to be paid to Huahuo Entertainment and the remaining 95.0% of such fees to be paid directly by the relevant production company of our Group to Mr. Yang Zhigang (and/or such person or entity as he may direct). See the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Provision of Talent Management Services to Interested Persons – Mr. Yang Zhigang” below for further information on the Yang Talent Management Agreement.

The aggregate amount paid by our Group to Mr. Yang Zhigang (or such person or entity as he may direct) in respect of the provision of acting services by Mr. Yang Zhigang for the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate Amounts paid to Mr. Yang Zhigang (and/or such person or entity as he may direct) for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Provision of acting services for “Perfect Village 最美的乡村”	–	583 ⁽¹⁾	–	–
Provision of acting services for “I Come From Beijing – Happy New Year 我来自北京之过年好”	–	–	80 ⁽²⁾⁽³⁾	–
Provision of acting services for “I Come From Beijing – The Rise of the Pear Village 我来自北京之按下葫芦起 来梨”	–	–	–	58 ⁽²⁾

Notes:

- (1) As “Perfect Village 最美的乡村” was co-produced with, among others, Perfect World, our Group had entered into joint investment agreements with such co-production parties for, among others, (a) payment of their co-production investment amounts to our Group in proportion to their respective interests (either full payment prior to commencement of the production, or partial payment prior to the commencement of the production with the remaining co-production investment amounts to be paid during the production process, depending on the terms of the respective joint investment agreements); and (b) payment of production costs by our Group on behalf of such co-production parties for administrative reasons, with the production costs to be split among the co-production parties in proportion to their respective interests. Our Group had borne 45.7% of the production costs under the terms of the joint investment agreements entered into with the co-production parties. Accordingly, whilst our Group had paid the entire aggregate amount of RMB2,850,000 (approximately S\$583,000) to Mr. Yang Zhigang for the provision of acting services for “Perfect Village 最美的乡村” in FY2019 under the terms of the relevant acting services agreement on behalf of the other co-production parties for administrative reasons, our share of such fees amounted to RMB1,302,000 (approximately S\$266,000), representing 45.7% of RMB2,850,000 (approximately S\$583,000). As at 31 July 2020, our Group’s interest in “Perfect Village 最美的乡村” was increased to 60.0%, and our share of such fees amounted to RMB1,710,000 (approximately S\$350,000) representing 60.0% of RMB2,850,000 (approximately S\$583,000), as we had acquired the 14.3% interest of a co-production party and paid RMB8.0 million (approximately S\$1.6 million) (which was determined based on the initial co-production investment amount which had been payable by such co-production party in proportion to its 14.3% interest), after deducting outstanding co-production investment amount of RMB2.0 million (approximately S\$409,000) owed by such co-production party to our Group. The other co-production parties, including Perfect World, had already made full payment of their respective co-production investment amounts to our Group.
- (2) For completeness, payments of fees for the acting services, including role planning services, in respect of the films, “I Come From Beijing – Happy New Year 我来自北京之过年好” and “I Come From Beijing – The Rise of the Pear Village 我来自北京之按下葫芦起来梨”, were paid to Mr. Yang Zhigang and, as directed by him, to Beijing Yongzhe Chunqiu Film & Media (北京勇者春秋影视传媒有限公司) (“Beijing Yongzhe”) for his tax planning reasons, pursuant to agreements between our Group and Beijing Yongzhe. As at the Latest Practicable Date, Beijing Yongzhe’s registered business scope is that of creative planning services but has no active business operations and is held entirely by Mr. Yang Zhigang and his spouse. Mr. Yang Zhigang is the sole director of Beijing Yongzhe and his spouse is the legal representative of Beijing Yongzhe.
- (3) A one-off fee-sharing arrangement percentage in the proportion of 98.1% paid to Mr. Yang Zhigang and 1.9% paid to Huahuo Entertainment (as compared with the typical fee-sharing arrangement between him and our Group of 95.0% and 5.0%, respectively) in respect of the provision of acting services by Mr. Yang Zhigang for “I Come From Beijing – Happy New Year 我来自北京之过年好” was agreed between Mr. Yang Zhigang and Huahuo Entertainment such that out of the aggregate fees of RMB400,000 (approximately S\$82,000) payable by Beijing Changxin, approximately 98.1% of such fees, being RMB392,500 (approximately S\$80,000), were paid to Mr. Yang Zhigang and approximately 1.9% of such fees, being RMB7,500 (approximately S\$1,500), were paid to Huahuo Entertainment. Such fee-sharing arrangement percentage is a one-off event and is not expected to recur.

As the fees paid by our Group to Mr. Yang Zhigang (and/or such person or entity as he may direct) were not negotiated by Mr. Yang Zhigang or his associates, but were negotiated by his talent manager on his behalf and were comparable to the fees paid to other artistes of similar popularity and experience in respect of other drama and film projects produced by our Group or other production studios, the transactions were carried out on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Group or our minority Shareholders.

We intend to continue to enter into similar transactions with Ms. Yue Lina and Mr. Yang Zhigang under the IPT General Mandate following the admission of our Company to the Official List of the SGX-ST. To ensure that all future provision of acting services by our interested persons to our Group are on an arm's length basis and will not be prejudicial to the interests of our Group and our minority Shareholders, such transactions will be subject to the review procedures under the IPT General Mandate as set out in the section entitled "Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions" of this Prospectus.

Provision of Advisory Services by an Interested Person

On 1 September 2017, our Group entered into a service agreement with Mr. Yeo Guat Kwang for the provision of advisory services to our Group for the period from 1 September 2017 to 31 December 2018, which was subsequently renewed for another one-year term from 1 January 2019 to 31 December 2019. Mr. Yeo Guat Kwang is our Independent Director and is accordingly an interested person.

Under the terms of such service agreement, Mr. Yeo Guat Kwang had received a monthly fee of S\$10,000 in respect of such advisory services provided to our Group and the fees paid to Mr. Yeo Guat Kwang by our Group amounted to S\$40,000 in FY2017, S\$120,000 in FY2018 and S\$120,000 in FY2019. Taking into consideration the scope of the advisory services provided by Mr. Yeo Guat Kwang and the fees payable by our Group for the provision of advisory services by other parties to our Group, the provision of advisory services by Mr. Yeo Guat Kwang to our Group was on an arm's length basis and was on normal commercial terms, and was not prejudicial to the interests of our Group or our minority Shareholders.

We do not intend to enter into transactions of the above nature with our interested persons after the admission of our Company to the Official List of the SGX-ST.

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

Details of the present and ongoing transactions between our Group and interested persons which are material in the context of the Offering, for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019, the six months period ended 30 June 2020, and the period commencing 1 July 2020 to the Latest Practicable Date are set out in this section.

Investors, upon subscription for the Offering Shares and the Cornerstone Shares, are deemed to have specifically approved these transactions entered into with our interested persons set out in this section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions” of this Prospectus and as such these transactions are not subject to Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent material changes to the terms of the agreements in relation to each of these transactions.

Contractual Arrangements with an Interested Person

On 1 November 2020, our Company, through our GHY WFOEs, entered into the Contractual Arrangements with our PRC Affiliated Entities and the Individual Shareholders, Mr. Guo Jingyu and Mr. Xue Xin, pursuant to which operational control and substantially all the economic rights over our PRC Affiliated Entities are conferred to our Group. Under the terms of the Contractual Arrangements, Mr. Guo Jingyu has (a) pledged 100% of the equity interest in Tianjin Changxin in favour of Tianjin Xinyuan and procured Tianjin Changxin to pledge 100% of the equity interest in Beijing Changxin and Beijing Yizhongdao in favour of Beijing Xinyuan; (b) entered into a Power of Attorney in respect of his shareholder rights and in his capacity as shareholder of Tianjin Changxin in favour of Tianjin Xinyuan; (c) granted an option to purchase the equity interest and/or assets of Tianjin Changxin in favour of Tianjin Xinyuan; and (d) undertaken to procure Tianjin Changxin to (i) grant an option to purchase the equity interest and/or assets of Tianjin Ruyang in favour of Tianjin Xinyuan; and (ii) grant an option to purchase the equity interest and/or assets of Beijing Changxin and Beijing Yizhongdao in favour of Beijing Xinyuan. See the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” of this Prospectus for further information on the Contractual Arrangements. Mr. Guo Jingyu is our Executive Chairman and Group CEO and Controlling Shareholder and is accordingly an interested person.

With reference to the terms of similar contractual arrangements entered into by other foreign-incorporated holding companies in order to conduct operations in industries in the PRC, based on publicly available information, which are subject to foreign ownership prohibitions under the applicable PRC laws and regulations, as the terms of the Contractual Arrangements are similar to those entered into by such other foreign-incorporated holding companies, the Contractual Arrangements are carried out on an arm’s length basis and on normal commercial terms. As the Contractual Arrangements confer operational control and economic rights over our PRC Affiliated Entities to our Group, the Contractual Arrangements are not prejudicial to the interests of our Group or our minority Shareholders. See the section entitled “Regulations – PRC – Foreign Investment in the PRC” of this Prospectus for further information.

For the avoidance of doubt, the Contractual Arrangements will not be subject to the IPT General Mandate following the admission of our Company to the Official List of the SGX-ST. Investors, upon subscription for the Offering Shares and the Cornerstone Shares, are deemed to have specifically approved the transactions set out in “Present and Ongoing Interested Person Transactions”, which includes but are not limited to the Contractual Arrangements, and as such these transactions are not subject to Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent material changes to the terms of the agreements in relation of each of these transactions.

Our Audit and Risk Management Committee will carry out a periodic review of the terms of the Contractual Arrangements on an annual basis and will monitor the procedures established to regulate such interested person transactions, to ensure that the Contractual Arrangements are not prejudicial to the interests of our Group and our minority Shareholders, and to ensure that proper measures to mitigate conflicts of interest have been put in place. In the event that our Audit and Risk Management Committee is of the view that the Contractual Arrangements are prejudicial to the interests of our Group and our minority Shareholders and/or if there are any material changes to the terms of the Contractual Arrangements as described in the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” of this Prospectus, an independent financial adviser will be appointed to review the terms of the Contractual Arrangements and to provide an opinion on whether the Contractual Arrangements are carried out on normal commercial terms and will not be prejudicial to the interests of our Group and our minority Shareholders. Any material changes to the terms of the Contractual Arrangements will also be subject to review and approval by our Audit and Risk Management Committee and the requirements under Chapter 9 of the Listing Manual.

In addition, where our Group intends to enter into new contractual arrangements with terms similar to the Contractual Arrangements and/or acquire the equity interest and/or assets of our PRC Affiliated Entities to the extent permissible under the applicable PRC laws and regulations, such transactions will be subject to review and approval by our Audit and Risk Management Committee and the requirements under Chapter 9 of the Listing Manual. This is to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Group and our minority Shareholders.

Spousal Undertaking by an Interested Person

On 1 November 2020, Ms. Yue Lina had, in her capacity as Mr. Guo Jingyu’s spouse, executed an irrevocable undertaking in connection with the Contractual Arrangements (the “**Spousal Undertaking**”). See the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Spousal Undertakings” of this Prospectus for further information on the Spousal Undertaking. Ms. Yue Lina is our Executive Director and is accordingly an interested person.

The Spousal Undertaking is provided in connection with the Contractual Arrangements and constitutes undertakings by the spouse not to, among others, take any acts or omissions in conflict with the Contractual Arrangements and not to interfere with the operation and management of our PRC Affiliated Entities or claim any rights and interests relevant to the equity interest and assets of our PRC Affiliated Entities under any circumstance. In addition, the Spousal Undertaking provides that in the event that any regulatory authority requires amendments to be made to the Spousal Undertaking, the spouse shall cooperate unconditionally and in a timely manner.

With reference to the terms of similar spousal undertakings provided in connection with contractual arrangements entered into by other foreign-incorporated holding companies in order to conduct operations in industries in the PRC, based on publicly available information, which are subject to foreign ownership prohibitions under the applicable PRC laws and regulations, as the terms of the Spousal Undertaking are similar to those entered into by other foreign-incorporated holding companies as mentioned in the foregoing, the Spousal Undertaking is carried out on an arm’s length basis and on normal commercial terms. As the Spousal Undertaking is entered into to ensure that Ms. Yue Lina does not exercise any control or influence over our PRC Affiliated Entities in her capacity as Mr. Guo Jingyu’s spouse, the Spousal Undertaking is not prejudicial to the interests of our Group or our minority Shareholders.

Provision of Personal Guarantees by Interested Persons

Mr. Guo Jingyu, who is our Executive Chairman and Group CEO and Controlling Shareholder, and Ms. Yue Lina, our Executive Director, and accordingly interested persons, had provided personal joint and several guarantees in respect of the following credit line facilities granted to our Group as at the Latest Practicable Date:

Lender/Financial Institution	Borrower	Guarantors	Amount of Facility/ Amount Guaranteed ⁽⁶⁾	Amount outstanding as at the Latest Practicable Date ⁽⁶⁾	Largest outstanding amount guaranteed for the Period Under Review and up to the Latest Practicable Date ⁽⁶⁾	Type of Facility	Date of Facility Drawn	Maturity Profile
Bank of Beijing Co., Ltd., Liulichang sub-branch	Beijing Changxin	Mr. Guo Jingyu and Ms. Yue Lina	RMB45,000,000 (\$\$9,209,000)	–	RMB25,266,964 (\$\$5,171,000)	Credit line	July 2019 to November 2019 ⁽³⁾	12 months
Beijing Shouchuang Financing Guarantee Co., Ltd.	Beijing Changxin	Tianjin Changxin, Mr. Guo Jingyu and Ms. Yue Lina	RMB45,000,000 (\$\$9,209,000)	–	RMB24,947,552 (\$\$5,105,000)	Continuing guarantee ⁽¹⁾	July 2019 to November 2019 ⁽³⁾	12 months
Bank of Beijing Co., Ltd., Youanmen sub-branch	Tianjin Changxin	Mr. Guo Jingyu and Ms. Yue Lina	RMB5,000,000 (\$\$1,023,000)	RMB5,031,378 (\$\$1,030,000)	RMB5,043,896 (\$\$1,032,000)	Credit line	May 2020 to July 2020	12 months
Beijing Haidian Science and Technology Enterprise Financing Guarantee Co., Ltd.	Tianjin Changxin	Beijing Changxin, Mr. Guo Jingyu and Ms. Yue Lina	RMB5,000,000 (\$\$1,023,000)	RMB4,995,163 (\$\$1,022,000)	RMB4,995,163 (\$\$1,022,000)	Continuing guarantee ⁽²⁾	May 2020 to July 2020	12 months
China Merchants Bank	Beijing Changxin	Tianjin Changxin, Mr. Guo Jingyu and Ms. Yue Lina	RMB30,000,000 (\$\$6,139,000)	RMB17,179,208 ⁽⁴⁾ (\$\$3,516,000)	RMB17,179,208 ⁽⁴⁾ (\$\$3,516,000)	Credit line	November 2020 to November 2022	24 months
Beijing Beitou Financing Guarantee Co., Ltd.	Beijing Changxin	Tianjin Changxin, Mr. Guo Jingyu and Ms. Yue Lina	RMB30,000,000 (\$\$6,139,000)	RMB17,175,000 ⁽⁴⁾ (\$\$3,515,000)	RMB17,175,000 ⁽⁴⁾ (\$\$3,515,000)	Continuing guarantee ⁽⁵⁾	November 2020 to November 2022	24 months

Notes:

- (1) Beijing Shouchuang Financing Guarantee Co., Ltd., an unrelated third party corporate guarantor, had provided a continuing guarantee for the obligations of Beijing Changxin under the credit line facility granted by Bank of Beijing Co., Ltd., Liulichang sub-branch to our Group, which is in turn secured by back-to-back guarantees provided by Tianjin Changxin, Mr. Guo Jingyu and Ms. Yue Lina.
- (2) Beijing Haidian Science and Technology Enterprise Financing Guarantee Co. Ltd., an unrelated third party corporate guarantor, had provided a continuing guarantee for the obligations of Tianjin Changxin under the credit line facility granted by Bank of Beijing Co., Ltd., Youanmen sub-branch to our Group, which is in turn secured by back-to-back guarantees provided by Beijing Changxin, Mr. Guo Jingyu and Ms. Yue Lina.
- (3) Beijing Changxin had utilised working capital facilities of RMB10.0 million and RMB15.0 million, which were sub-facilities of the credit line facility granted by Bank of Beijing Co., Ltd., Liulichang sub-branch. RMB10.0 million and RMB15.0 million were drawn between 9 July 2019 and 19 August 2019 and between 22 August 2019 and 5 November 2019, respectively. As at the Latest Practicable Date, the utilised amounts have been repaid and there are no outstanding amounts under this subsisting credit line facility.
- (4) As at the Latest Practicable Date, Tianjin Changxin had utilised working capital facilities of approximately RMB10.0 million and RMB7.2 million, which were drawdown on 16 November 2020 and 20 November 2020, respectively. Tianjin Changxin had also drawdown approximately RMB2.8 million (approximately S\$578,000) on 27 November 2020.
- (5) Beijing Beitou Financing Guarantee Co., Ltd., an unrelated third party corporate guarantor, had provided a continuing guarantee for the obligations of Tianjin Changxin under the credit line facility granted by China Merchants Bank to our Group, which is in turn secured by back-to-back guarantees provided by Tianjin Changxin, Mr. Guo Jingyu and Ms. Yue Lina.
- (6) RMB amounts have been translated into approximate Singapore dollar amounts based on the exchange rate of S\$1: RMB4.8867 as quoted by Bloomberg L.P. on the Latest Practicable Date. Bloomberg L.P. has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the exchange rate quoted above and is thereby not liable for such information under Sections 253 and 254 of the SFA. While we, the Vendors, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, have taken reasonable actions to ensure that the above exchange rates have been reproduced in their proper form and context, none of us, the Vendors, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners nor any other party have conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

As no consideration was paid by our Group to procure the present and ongoing personal guarantees provided by Mr. Guo Jingyu and Ms. Yue Lina, the personal guarantees are not provided on an arm's length basis and are not on normal commercial terms. However, as these personal guarantees are to secure the obligations of our Group, they are not prejudicial to the interests of our Group or our minority Shareholders.

We have requested, or will be requesting, for the discharge of the above personal guarantees by Mr. Guo Jingyu and Ms. Yue Lina, and for such personal guarantees to be replaced with a corporate guarantee by our Group. Our Directors do not expect any material change in the terms and conditions of the respective banking facilities if the personal guarantees are discharged. Following the admission of our Company to the Official List of the SGX-ST, should the respective lenders be unwilling to release and discharge the above guarantees, Mr. Guo Jingyu and Ms. Yue Lina will continue to provide the respective guarantees.

Deemed Advances from Interested Persons

Our Board had on 23 November 2020 declared interim dividends of S\$10.0 million in respect of FY2020 to be paid to the persons who were registered Shareholders of our Company as at 30 September 2020 ("**Existing Shareholders**"), which, as at the Latest Practicable Date, have not yet been paid ("**Interim Dividends**"). The payment of the Interim Dividends is conditional upon the fulfilment of certain conditions, including the entry into the Contractual Arrangements, the receipt by the Company of dividend payment(s) from the relevant subsidiaries and PRC Affiliated Entities for distribution to the Existing Shareholders and the Listing of our Company on the Main Board of the SGX-ST. Subject to the fulfilment of the conditions, the Interim Dividends will be paid within six months from the date of the Listing, subject to the level of our cash and retained earnings, actual and projected financial performance, expected future earnings, cash flow, working capital requirements, general business and financing conditions, as well as other factors which our

Directors may determine appropriate and which our Audit and Risk Management Committee will monitor until the Interim Dividends have been fully paid.

Upon fulfilment of the relevant conditions for the payment of the Interim Dividends, the Existing Shareholders will be entitled to such declared but unpaid Interim Dividends. Accordingly, such unpaid Interim Dividends will constitute outstanding amounts owing from our Group to the Existing Shareholders and thus be deemed as having been advanced to our Group by the Existing Shareholders, which includes Kang Ru Investments Limited and Taiho Holding Ltd, upon fulfilment of the relevant conditions, on a non-interest bearing basis. Such advances by Kang Ru Investments Limited and Taiho Holding Ltd to our Group will be calculated based on the total amount of Interim Dividends payable, which will amount to approximately S\$7.0 million and S\$878,000, respectively. Kang Ru Investments Limited is our Controlling Shareholder and Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, is the sole director of Kang Ru Investments Limited and has control over Kang Ru Investments Limited. Taiho Holding Ltd is 50.0% owned by Mr. Yang Jun Rong, our Non-Executive Director and is an associate of Mr. Yang Jun Rong. Accordingly, both Kang Ru Investments Limited and Taiho Holding Ltd are interested persons. See the section entitled “Share Capital and Shareholders – Ownership Structure” of this Prospectus for further information.

As the advances will be unsecured, non-interest bearing and had no fixed terms of repayment, such advances will not be provided on an arm’s length basis and will not be on normal commercial terms. However, such advances will not be prejudicial to the interests of our Group or our minority Shareholders as all the Existing Shareholders are entitled to the Interim Dividends, based on their shareholding proportion in our Company at the relevant time, and such advances will be repaid by our Group within six months from the date of the Listing, subject to the level of our cash and retained earnings, actual and projected financial performance, expected future earnings, cash flow, working capital requirements, general business and financing conditions, as well as other factors which our Directors may determine appropriate and which our Audit and Risk Management Committee will monitor until the Interim Dividends have been fully paid.

We do not intend to enter into transactions of the above nature with our interested persons after the admission of our Company to the Official List of the SGX-ST.

Provision of Talent Management Services to Interested Persons

Ms. Yue Lina

Our Group had established a talent management agency under Huahuo Entertainment in April 2019 and Ms. Yue Lina had joined Huahuo Entertainment as an artiste in May 2019, with Huahuo Entertainment providing its talent management services to Ms. Yue Lina. Subsequently, our Group had established a second talent management agency under Tianjin Xinhe in June 2020 as part of our business expansion. Our Group had transferred certain artistes, including Ms. Yue Lina, from Huahuo Entertainment to Tianjin Xinhe, and the talent management agency under Tianjin Xinhe had commenced operations in August 2020. Accordingly, pursuant to (i) an independent artiste management agreement dated 1 May 2019 between Huahuo Entertainment and Ms. Yue Lina, which was terminated on 24 June 2020; and (ii) an independent artiste management agreement dated 25 June 2020 between Tianjin Xinhe and Ms. Yue Lina (together, the “**Yue Talent Management Agreement**”), our Group provides management services to Ms. Yue Lina in respect of the various projects and events which she participates and/or is engaged in as her talent management agency, including films, dramas, variety shows, stage shows and other film projects, music recordings and concerts, media advertisements and sponsorships, as well as appearances at corporate and public events. Ms. Yue Lina is our Executive Director and is accordingly an interested person.

Pursuant to the Yue Talent Management Agreement, the fees generated from Ms. Yue Lina's participation and engagement in the projects and events procured by our Group as her talent management agency are determined on a project basis, with 10.0% of such fees to be paid to our Group as her talent management agency and the remaining 90.0% of such fees to be paid to Ms. Yue Lina. Such fee-sharing arrangement percentage between Ms. Yue Lina and our Group has been and will continue to be applied for all projects and events undertaken by Ms. Yue Lina as an artiste managed by our Group. In addition, our Group is required to bear any telecommunications, transportation and promotional costs and expenses incurred for any activities and/or events organised by our Group for Ms. Yue Lina as her talent management agency, as well as costs and expenses incurred in the course of Ms. Yue Lina's participation and engagement in any projects and/or events such as make-up, hair, clothing, transportation, food and other related expenses.

The aggregate amount received by our Group in respect of the provision of talent management services to Ms. Yue Lina as her talent management agency pursuant to the Yue Talent Management Agreement for the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate amount received by our Group for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Provision of talent management services to Ms. Yue Lina	–	61 ⁽¹⁾	8 ⁽²⁾	41 ⁽³⁾

Notes:

- (1) As "Perfect Village 最美的乡村" was co-produced with, among others, Perfect World, our Group had entered into joint investment agreements with such co-production parties for, among others, (a) payment of their co-production investment amounts to our Group in proportion to their respective interests (either full payment prior to commencement of the production, or partial payment prior to the commencement of the production with the remaining co-production investment amounts to be paid during the production process, depending on the terms of the respective joint investment agreements); and (b) payment of production costs by our Group on behalf of such co-production parties for administrative reasons, with the production costs to be split among the co-production parties in proportion to their respective interests. Our Group had borne 45.7% of the production costs under the terms of the joint investment agreements entered into with the co-production parties. Accordingly, whilst our Group had paid the entire aggregate amount of RMB300,000 (approximately S\$61,000) to Huahuo Entertainment in respect of the provision of acting services by Ms. Yue Lina for "Perfect Village 最美的乡村" in FY2019 under the terms of the relevant acting services agreement on behalf of the other co-production parties for administrative reasons, our share of such fees amounted to RMB137,100 (approximately S\$28,000), representing 45.7% of RMB300,000 (approximately S\$61,000), which was paid by Beijing Changxin to Huahuo Entertainment as an intra-group transaction. As at 31 July 2020, our Group's interest in "Perfect Village 最美的乡村" was increased to 60.0%, and our share of such fees amounted to RMB180,000 (approximately S\$37,000) representing 60.0% of RMB300,000 (approximately S\$61,000), as we had acquired the 14.3% interest of a co-production party and paid RMB8.0 million (approximately S\$1.6 million) (which was determined based on the initial co-production investment amount which had been payable by such co-production party in proportion to its 14.3% interest), after deducting outstanding co-production investment amount of RMB2.0 million (approximately S\$409,000) owed by such co-production party to our Group. The other co-production parties, including Perfect World, had already made full payment of their respective co-production investment amounts to our Group.
- (2) As "I Come From Beijing – Braised Goose in Iron Pan 我来自北京之铁锅炖大鹅" was produced by our Group, the aggregate amount of RMB40,000 (approximately S\$8,200) was paid by Beijing Changxin to Huahuo Entertainment (being Ms. Yue Lina's talent management agency at the relevant time) in respect of the provision of acting services by Ms. Yue Lina as an intra-group transactions.
- (3) As "I Come From Beijing – Tibetan Mani Stone Pile in Autumn 我来自北京之玛尼堆的秋天" and "To Be With You 约定之青春永驻" were produced by our Group, the aggregate amount of RMB202,000 (approximately S\$41,000) was paid by Beijing Changxin to Tianjin Xinhe (being Ms. Yue Lina's talent management agency at the relevant time) in respect of the provision of acting services by Ms. Yue Lina as intra-group transactions.

As the fees received by our Group in respect of the provision of talent management services to Ms. Yue Lina are determined with reference to the terms of the talent management agreement for

other artistes of similar popularity and experience managed by our Group, the transactions were carried out on an arm's length basis and on normal commercial terms, and were not prejudicial to the interests of our Group or our minority Shareholders.

Mr. Yang Zhigang

Mr. Yang Zhigang joined Huahuo Entertainment as an artiste in May 2019, with Huahuo Entertainment providing its talent management services to Mr. Yang Zhigang. Accordingly, pursuant to an independent artiste management agreement dated 1 May 2019 between Huahuo Entertainment and Mr. Yang Zhigang (the "**Yang Talent Management Agreement**"), our Group provides management services to Mr. Yang Zhigang in respect of the various projects and events which he participates and/or is engaged in as his talent management agency, including films, dramas, variety shows, stage shows and other film projects, music recordings and concerts, media advertisements and sponsorships, as well as appearances at corporate and public events. Mr. Yang Zhigang is the brother of Mr. Guo Jingyu, our Executive Chairman and Group CEO, and is accordingly an interested person.

Pursuant to the Yang Talent Management Agreement, the fees generated from Mr. Yang Zhigang's participation and engagement in the projects and events procured by our Group as his talent management agency are determined on a project basis, with 5.0% of such fees to be paid to our Group as his talent management agency and the remaining 95.0% of such fees to be paid to Mr. Yang Zhigang (and/or such person or entity as he may direct). Such fee-sharing arrangement percentage between Mr. Yang Zhigang and our Group has been and will continue to be applied for all projects and events undertaken by Mr. Yang Zhigang as an artiste managed by our Group, save for the one-off fee-sharing arrangement percentage for the film "I Come From Beijing – Happy New Year 我来自北京之过年好" as described below. In addition, our Group is required to bear any telecommunications, transportation and promotional costs and expenses incurred for any activities and/or events organised by our Group for Mr. Yang Zhigang as his talent management agency, as well as costs and expenses incurred in the course of Mr. Yang Zhigang's participation and engagement in any projects and/or events such as make-up, hair, clothing, transportation, food and other related expenses.

The aggregate amount received by our Group in respect of the provision of talent management services to Mr. Yang Zhigang as his talent management agency pursuant to the Yang Talent Management Agreement for the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate amount received by our Group for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Provision of talent management services to Mr. Yang Zhigang	–	31 ⁽¹⁾	2 ⁽²⁾	3 ⁽³⁾

Notes:

- (1) As "Perfect Village 最美的乡村" was co-produced with, among others, Perfect World, our Group had entered into joint investment agreements with such co-production parties for, among others, (a) payment of their co-production investment amounts to our Group in proportion to their respective interests (either full payment prior to commencement of the production, or partial payment prior to the commencement of the production with the remaining co-production investment amounts to be paid during the production process, depending on the terms of the respective joint investment agreements); and (b) payment of production costs by our Group on behalf of such co-production parties for administrative reasons, with the production costs to be split among the co-production parties in proportion to their respective interests. Our Group had borne 45.7% of the production costs under the terms of the joint investment agreements entered into with the co-production parties. Accordingly, whilst our Group had paid the entire

aggregate amount of RMB150,000 (approximately S\$31,000) to Huahuo Entertainment in respect of the provision of acting services by Mr. Yang Zhigang for “Perfect Village 最美的乡村” in FY2019 under the terms of the relevant acting services agreement on behalf of the other co-production parties for administrative reasons, our share of such fees amounted to RMB68,550 (approximately S\$14,000), representing 45.7% of RMB150,000 (approximately S\$31,000), which was paid by Beijing Changxin to Huahuo Entertainment as an intra-group transaction. As at 31 July 2020, our Group’s interest in “Perfect Village 最美的乡村” was increased to 60.0%, and our share of such fees amounted to RMB90,000 (approximately S\$18,000) representing 60.0% of RMB150,000 (approximately S\$31,000), as we had acquired the 14.3% interest of a co-production party and paid RMB8.0 million (approximately S\$1.6 million) (which was determined based on the initial co-production investment amount which had been payable by such co-production party in proportion to its 14.3% interest), after deducting outstanding co-production investment amount of RMB2.0 million (approximately S\$409,000) owed by such co-production party to our Group. The other co-production parties, including Perfect World, had already made full payment of their respective co-production investment amounts to our Group.

- (2) A one-off fee-sharing arrangement percentage in the proportion of 98.1% paid to Mr. Yang Zhigang and 1.9% paid to Huahuo Entertainment (as compared with the typical fee-sharing arrangement between him and our Group of 95.0% and 5.0% respectively) in respect of the provision of acting services by Mr. Yang Zhigang for “I Come From Beijing – Happy New Year 我来自北京之过年好” was agreed between Mr. Yang Zhigang and Huahuo Entertainment such that out of the aggregate fees of RMB400,000 (approximately S\$82,000) payable by Beijing Changxin, approximately 98.1% of such fees, being RMB392,500 (approximately S\$80,000), were paid to Mr. Yang Zhigang and approximately 1.9% of such fees, being RMB7,500 (approximately S\$1,500), were paid to Huahuo Entertainment. Such fee-sharing arrangement percentage is a one-off event and is not expected to recur.
- (3) As “I Come From Beijing – The Rise of the Pear Village 我来自北京之按下葫芦起来梨” was produced by our Group, the aggregate amount of RMB15,000 (approximately S\$3,100) was paid by Beijing Changxin to Huahuo Entertainment (being Mr. Yang Zhigang’s talent management agency) in respect of the provision of acting services by Mr. Yang Zhigang as an intra-group transaction.

As the fees received by our Group in respect of the provision of talent management services to Mr. Yang Zhigang are determined with reference to the terms of the talent management agreement for one other artiste of similar popularity and experience managed by our Group, the transactions were carried out on an arm’s length basis and on normal commercial terms, and were not prejudicial to the interests of our Group or our minority Shareholders.

We intend to continue to enter into similar transactions with Ms. Yue Lina and Mr. Yang Zhigang under the IPT General Mandate following the admission of our Company to the Official List of the SGX-ST. To ensure that all future provision of talent management services by our Group to our interested persons are on an arm’s length basis and will not be prejudicial to the interests of our Group and our minority Shareholders, such transactions will be subject to the review procedures under the IPT General Mandate as set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions” of this Prospectus.

Grant of Rights for Concert Production by Interested Persons

Mr. Yang Jun Rong, our Non-Executive Director and Substantial Shareholder, is also the manager to Jay Chou (周杰伦), who is a Taiwanese musician and singer-songwriter. Following the diversification of the entertainment business of our Group to include concert production, Mr. Yang Jun Rong was supportive of this business strategy and had procured that our Group be granted the rights to undertake the production of concerts for Jay Chou in Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau), such that our Group would undertake the Concert Organisation and/or Concert Management of concerts for Jay Chou in such countries. Such rights for concert production have already granted to our Group pursuant to each of the Master Sure Legend Agreement (as described below) and the JVR Music Concert Agreement (as described below). Accordingly, there are no other terms and conditions to be satisfied for the grant of such rights for concert production to our Group by Sure Legend and JVR Music.

Concert Production in Singapore, Malaysia, Australia, Japan and Thailand

On 30 November 2018, our Group entered into a master agreement with Sure Legend for the grant of rights by Sure Legend to our Group to undertake the production of concerts and thereby, the

appointment of our Group as the organiser of the worldwide concert tour of Jay Chou under the theme of “Jay Chou’s 20-Years Concert” in Singapore, Malaysia, Australia, Japan and Thailand on a non-exclusive basis (“**Master Sure Legend Concert Agreement**”).

The Master Sure Legend Concert Agreement is in effect from 30 November 2018 and is valid for the duration of the specified theme, which, in line with industry practice, would be for period of approximately three years from the first concert held under the said theme. In addition, our Group is granted the right, under the Master Sure Legend Concert Agreement, to renew the Master Sure Legend Concert Agreement twice, after the completion of concerts for each theme. Sure Legend is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director, and accordingly, Sure Legend is an associate of Mr. Yang Jun Rong and an interested person.

Pursuant to the terms of the Master Sure Legend Concert Agreement, we are responsible for the planning and coordination of the concerts and where the concerts are held in different locations, our Group shall calculate and pay the fee to Sure Legend based on the agreed rates as set out in the agreements to be entered into for the respective concerts. The salient terms of the Master Sure Legend Concert Agreement are as follows:

- (a) the artiste’s fees, band and dancers’ fees shall be paid by Sure Legend separately, and shall not concern us;
- (b) we shall be responsible for, and shall bear the full costs for transportation and accommodation, visas and approvals, customs declaration and entry/exit, transportation and handling fees, insurance, venue rental, stage production, ticketing, publicity, security and work passes;
- (c) Sure Legend shall be responsible for the entire production of the concert, including stage, lighting, sound, stage design and concert programme, which will be executed by us according to the production and engineering requirements of Sure Legend, and the stage design of the concert shall be decided by both parties and shall not be changed by either party at its own discretion;
- (d) after the parties have confirmed the official performance date of the concert, Sure Legend warrants that the artiste will not perform any commercial individual concert of the same nature for more than 30 minutes in the region within six months before the official performance date, except for promotional performances for movies, plays and music albums and product promotional performances for endorsed product manufacturers;
- (e) if a confirmed concert cannot be held as scheduled due to factors beyond human control, including but not limited to, the artiste’s inability to attend due to sudden illness or event, natural disaster, severe weather abnormality, war, riot, epidemic disease or outbreak of epidemic, the parties agree to hold another concert according to the artiste’s schedule without compensation to each other, provided that such concert shall be held no later than six months after the scheduled performance date;
- (f) if we default on the agreement and fail to rectify the default upon the request of Sure Legend, Sure Legend has the right to cancel the agreement and demand that we pay 10.0% of the net fees for the concert as damages, unless otherwise stipulated in the agreement;
- (g) if we fail to make payment of the fee to Sure Legend on time for any concert, the performance date of which has been confirmed in writing by both parties, all outstanding amounts will be deemed to fall due and payable by us immediately and if payment is not made by the deadline set by Sure Legend, Sure Legend shall, in addition to the right to cancel the concert and forfeit the amounts received, have the right to terminate the Master Sure Legend Concert Agreement; and

- (h) if we fail to arrange the concert(s) on the agreed date(s), Sure Legend shall have the right to terminate the Master Sure Legend Concert Agreement and we shall still be required to pay all of the stipulated fee, and Sure Legend shall have the right to recover any losses incurred by it unless our failure to arrange the concert(s) is due to reasons beyond our control, such as natural disasters and epidemics.

Pursuant to the Master Sure Legend Concert Agreement, it is stipulated that the specific venues and performance dates of the concerts are to be confirmed by mutual agreement. Accordingly, where concert(s) are intended to be held in any of the jurisdictions under the Master Sure Legend Concert Agreement, a separate agreement, such as the Singapore Concert Agreement, the Malaysia Concert Agreement and the Australia Concert Agreement, will be entered into between the parties to set out, among others, the specific venue(s) and performance date(s) of such intended concert(s).

Under the terms of the Master Sure Legend Concert Agreement, we will undertake the production of the concerts, and will receive all the benefits derived from such concerts, including proceeds from the ticket sales and sponsorship income concerts. In consideration of the grant of such rights by Sure Legend to our Group to undertake the production of the concerts, we will pay the fee to Sure Legend based on the agreed rates as set out in the agreements to be entered into for the concert. The fee payable by our Group to Sure Legend for such concerts includes the concert artiste fee, as Sure Legend is required under the terms of the Master Sure Legend Concert Agreement and the respective separate agreements, such as the Singapore Concert Agreement, the Malaysia Concert Agreement and the Australia Concert Agreement, to pay the concert artiste fee to the artiste himself directly, given that Sure Legend is the concert artiste's management company while our Group is not and has no direct contractual arrangement with the concert artiste for the payment of such fees directly.

The grant of the rights by Sure Legend to our Group to undertake the production of concerts for Jay Chou under the terms of the Master Sure Legend Concert Agreement was commercially negotiated between the parties on an arm's length basis and were on normal commercial terms with reference to our Group's usual business practices and industry norms, taking into consideration corroborative inputs from our Group's concert production team in relation to, among others, the concert artiste fee (having regard to the popularity of the artiste, among others), fees for stage design and choreography, publicity fees and other administrative expenses as compared to past concert productions undertaken by our Group for the artiste, other factors such as the number of concerts to be held, the country to be held in, as well as the estimated profit margin from projected ticket sales to be earned by our Group as compared to the realised profit margin of past concert productions undertaken by our Group, and after having conducted our internal budgeting and analysis of estimated profit/loss based on the foregoing factors. Accordingly, the Master Sure Legend Concert Agreement and the grant of the rights by Sure Legend to our Group to undertake the production of the concerts were not prejudicial to the interests of our Group or our minority Shareholders.

Concert Organisation of Upcoming Concerts in Malaysia and Australia

Pursuant to the Master Sure Legend Concert Agreement, during the Period Under Review, our Group entered into the following separate concert agreements with Sure Legend for the appointment of our Group by Sure Legend to undertake the production of the following concerts for Jay Chou on the respective dates and in the specified venues as follows:

- (a) a concert agreement entered into between our Group and Sure Legend on 20 September 2019 for our Group to undertake the production of the concert for Jay Chou at the National Stadium, Bukit Jalil in Malaysia ("**Malaysia Concert**"), in consideration of payment of a fee of US\$600,000 (approximately S\$806,000) to Sure Legend ("**Malaysia Concert Agreement**"); and

- (b) a concert agreement entered into between our Group and Sure Legend on 2 January 2020 for our Group to undertake the production of the concert for Jay Chou at the GIANTS Stadium, Sydney Olympic Park in Australia (“**Australia Concert**”), in consideration of payment of a fee of US\$600,000 (approximately S\$806,000) to Sure Legend (“**Australia Concert Agreement**”).

We will undertake Concert Organisation for both the Malaysia Concert and the Australia Concert. The Malaysia Concert and the Australia Concert were originally intended to be held on 22 August 2020 and 24 October 2020, respectively, but have been postponed due to the COVID-19 outbreak and upon mutual agreement with Sure Legend under the terms of Malaysia Concert Agreement and the Australia Concert Agreement, respectively, with no additional fees payable by our Group in respect of such postponement. In the event of a prolonged COVID-19 outbreak or a re-occurrence of COVID-19 in Malaysia and/or Australia, there would not be any additional fees payable by our Group in respect of such further postponements of the Malaysia Concert and/or the Australia Concert. However, if our Group decides to cancel the Malaysia Concert and/or the Australia Concert, in such event, Sure Legend is entitled to retain the deposit payment, while the remaining fees paid by our Group to Sure Legend under the terms of the respective agreements will be returned to us, after deducting any expenses incurred by Sure Legend.

Under the terms of the respective concert agreements, our Group was appointed as the organiser of the Malaysia Concert and the Australia Concert and we are responsible for, among others, the planning and coordination of the concerts, including execution of the stage, lighting, sound, stage design and concert programme, as well as transportation and accommodation, venue rental, stage production, ticketing, publicity and security.

Accordingly, under the terms of the Malaysia Concert Agreement and the Australia Concert Agreement, we will undertake the production of the Malaysia Concert and the Australia Concert, respectively, and will thus receive all the benefits derived from the concerts, including proceeds from the ticket sales and sponsorship income from the respective concerts. In consideration for the appointment by Sure Legend of our Group to undertake the production of the Malaysia Concert and the Australia Concert, the fee is payable by our Group to Sure Legend, comprising the concert artiste fee, fees for stage design and choreography, publicity fees and other administrative expenses.

The aggregate amounts paid by our Group to Sure Legend for appointment of our Group to undertake the production of the Malaysia Concert and the Australia Concert for the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate Amounts paid to Sure Legend for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Appointment of our Group to undertake production of the Malaysia Concert	–	457	349	–
Appointment of our Group to undertake production of the Australia Concert	–	–	403	–

The above amounts comprise the fees paid by our Group to Sure Legend for the deposit payment, interim payment and final payment under the Malaysia Concert Agreement, and the deposit payment under the Australia Concert Agreement, given that such payments were due on the stipulated dates under the terms of the respective agreements, notwithstanding that the Malaysia Concert and the Australia Concert had subsequently been postponed due to the COVID-19 outbreak. Accordingly, payment of the fee of US\$600,000 (approximately S\$806,000) under the

Malaysia Concert Agreement has been made in full to Sure Legend, whereas payment of the deposit of US\$300,000 (approximately S\$403,000), being 50.0% of the fee of US\$600,000 (approximately S\$806,000) under the Australia Concert Agreement has been made to Sure Legend. As such amounts have been duly paid to Sure Legend by our Group under the terms of the respective agreements, we will not be liable for payment of these fees again when the Malaysia Concert and the Australia Concert are re-scheduled. The final payment of US\$300,000 (approximately S\$403,000), being the remaining 50.0% of the fee under the Australia Concert Agreement, under the Australia Concert Agreement to Sure Legend will be arranged closer to the date of the re-scheduled Australia Concert.

Given that each of the Malaysia Concert Agreement and the Australia Concert Agreement were separate contracts under the Master Sure Legend Agreement and were therefore based off and bear substantially the same terms as the Master Sure Legend Concert Agreement, each of the agreements were accordingly commercially negotiated between the parties on an arm's length basis and were on normal commercial terms with reference to our Group's usual business practices and industry norms, taking into consideration corroborative inputs from our Group's concert production team in relation to, among others, the concert artiste fee (having regard to the popularity of the artiste, amongst others), fees for stage design and choreography, publicity fees and other administrative expenses compared to past concert productions undertaken by our Group for the artiste, other factors such as the number of concerts to be held, the country to be held in, as well as the estimated profit margin from projected ticket sales to be earned by our Group as compared to the realised profit margin of past concert productions undertaken by our Group, and after having conducted our internal budgeting and analysis of estimated profit/loss based on the foregoing factors. Accordingly, the Malaysia Concert Agreement and the Australia Concert Agreement and the grant of the rights by Sure Legend to our Group to undertake the production of the Malaysia Concert and Australia Concert were not prejudicial to the interests of our Group or our minority Shareholders.

We intend to continue to enter into similar transactions with Sure Legend under the IPT General Mandate following the admission of our Company to the Official List of the SGX-ST. To ensure that all future grants of the rights by Sure Legend to our Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management), and whether or not pursuant to the Master Sure Legend Concert Agreement, are on an arm's length basis and will not be prejudicial to the interests of our Group and our minority Shareholders, such transactions will be subject to the review procedures under the IPT General Mandate as set out in the section entitled "Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions" of this Prospectus.

Concert Management of Concerts in the PRC

On 5 September 2019, our Group entered into a concert agreement with JVR Music, a talent management agency of Jay Chou, in respect of the appointment of our Group as the authorised agent pursuant to the grant of the rights to undertake the production of concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) on an ongoing basis (the "**JVR Music Concert Agreement**") and on a non-exclusive basis. The JVR Music Concert Agreement took effect from 1 October 2019 and remains in effect until terminated by either party. JVR Music is 45.0% owned by Mr. Yang Jun Rong, our Non-Executive Director, and accordingly, JVR Music is an associate of Mr. Yang Jun Rong and an interested person.

Pursuant to the terms of the JVR Music Concert Agreement, JVR Music has agreed to authorise our Group to enter into contracts on behalf of JVR Music in respect of the concerts to be held by Jay Chou in the PRC (excluding Hong Kong and Macau), provided that the contents of such contracts is submitted to JVR Music for review and written consent of JVR Music has been provided.

The salient terms of the JVR Music Concert Agreement are as follows:

- (i) a fee of RMB2,180,000 (approximately S\$446,000) (after tax) is payable by our Group to JVR Music for the arrangement for the artiste to perform under the JVR Music Concert Agreement, which includes but is not limited to the fee payable by JVR Music to the artiste for each performance, which shall be remitted to JVR Music's designated account within 30 days of settlement of the proceeds from each concert;
- (ii) JVR Music shall guarantee that the artiste will arrive at the performance venue on the arrival date agreed between both parties for each performance;
- (iii) we shall arrange and pay for the accommodation expenses, venue rental, stage design, lighting, equipment and security maintenance for each concert, handle all approval procedures required for the performance, and shall arrange and pay for the round-trip airfares, visa fees, transportation fee to and from each airport, insurance fee and airport tax incurred by JVR Music's personnel. Additional expenses incurred by JVR Music's personnel at the hotel shall be borne by JVR Music's personnel;
- (iv) all benefits, including publicity, sponsorship and ticket sales, derived from the individual concerts to which this agreement applies to shall belong to our Group;
- (v) if we breach the agreement and the performance cannot be completed, JVR Music reserves the right to use the fee for the concert as liquidated damages;
- (vi) if the performance cannot be completed due to JVR Music's breach of the agreement, JVR Music shall refund the fee in full and compensate us for the cost incurred, which shall be remitted to our designated account within 10 working days after the occurrence of the fact; and
- (vii) in the event of force majeure, including but not limited to, epidemic in the area where either party is located as reported in the news or a declaration of epidemic or war in the area where either party is located, illnesses of the artiste thus preventing him from performing, or natural disasters, floods, earthquakes or other calamities that affect the performance of the concert or that cannot be surmounted by any person in the circumstance, the parties shall negotiate with each other to set another date for the concert or cancel the concert, and both parties shall not hold each other responsible in such event. All transportation, accommodation and related performance conditions for JVR Music's personnel to travel to another performance, except for the fee, shall be paid by our Group pursuant to the relevant provisions of the agreement.

We have been involved in the concert production process of the PRC Concerts as described in the section entitled "History and Business – Our Business – Concert Production – Concert Management – Concert Management of Concerts for Jay Chou in the PRC" of this Prospectus, and will continue to undertake the Concert Management of concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) on an ongoing basis. During the Period Under Review, from the period of October 2019 to December 2019, we had agreed with JVR Music to undertake the production of a total of 16 PRC Concerts under the JVR Music Concert Agreement. In order to carry out the Concert Management of these 16 PRC Concerts, we had appointed Eastern Eagle (as our agent in respect of the PRC Concerts under the JVR Music Concert Agreement) to provide its services under the Eastern Eagle Concert Agreement, whilst we undertook ancillary work such as making transportation and accommodation arrangements and liaising with the various parties involved in the concert production process. See the section entitled "Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Appointment of an Interested Person as Agent for Concert Production" of this Prospectus for further details of the Eastern Eagle Concert Agreement.

Under the terms of the JVR Music Concert Agreement, we will undertake the production of the concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) and will thus receive all the benefits derived from concerts for Jay Chou in the PRC (excluding Hong Kong and Macau),

including proceeds from the ticket sales and sponsorship income from the concerts. In consideration for the grant of rights by JVR Music to our Group to undertake the production of the concerts, the fee of RMB2,180,000 (approximately S\$446,000) (after tax) is payable by our Group to JVR Music for each concert, which will be invoiced to us without any separate agreement to be entered into for any concert proposed to be held under the JVR Music Concert Agreement.

The aggregate amounts paid our Group to JVR Music for the grant of such rights to undertake the production of the PRC Concerts under the JVR Music Concert Agreement during the Period Under Review and up to the Latest Practicable Date are as follows:

Aggregate Amounts paid to JVR Music for	FP2018 (S\$'000)	FY2019 (S\$'000)	6M2020 (S\$'000)	1 July 2020 to the Latest Practicable Date (S\$'000)
Grant of the rights to undertake production of the PRC Concerts	–	–	7,138	–

The grant of the rights by JVR Music to our Group to undertake the production of the concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) and the undertaking of such Concert Management by our Group was commercially negotiated between the parties on an arm's length basis and were on normal commercial terms, with reference to our Group's usual business practices and industry norms and having taken into consideration corroborative inputs from our Group's concert production team in relation to, among others, the concert artiste fee, fees for stage design and choreography, publicity fees and other administrative expenses compared to past concert productions undertaken by our Group for the artiste. We also considered other factors such as the number of concerts to be held, the countries for the concerts to be held in, as well as the estimated profit margin from projected ticket sales to be earned by our Group as compared to the realised profit margin of past concert productions undertaken by our Group. Accordingly, the JVR Music Concert Agreement and the grant of the rights by JVR Music to our Group to undertake the production of the concerts for Jay Chou in the PRC (excluding Hong Kong and Macau) are not prejudicial to the interests of our Group or our minority Shareholders.

GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

We anticipate that we would, on and after the Listing Date, in the ordinary course of business, continue to enter into certain transactions with our interested persons, including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of such commercial transactions, it would be advantageous for us to obtain a general mandate from our Shareholders pursuant to Chapter 9 of the Listing Manual to enable any or all members of our Group, in the ordinary course of their business, to enter into the Mandated Transactions (as defined below) with the Mandated Interested Persons (as defined below) which are necessary for our day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders ("**IP General Mandate**").

Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders for recurrent transactions which are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

Pursuant to Rule 920(2) of the Listing Manual, our Company may treat a general mandate as having been obtained from our Shareholders for us to enter into interested person transactions with our interested persons, if the information required under Rule 920(1)(b) of the Listing Manual is included in this Prospectus. In relation to our Company, the information required under Rule 920(1)(b) is as follows:

- (a) the names of the interested persons with which the Entity at Risk (as defined below) will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the Entity at Risk;
- (d) the methods or procedures for determining transaction prices;
- (e) the independent financial adviser's opinion on whether the methods or procedures in (d) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and the interests of our minority Shareholders;
- (f) an opinion from our Audit and Risk Management Committee if it takes a different view to the independent financial adviser;
- (g) a statement from us that we will obtain a fresh mandate from our Shareholders if the methods or procedures in (d) above become inappropriate; and
- (h) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.

For the avoidance of doubt, the IPT General Mandate will cover any and all Mandated Transactions, including transactions which have a value below S\$100,000, notwithstanding that the threshold and aggregation requirements under Chapter 9 of the Listing Manual as at the date of this Prospectus do not apply to such transactions. While transactions below S\$100,000 are not normally aggregated under Rule 906(2), the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902. Transactions which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual and/or any applicable law. Transactions conducted under the IPT General Mandate are not separately subject to Rules 905 and 906 of the Listing Manual pertaining to threshold and aggregation requirements.

By subscribing for and/or purchasing the Offering Shares and the Cornerstone Shares, new Shareholders are deemed to have approved the IPT General Mandate. The IPT General Mandate will be effective until the earlier of the following: (a) the conclusion of our first annual general meeting following our admission to the Official List of the SGX-ST; or (b) the first anniversary of the date of our admission to the Official List of the SGX-ST. Thereafter, we will seek the approval of our Shareholders for a renewal of the IPT General Mandate at each subsequent annual general meeting or the date by which the next annual general meeting of our Company is required by law to be held, subject to satisfactory review by our Audit and Risk Management Committee of its continued application to the transactions with the Mandated Interested Persons (as defined below).

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, interested persons and their associates shall abstain from voting on resolutions approving interested person transactions involving themselves and our Group. Furthermore, such interested persons shall not act as

proxies in relation to such resolutions unless voting instructions have been given by the appointing Shareholder. As such, Mr. Guo Jingyu, our Executive Chairman and Group CEO and Controlling Shareholder, Ms. Yue Lina, our Executive Director, and Mr. Yang Jun Rong, our Non-Executive Director, and their respective associates, will abstain from voting on the resolutions approving the renewal of the IPT General Mandate.

Entities at Risk

For the purposes of the IPT General Mandate, an “**Entity at Risk**” means:

- (a) our Company;
- (b) a subsidiary of our Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) an associated company of our Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which our Group, or our Group and our interested person(s), has or have control,

(together, the “**EAR Group**”). For the avoidance of doubt, our PRC Affiliated Entities are considered as Entities at Risk and the EAR Group includes our PRC Affiliated Entities for the purposes of the IPT General Mandate.

Names of the Mandated Interested Persons

The IPT General Mandate will apply to the transactions that are carried out between any Entity at Risk and the following persons:

- (a) each of Ms. Yue Lina and Mr. Yang Zhigang, in respect of the provision of talent management services by our Group to each of Ms. Yue Lina and Mr. Yang Zhigang;
- (b) each of Ms. Yue Lina and Mr. Yang Zhigang, in respect of the provision of acting services by each of Ms. Yue Lina and Mr. Yang Zhigang to our Group; and
- (c) Sure Legend, in respect of the grant of rights by Sure Legend to our Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management),

(collectively, the “**Mandated Interested Persons**”, and each a “**Mandated Interested Person**”, all being “interested persons” as defined in the Listing Manual).

Transactions between the Mandated Interested Persons and our Group which do not fall within the ambit of the proposed IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual. In particular, if such transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is equal to or more than 5.0% of our Group’s latest audited NTA, future transactions of such a nature will be subject to our Shareholders’ approval before they can be entered into.

Categories of Mandated Interested Person Transactions

We envisage that in the ordinary course of our business, the following transactions between our Group and the relevant Mandated Interested Persons are likely to occur from time to time;

- (a) provision of talent management services by our Group to Ms. Yue Lina and Mr. Yang Zhigang;
- (b) provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to our Group; and
- (c) grant of rights by Sure Legend to our Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management),

(collectively, the “**Mandated Transactions**”).

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT General Mandate.

Transactions with other interested persons will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or applicable provisions of the Listing Manual and/or any applicable law. Transactions conducted under the IPT General Mandate are not subject to Rules 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

Rationale for and Benefits of the IPT General Mandate

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders’ prior approval as and when potential Mandated Transactions with Mandated Interested Persons arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives of the EAR Group and adversely affecting the business opportunities available to the EAR Group.

The IPT General Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the Mandated Interested Persons, provided that they are carried out on an arm’s length basis and on normal commercial terms, and are not prejudicial to the interests of our Company and our minority Shareholders.

The EAR Group will benefit from having long-term relationships with artistes whose drama and film projects and concerts are likely to be commercially successful:

- (a) in respect of (i) the provision of talent management services by our Group to each of Ms. Yue Lina and Mr. Yang Zhigang; and (ii) the provision of acting services by each of Ms. Yue Lina and Mr. Yang Zhigang to our Group, the EAR Group will benefit from long-term working relationships with Ms. Yue Lina and Mr. Yang Zhigang, both of whom are established actors with years of experience in the drama and film industry in the PRC, having won awards and acted in several dramas and films; and
- (b) in respect of the grant of rights by Sure Legend to our Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management), the EAR Group will benefit from having a long-term working relationship with artistes managed by Sure Legend such as Jay Chou, a popular and well-known Taiwanese singer-songwriter, by undertaking the production of concerts for such artistes managed by Sure Legend in several countries.

In accordance with the requirements of Chapter 9 of the Listing Manual, we will (a) disclose in our the annual report of our Company the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate during the financial year, including the name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person (as well as in the

annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods that we are required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report.

Guidelines and Review Procedures for Mandated Transactions with Mandated Interested Persons

To ensure that Mandated Transactions with Mandated Interested Persons are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of our Group and the minority Shareholders of our Company, our Group will adopt the following procedures for the review and approval of Mandated Transactions under the IPT General Mandate:

(a) The following review procedures will be adopted in relation to:

(i) Provision of talent management services by our Group to Ms. Yue Lina and Mr. Yang Zhigang

(A) before submitting to our Audit and Risk Management Committee for review and approval, the fee-sharing arrangement and commercial terms offered to the Mandated Interested Person will be determined by using at least two recent contracts entered into by our Group with other unrelated artistes as a basis of comparison. In general, we will only enter into a talent management services contract with the Mandated Interested Persons if we are satisfied that the fee-sharing arrangement is in line with prevailing market rates and the commercial terms are no more favourable to the Mandated Interested Persons as compared to terms extended to unrelated third parties after taking into account factors including but not limited to, the popularity and experience of the artiste, the projects and events subjected to the talent management services contract (such as films, dramas, variety shows, stage shows, music recordings and concerts, media advertisements and sponsorships), the terms of the fee-sharing arrangement under the talent management services contract, the costs and expenses to be borne by our Group as the talent management agency, the number of projects and engagements expected to be undertaken by the artiste on an annual basis, the geographical coverage of the services, as well as any termination or early exit clauses; and

(B) where it is impracticable or not possible for such contracts to be used as a basis of comparison (for instance, if there are no unrelated third parties of similar popularity and experience, amongst others), the price and commercial terms offered to the Mandated Interested Persons will be determined in accordance with our Group's usual business practices or industry norms and be consistent with the margins obtained by our Group in its talent management services business, and our CFO or a senior executive designated by our Audit and Risk Management Committee (who must have no interest, direct or indirect, in the transaction other than through our Group) will determine whether the terms of the contract for the provision of talent management services to the Mandated Interested Person are fair and reasonable, before submitting to our Audit and Risk Management Committee for review and approval;

(ii) Provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to our Group

- (A) before submitting to our (i) CFO or an officer of equivalent rank, or (ii) Audit and Risk Management Committee, depending on the approval thresholds (as disclosed below), for review and approval, the commercial terms offered to the Mandated Interested Persons will be determined by using at least two recent contracts entered into by our Group with other unrelated artistes or between other production studios with unrelated artistes managed by us as a basis of comparison. In general, we will only enter into an acting services contract with the Mandated Interested Persons if we are satisfied that the fees are in line with prevailing market rates and the commercial terms are no more favourable to the Mandated Interested Persons as compared to terms extended to unrelated third parties after taking into account factors including but not limited to, the popularity and experience of the artiste, the role in question for the artiste for the drama or film project (such as whether it is a leading or supporting role), the genre of the drama or film project and the expected production schedule, the production budget of the drama or film project and the costs and expenses to be borne by our Group during the production (such as expenses for travel, accommodation and meals); and
- (B) where it is impracticable or not possible for such contracts to be used as a basis of comparison (for instance, if there are no unrelated third parties of similar popularity and experience, amongst others), the price and commercial terms offered to the Mandated Interested Persons will be determined in accordance with our Group's usual business practices or industry norms, and our Chief Financial Officer or a senior executive designated by our Audit and Risk Management Committee (who must have no interest, direct or indirect in the transaction other than through our Group) will take such necessary steps which includes but is not limited to (1) relying on corroborative inputs from our Group's production team and, if applicable, our Group's working partners for the drama or film project in order to determine that the terms provided to the Mandated Interested Persons are fair and reasonable; and (2) evaluating and weighing benefits of and rationale for transacting with the Mandated Interested Persons to ensure that the terms of the transactions are in accordance with industry norms and/or are not prejudicial to the interests of our Group and our minority Shareholders, before submitting to our (i) CFO or an officer of equivalent rank, or (ii) Audit and Risk Management Committee, depending on the approval thresholds (as disclosed below), for review and approval; and

(iii) Grant of rights by Sure Legend to our Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management)

Most of our revenue from our concert production business is from the grant of rights by Sure Legend to our Group to undertake the production of concerts for Jay Chou. During the Period Under Review, the concert productions we have undertaken or will undertake for artistes managed by unrelated third parties (such as Li Ronghao) were of a much smaller scale. Taking into account the genre and language of the songs, there are few artistes who have similar popularity and/or experience as compared to Jay Chou. As a result, comparison prices are usually not available. Before submitting to our Audit and Risk Management Committee for review and approval, the price and commercial terms offered by the Mandated Interested Person will be assessed by our CFO or an Executive Director (who must have no interest, direct or indirect in the transaction other than through our Group), who shall rely on corroborative inputs from our concert production team to determine that:

- (A) the concert artiste fee, fees for stage design and choreography, publicity fees and other administrative expenses are comparable to past concert productions undertaken by our Group for the artiste, taking into account factors including but not limited to the number of concert(s) to be held, the country(ies) where the concert(s) is/are to be held and frequency of past concerts held by the artiste in such country(ies), the capacity of the concert venue, the complexity of the concert stage design, technical effects, lighting and sound effects and choreography, the complexity of the costumes and make-up services, the number and type of concert equipment required, the promotional advertising activities to be undertaken, and any sponsorship and/or endorsements for the concerts; and
- (B) the estimated profit margin from projected ticket sales to be earned by our Group is comparable to (i) the realised profit margin of past concerts organised by our Group for the same artistes managed by Sure Legend; and (ii) the realised profit margin of past concert productions undertaken by our Group for artistes managed by unrelated third parties, taking into account factors including but not limited to the popularity and experience of the artiste, the number of concert(s) to be held, the country(ies) where the concert(s) is/are to be held and frequency of past concerts held by the artiste in such country(ies), the capacity of the concert venue, the complexity of the concert stage design, technical effects, lighting and sound effects and choreography, the complexity of the costumes and make-up services, the number and type of concert equipment required, the promotional advertising activities to be undertaken, and any sponsorship and/or endorsements for the concerts and our Group's usual business practices or industry norms.

For the avoidance of doubt, should the prices and commercial terms for the grant of rights by Sure Legend to our Group to undertake the production of concerts pursuant to the Master Sure Legend Concert Agreement cease to be on an arm's length basis or on normal commercial terms, we will: (1) negotiate and enter into new separate agreements with Sure Legend on separate pricing and commercial terms; or (2) cease to undertake the production of such new concerts that are determined by us not to be on an arm's length basis or on normal commercial terms.

- (b) The following approval thresholds shall apply to the Mandated Transactions:

Category of Mandated Transaction	Designated Approval Authority
(i) Provision of talent management services by our Group to Ms. Yue Lina and Mr. Yang Zhigang	All transactions will be subject to the review and prior approval by our Audit and Risk Management Committee. Our Audit and Risk Management Committee may, at its discretion, obtain independent advice. In the event that a member of our Audit and Risk Management Committee has an interest in a transaction, or is a nominee for the time being of the Mandated Interested Person, or if he also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of our Audit and Risk Management Committee in relation to a transaction with that Mandated Interested Person, or if any associate (as defined in the Listing Manual) of a member of our Audit and Risk Management Committee is involved in the decision-making process on the part of the Mandated Interested Person, he shall abstain from participating in the review and approval process of our Audit and Risk Management Committee in relation to that transaction.
(ii) Provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to our Group	<p>(A) Transactions below 3.0% of the value of our Group's latest audited NTA will be subject to the review and prior approval by our CFO or an officer of equivalent rank, who does not have an interest in the transaction, and tabled for review by our Audit and Risk Management Committee on a quarterly basis; and</p> <p>(B) Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% of the value of our Group's latest audited NTA will be subject to the review and prior approval by our Audit and Risk Management Committee. Our Audit and Risk Management Committee may, at its discretion, obtain independent advice. In the event that a member of our Audit and Risk Management Committee has an interest in a transaction, or is a nominee for the time being of the Mandated Interested Person, or if he also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of our Audit and Risk Management Committee in relation to a transaction with that Mandated Interested Person, or if any associate (as defined in the Listing Manual) of a member of our Audit and Risk Management Committee is involved in the decision making process on the part of the Mandated Interested Person, he shall abstain from participating in the review and approval process of our Audit and Risk Management Committee in relation to that transaction.</p>

Category of Mandated Transaction	Designated Approval Authority
(iii) Grant of rights by Sure Legend to our Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management)	All transactions will be subject to the review and prior approval by our Audit and Risk Management Committee. Our Audit and Risk Management Committee may, at its discretion, obtain independent advice. In the event that a member of our Audit and Risk Management Committee has an interest in a transaction, or is a nominee for the time being of the Mandated Interested Person, or if he also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of our Audit and Risk Management Committee in relation to a transaction with that Mandated Interested Person, or if any associate (as defined in the Listing Manual) of a member of our Audit and Risk Management Committee is involved in the decision-making process on the part of the Mandated Interested Person, he shall abstain from participating in the review and approval process of our Audit and Risk Management Committee in relation to that transaction.

Any transaction to be entered into under the IPT General Mandate shall only be approved by the above approving authority if the transactions are carried out on an arm's length basis and on normal commercial terms, in accordance with the guidelines and review procedures outlined in paragraphs (a) and (b) of this section, and the basis on which the transactions are entered into are properly documented in the IPT Register (as defined below), accompanied with supporting documents.

For the purposes of sub-paragraphs (b)(i), (b)(ii) and (b)(iii) above,

- (A) in respect of the provision of talent management services by our Group to Ms. Yue Lina and Mr. Yang Zhigang, as the fees payable to our Group will be calculated based on the fee-sharing arrangement under the talent management services contract on a project basis, for such Mandated Interested Person's participation and engagement in the projects and events procured by our Group as the talent management agency, the value of such transaction cannot be determined at the point of entering into the talent management services contract;
- (B) in respect of the provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to our Group, the value of a transaction shall be the full contract value at the time of entry into the transaction, being the fees payable by our Group to the Mandated Interested Persons in respect of the acting services provided to our Group; and
- (C) in respect of the grant of rights by Sure Legend to our Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management), as the fees payable to the Mandated Interested Person in respect of the concert production to be undertaken by our Group will be calculated based on the performance fee and any other fees (such as fees from the sale of concert merchandise) payable by our Group to the Mandated Interested Person, the value of such transaction cannot be determined at the point of entering into the grant of rights to undertake the production of the concert.

Additional Guidelines and Review Procedures

In addition to the guidelines and review procedures set out above, we will implement the following additional guidelines and review procedures to ensure that the Mandated Transactions carried out under the IPT General Mandate are undertaken on an arm's length basis and on normal commercial terms:

- (a) a register will be maintained to record the list of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a quarterly basis by our Chief Financial Officer and subject to such verifications or declarations as required by our Audit and Risk Management Committee for such period as determined by them. This list of interested persons shall be disseminated to any staff of our Group that our Group's finance team considers relevant for the purposes of entering into transactions that fall under the IPT General Mandate;
- (b) a register will be maintained to record all interested person transactions (including the Mandated Transactions) carried out with interested persons (including the Mandated Interested Persons) (including the bases on which the interested person transactions are entered into, amount and nature) (the "**IPT Register**") by our Group's finance team, which shall be reviewed by our CFO on a monthly basis;

- (c) our Audit and Risk Management Committee shall review all Mandated Transactions (except where Mandated Transactions are required under the review procedures to be approved by our Audit and Risk Management Committee prior to the entry thereof) at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by our Audit and Risk Management Committee. Our Audit and Risk Management Committee shall, when it deems fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require the appointment of internal auditors to provide additional review of the internal control procedures and review procedures and their implementation pertaining to interested person transactions (including the Mandated Transactions) under review;
- (d) our internal auditors shall, on an annual basis, review the IPT Register to ascertain that the guidelines and procedures established for the Mandated Transactions have been adhered to. Any discrepancies or significant variances from our Group's usual business practices and pricing policies will be highlighted to our Audit and Risk Management Committee;
- (e) our Audit and Risk Management Committee will also review, from time to time, such guidelines and procedures for the Mandated Transactions to determine if they are adequate and/or commercially practicable in ensuring that transactions between us and our interested persons are conducted on an arm's length basis and on normal commercial terms. If, during any of such reviews, our Audit and Risk Management Committee is of the view that the internal control procedures and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of our Group or the Mandated Interested Persons are conducted, it will, in consultation with our Board, take such actions as it deems proper in respect of such procedures and guidelines and/or modify or implement such procedures and guidelines as may be necessary to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders, and we will revert to Shareholders for a fresh general mandate based on new internal control procedures and review procedures so that Mandated Transactions will be carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders. In the interim, our Audit and Risk Management Committee will review every Mandated Transaction pending the grant of the fresh mandate, which will be in accordance with the requirements of the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual (as from time to time amended); and
- (f) our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. We will also endeavour to comply with the recommendations set out in the Code.

Review of Non-Mandated Interested Person Transactions and Review by our Audit and Risk Management Committee

All other existing and future interested person transactions not subject to the IPT General Mandate will be reviewed and approved in accordance with the threshold limits set out under Chapter 9 of the Listing Manual, to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of our Group and our minority Shareholders. In the event that such interested person transactions require the approval of our Board and our Audit and Risk Management Committee, the relevant information will be submitted to the Board and our Audit and Risk Management Committee for review. In the event that such interested person transactions require the approval of our Shareholders, additional information may be required to be presented to our Shareholders and an independent financial adviser may be appointed for an opinion.

In particular, upon the Listing, the transactions under the Contractual Arrangements constitute interested person transactions of our Company under Chapter 9 of the Listing Manual. Our Audit and Risk Management Committee will carry out periodic review of the terms of the Contractual Arrangements on an annual basis and will monitor the procedures established to regulate such interested person transactions, to ensure that the Contractual Arrangements are not prejudicial to the interests of our Group and our minority Shareholders, and to ensure that proper measures to mitigate conflicts of interest have been put in place. In the event that our Audit and Risk Management Committee is of the view that the Contractual Arrangements are prejudicial to the interests of our Group and our minority Shareholders and/or if there are any material changes to the terms of the Contractual Arrangements as described in the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” of this Prospectus, an independent financial adviser will be appointed to review the terms of the Contractual Arrangements and to provide an opinion on whether the Contractual Arrangements are carried out on normal commercial terms and will not be prejudicial to the interests of our Group and our minority Shareholders. Any material changes to the terms of the Contractual Arrangements will also be subject to review and approval by our Audit and Risk Management Committee and the requirements under Chapter 9 of the Listing Manual.

In addition, where our Group intends to enter into new contractual arrangements with terms similar to the Contractual Arrangements and/or acquire the equity interest and/or assets of our PRC Affiliated Entities to the extent permissible under the applicable PRC laws and regulations, such transactions will be subject to review and approval by our Audit and Risk Management Committee and the requirements under Chapter 9 of the Listing Manual. This is to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Group and our minority Shareholders.

In the review of all future interested person transactions the following procedures will be applied:

- (a) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of our Group’s latest audited NTA will be subject to review by our Audit and Risk Management Committee at regular intervals;
- (b) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of our Group’s latest audited NTA will be subject to the review and prior approval of our Audit and Risk Management Committee. Such approval shall only be given if the transactions are on arm’s length commercial terms and are consistent with similar types of transactions made with non-interested parties; and
- (c) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of our Group’s latest audited NTA will be reviewed and approved by our Audit and Risk Management Committee, prior to such transactions being entered into, which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

A register will be maintained to record all interested person transactions (including the bases on which they are entered into, amount and nature). Our Audit and Risk Management Committee will review all interested person transactions at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by our Audit and Risk Management Committee. Our Audit and Risk Management

Committee may request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers as it deems fit.

In addition, our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. We will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

The annual internal audit plan will incorporate a review of all interested person transactions entered into. Our Audit and Risk Management Committee will review internal audit reports to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with. In addition, our Audit and Risk Management Committee will also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between us and our interested persons are conducted on arm's length commercial terms. In the event that a member of our Audit and Risk Management Committee is interested in any interested person transaction, he will abstain from reviewing that particular transaction.

We will also disclose the aggregate value of interested person transactions conducted during the current financial year in our annual report, including the name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person.

Opinion of the Independent Financial Adviser

SAC Capital has been appointed as the Independent Financial Adviser pursuant to Rule 920(1)(b)(v) of the Listing Manual, to opine on whether the guidelines and review procedures, as set out above, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

Having considered, among others, the rationale for and benefits of the IPT General Mandate, the guidelines and review procedures for determining transaction prices of the Mandated Transactions and the role of our Audit and Risk Management Committee in enforcing the IPT General Mandate, and subject to the qualifications and assumptions made in the letter from SAC Capital as set out in the section entitled "Appendix F – Opinion of the Independent Financial Adviser" to this Prospectus, the Independent Financial Adviser is of the opinion that the guidelines and review procedures for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders. See the section entitled "Appendix F – Opinion of the Independent Financial Adviser" to this Prospectus for more details.

Opinion of our Audit and Risk Management Committee

Having considered, among others, the rationale for and benefits of the IPT General Mandate, the guidelines and review procedures for determining transaction prices of the Mandated Transactions, together with the opinion of the Independent Financial Adviser, our Audit and Risk Management Committee is of the opinion that the guidelines and review procedures for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

POTENTIAL CONFLICTS OF INTEREST

Our Directors and Controlling Shareholders and their respective Associates in the future may hold as financial investments, whether directly or by way of deemed interest, not more than a 5.0% interest in quoted or listed securities of companies that are in similar business as our Group, provided there is no board representation or involvement by such persons in the day-to-day management or operations in such entities.

Save as set out above in this section entitled “Interested Person Transactions and Potential Conflicts of Interest” of this Prospectus, none of our Directors or our Controlling Shareholders or any of their Associates have any interest, direct or indirect:

- (i) in any material transactions to which our Group was or is a party;
- (ii) in any entity carrying on the same business or dealing in similar products which competes materially and directly with the existing business of our Group, save for their interests in quoted or listed securities which do not exceed 5.0% of the total amount of issued securities in that class; and
- (iii) in any company that is our customer or supplier of goods or services, save for their interests in quoted or listed securities which do not exceed 5.0% of the total amount of issued securities in that class.

Interests of Ms. Yue Lina, our Executive Director

Ms. Yue Lina holds 5.2% of the shareholding interest in Beijing Wanmingyang Media Company Limited (北京万名扬传媒有限公司), a limited liability company incorporated in the PRC, which is primarily engaged in the business of the production of variety shows in the PRC.

While the registered business activities of Beijing Wanmingyang Media Company Limited include, among others, TV program and film production, we believe there does not exist any conflicts of interest arising from the foregoing as Beijing Wanmingyang Media Company Limited is only engaged in the production of variety shows in the PRC, which our Group was and is not involved in in any aspect. In addition, pursuant to the non-compete provision in the service agreement of Ms. Yue Lina with our Company, Ms. Yue Lina has agreed that she shall not (except as a representative of our Company or with the consent in writing of our Board) during the continuance of her employment be directly or indirectly engaged or concerned in the conduct of any other business which may from time to time be in direct or indirect competition with our Group.

Interests of Mr. Yang Jun Rong, our Non-Executive Director

Mr. Yang Jun Rong, our Non-Executive Director, has a 45.0% shareholding interest in each of JVR Music, Sure Legend and Eastern Eagle (collectively, the “**YJR Group**”), and is a director and the chief executive officer of each of such entities in the YJR Group. The YJR Group was established by, among others, Mr. Yang Jun Rong and Mdm. Yeh Hui Mei, both of whom are our Substantial Shareholders, and is involved in the following businesses:

- JVR Music is primarily engaged in the business of music record and talent management of mainstream singers in Taiwan, where it would be involved in the production, marketing and distribution of music recordings and music videos for the mainstream singers it manages;
- Sure Legend is primarily engaged in the business of talent management of mainstream singers in Taiwan; and

- Eastern Eagle is primarily engaged in the business of concert production in Taiwan, Hong Kong and Macau.

Following the admission of our Company to the Official List of the SGX-ST, Mr. Yang Jun Rong will continue to hold 45.0% shareholding interest in each of the entities in the YJR Group, and will continue to be appointed as director and chief executive officer of each of the entities in the YJR Group. See the section entitled “Management and Corporate Governance – Directors – Experience of our Board – Mr. Yang Jun Rong” of this Prospectus for further details.

We have in the past entered into transactions with the YJR Group, and intend to enter into similar transactions with certain entities of the YJR Group following the admission of our Company to the Official List of the SGX-ST. See the sections entitled “Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Appointment of an Interested Person as Agent for Concert Production”, “Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Grant of Rights for Concert Production by an Interested Person” and “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by an Interested Person” of this Prospectus for further information.

We believe that there does not exist any conflicts of interest arising from the foregoing for the following reasons:

- (a) in respect of JVR Music and Sure Legend (collectively, the “**YJR Licence Grant Group**”), there is no overlap in the core businesses of JVR Music and Sure Legend, with that of our Group, given that both JVR Music and Sure Legend are primarily engaged in the talent management of mainstream singers of which our Group does not conduct. Thus, where an artiste which the YJR Licence Grant Group manages is to hold a concert, JVR Music or Sure Legend (as the case may be) will grant the rights for the concert production to third parties but will not undertake the production of such concert itself. As such, without artiste management companies such as JVR Music and Sure Legend granting concert production rights to our Group, there will not be an opportunity for our Group to undertake the concert production for artistes not managed by our Group.

In contrast, our Group is not in the business of music record and/or talent management of mainstream singers and accordingly, our Group would need to obtain rights from such companies with talent management rights over mainstream singers in order to undertake the concert production either by way of Concert Organisation and/or Concert Management, as the case may be;

- (b) in respect of Eastern Eagle, there is no overlap in the geographic region of the businesses of Eastern Eagle and that of our Group, as Mr. Yang Jun Rong, as the director and chief executive officer of Eastern Eagle and in charge of its operations, has confirmed that Eastern Eagle only carries out the business of concert production in Taiwan, Hong Kong and Macau, being jurisdictions where our Group does not currently operate in and/or has not been granted the rights by the YJR Licence Grant Group to undertake the production of concerts, save for the concert production undertaken by Eastern Eagle in the PRC from October 2019 to December 2019 as our sub-agent, which had been undertaken by Eastern Eagle solely to allow our Group to gain experience in the concert production business in the PRC and as described in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Appointment of an Interested Person as Agent for Concert Production” of this Prospectus. Save for the foregoing concert production undertaken by Eastern Eagle in the PRC from October to December 2019, Eastern Eagle has not carried out and will not in the future, carry out concert production in the PRC;

- (c) as mentioned in sub-paragraph (a) above, we believe that one of the reasons that there exists no conflicts of interest between YJR Licence Grant Group and our Group is that the YJR Licence Grant Group does not conduct any concert production. In addition to, and due to the foregoing, the YJR Licence Grant Group had also granted our Group the rights to undertake the production of concerts for Jay Chou in respect of Singapore, Malaysia, Australia, Thailand, Japan and the PRC (excluding Hong Kong and Macau). Such rights have been granted by the YJR Licence Grant Group to our Group either on a long-term basis or without any expiry in time. See the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Grant of Rights for Concert Production by an Interested Person” of this Prospectus for further details;
- (d) there is no overlap in the talent management services business of the YJR Licence Grant Group and that of our Group, as the artiste pool managed by YJR Licence Grant Group is that of mainstream singers, while the artiste pool managed by our Group is that of actors;
- (e) in respect of matters in which the YJR Group has an interest, Mr. Yang Jun Rong will abstain from deliberating and participating in discussion of such matters and voting on the relevant decisions of our Board and, where such matters require the approval of our Shareholders, Mr. Yang Jun Rong and his Associates will abstain from voting on resolutions approving such matters;
- (f) any future transactions between our Group and the YJR Group will be:
 - (i) in respect of the grant of rights by the YJR Licence Grant Group to our Group to undertake the production of concerts (whether by way of Concert Organisation or Concert Management), conducted in accordance with, where applicable:
 - (A) the review procedures under the IPT General Mandate as set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions” of this Prospectus; or
 - (B) the review procedures for all other existing and future interested person transactions as set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Non-Mandated Interested Person Transactions and Review by our Audit and Risk Management Committee” of this Prospectus; and
 - (ii) subject to Chapter 9 of the Listing Manual, including Rules 905 and 906; and
- (g) our Audit and Risk Management Committee will review and assess, from time to time, the prevailing processes put in place to manage and mitigate any material conflicts of interest with the YJR Group and consider, where appropriate, the additional measures for the management and mitigation of such conflicts, as described in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Potential Conflicts of Interest – Mitigation” below.

Contractual Arrangements

Our Group has entered into the Contractual Arrangements with the Individual Shareholders in respect of our PRC Affiliated Entities, being Beijing Changxin, Beijing Yizhongdao, Tianjin Changxin and Tianjin Ruyang, each of which holds the requisite permits for TV program and film production and operation in the PRC (including distribution of TV programs and films produced overseas (海外引进)) in the PRC. The Contractual Arrangements confer operational control and economic rights over our PRC Affiliated Entities to our Group, which allow our Group to exercise

control over the business operations of each of our PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of our PRC Affiliated Entities. See the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities” of this Prospectus for a description of the Contractual Arrangements.

The Individual Shareholders, namely Mr. Guo Jingyu, our Executive Chairman and Group CEO, and Mr. Xue Xin, our Senior Director of TV Program and Film Production, directly or indirectly hold the entire shareholding interest of our PRC Affiliated Entities and are parties to the Contractual Arrangements to ensure that the shareholders’ rights in our PRC Affiliated Entities are actually controlled by our Group. See the section entitled “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities – Potential Conflicts of Interest” of this Prospectus for a description of the arrangements in place to address the potential conflicts of interest between our Company on the one hand, and the Individual Shareholders on the other hand, in respect of the Contractual Arrangements.

Interests of Mr. Xue Xin, our Executive Officer

Mr. Xue Xin, our Executive Officer, was a producer with China Film Group Corporation from March 2002 to July 2020, concurrently with his appointment as our Senior Director of TV Program and Film Production from April 2019.

We believe that there does not exist any conflicts of interest arising from the foregoing due to the following reasons:

- (a) Mr. Xue Xin, during his appointment as a producer with China Film Group Corporation, had undertaken assigned projects on an ad hoc basis, with the last assignment having taken place approximately 15 years ago. Accordingly, since his appointment as our Senior Director of TV Program and Film Production in April 2019, he had not undertaken any projects with China Film Group Corporation;
- (b) pursuant to the non-compete provision in the employment agreement of Mr. Xue Xin with our Group, Mr. Xue Xin has agreed that he shall not (except as a representative of our Company or with the consent in writing of our Board) during the continuance of his employment be directly or indirectly engaged or concerned in the conduct of any other business which may, from time to time, be in direct or indirect competition with our Group;
- (c) China Film Group Corporation has expressly agreed that Mr. Xue Xin may be engaged or concerned in the conduct of film, culture and entertainment business (including TV program and film production and distribution, concert production, talent management and costumes, props and make-up services businesses), whether by undertaking an employment or managerial position, establishing a company or investing in such businesses, to the extent permitted under the applicable PRC laws and regulations and the internal policies of China Film Group Corporation, provided that such business is not conducted under the name of “China Film Group Corporation (中国电影集团公司)” and “China Film Group Corporation Artistic Creator Centre (中国电影集团公司艺术创作人员中心)”. China Film Group Corporation has also confirmed that Mr. Xue Xin has not entered into any confidentiality agreements, non-competition agreements or agreements regarding the ownership of work products or intellectual property rights, and Mr. Xue Xin is not subject to any other similar restrictions or requirements by China Film Group Corporation; and
- (d) Mr. Xue Xin has confirmed that he is able to devote sufficient time and resources to the affairs of our Group.

Mitigation

In addition, we believe that any potential conflicts of interest, whether with the YJR Group, the Individual Shareholders or otherwise, are mitigated as follows:

- (a) our Directors and the Individual Shareholders (including Mr. Xue Xin) have a duty to disclose their interests in respect of any contract, proposal, transaction or any other matter whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interest, including conflicts of interest that may arise from their directorship(s), executive position(s) or personal investments in any other any entity(ies) carrying on the same business or dealing in similar products and/or services as our Group or any other corporation(s) that may involve them. Upon such disclosure, such Directors shall not participate in any proceedings of our Board and shall in any event abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until our Audit and Risk Management Committee has determined that no such conflict of interest exists. Hence, Mr. Yang Jun Rong will abstain from deliberating and participating in any proceedings involving, as well as abstain from voting on, any transactions with the YJR Group and Mr. Guo Jingyu will abstain from participating in any proceedings involving, as well as abstain from voting on, any transactions in respect of the Contractual Arrangements;
- (b) our Audit and Risk Management Committee is required to examine the internal procedures put in place by our Company to determine if such procedures put in place have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of our Group or the interested persons are conducted, or if they are sufficient to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to the interests of our Group and our minority Shareholders;
- (c) our Audit and Risk Management Committee will review all interested person transactions for potential conflicts of interest and any actual or potential conflicts of interest that may involve our Directors or the Individual Shareholders (including Mr. Xue Xin) as disclosed by them to our Board. Upon disclosure of an actual or potential conflicts of interest by a Director or and the Individual Shareholders (including Mr. Xue Xin), our Audit and Risk Management Committee will consider whether a conflict of interests does in fact exist. If a member of our Audit and Risk Management Committee has an interest in a transaction, such member will abstain from participating in the review and approval process of our Audit and Risk Management Committee in relation to that transaction. The review will include an examination of the nature of the conflict and such relevant supporting information, as our Audit and Risk Management Committee may deem reasonably necessary;
- (d) our Board comprises majority independent Directors and our Nominating Committee will review and recommend the re-appointment of Directors;
- (e) following the admission of our Company to the Official List of the SGX-ST, we will be subject to the requirements in Chapter 9 of the Listing Manual in relation to interested person transactions. The objective of these rules is to ensure that our interested person transactions do not prejudice the interests of our Group and our minority Shareholders. These rules require us to make prompt announcements, disclosures in our annual report and/or seek Shareholders' approval for certain material interested person transactions. Our Audit and Risk Management Committee may also appoint independent financial advisers to review such interested person transactions and opine on whether such transactions are conducted on normal commercial terms and will not be prejudicial to the interests of our Group and our minority Shareholders;

- (f) our Directors owe fiduciary duties to us, including the duty to act in good faith and in our best interests, and are also subject to a duty of confidentiality that precludes a Director from disclosing to any third party (including any of our Shareholders or their Associates) information that is confidential; and
- (g) our Audit and Risk Management Committee will, following the admission of our Company to the Official List of the SGX-ST, review and assess from time to time the prevailing processes put in place to manage any material conflicts of interest within our Group and propose, where appropriate, the additional measures for the management of such conflicts.

Interests of Experts

None of the experts named in this Prospectus:

- (a) is employed on a contingent basis by our Company or any of our subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries or our PRC Affiliated Entities; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Offering.

Interests of the Joint Underwriters and Bookrunners

The Joint Underwriters and Bookrunners and their respective affiliates engage in transactions with, and perform services for our Group in the ordinary course of business and have engaged, and may in the future engage, in commercial banking and investment banking transactions, private banking, securities trading, asset and funds management, research, insurance and/or advisory services, with our Group, for which they have received, and may in the future receive, customary fees or compensation. Save as disclosed herein, in the reasonable opinion of our Directors, the Joint Underwriters and Bookrunners do not have a material relationship with our Company.

In the ordinary course of their various business activities, the Joint Underwriters and Bookrunners and their respective affiliates (or any of them) may make, issue or hold a broad array of investments and enter into secondary market transactions or actively trade debt and equity securities (including but not limited to equity derivatives, warrants and other structured instruments) and financial instruments (including bank loans) for their own account and for the account of their customers, and after the Offering such investment and securities activities may involve securities (including but not limited to our Shares) and/or instruments of our Company. Such transactions would be carried out as bilateral trades with selected counterparties separately from any sale or issue of our Shares to which this Prospectus relates. The Joint Underwriters and Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

REGULATIONS

Our Group is subject to various laws and regulations applicable to our business in Singapore, the PRC, Australia and Malaysia. The regulations and policies set out below are not exhaustive and are only intended to provide some general information to the investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of these laws and regulations on our Group.

SINGAPORE

The following description is a summary of the material laws and regulations applicable to our Group under Singapore law as at the Latest Practicable Date.

As at the Latest Practicable Date, to the best of our Directors' knowledge, our Group is in compliance with all applicable Singapore laws and regulations that are material to our business operations in Singapore.

TV Program and Film Production

The production and distribution of dramas and films in Singapore is governed by the Films Act, Chapter 107 of Singapore, which is administered by the Infocomm Media Development Authority ("IMDA").

With the exception of certain categories of videos, all dramas and films distributed and publicly exhibited in Singapore must be submitted for classification and certification under the Films Act. The Board of Film Censors ("BFC") is responsible for classifying TV programs and films in Singapore into age-appropriate ratings. The classification ratings are set out in the following table:

Classification	Abbreviation	Remarks
General	G	Suitable for all ages.
Parental Guidance	PG	Suitable for all but parents should guide their young.
Parental Guidance 13	PG13	Suitable for persons aged 13 and above but parental guidance is advised for children below 13.
No Children under 16	NC16	Suitable for persons aged 16 and above.
Mature 18	M18	Suitable for persons aged 18 and above.
Restricted 21	R21	Suitable for adults aged 21 and above.

In exceptional cases, a drama or film may not be allowed for all ratings when the content of the drama or film undermines Singapore's national interest or erodes the moral fabric of society.

While filming permits are not required for TV dramas or film productions, we are usually required to seek clearance for filming in a particular location from the relevant authorities or property owners. The Singapore Film Commission, which is part of the IMDA, facilitates location filming in Singapore and have compiled a guide setting out approvals and licences required for the following:

- entry information for foreign cast and crew;
- customs clearance;
- use of arms and explosives for filming in Singapore;

- securing locations for filming; and
- other matters to note, including the import of food, plants and animals, location charges, use of telecommunication and radio communication equipment, noise and nuisance, technical installations and aerial filming and equipment.

Concert Production

The organisation of concerts and events in Singapore is governed by the Public Entertainments Act, Chapter 257 of Singapore, which is also administrated by the IMDA.

Unless otherwise exempted, all indoor or outdoor concert events conducted require an Arts Entertainment Licence. Our Group applies for and obtains such licence on a per project basis. The application, which should be submitted at least two months before the date of the event must attach the following supporting documents:

- the detailed programme schedule;
- the layout plan of the event location;
- the set list and lyrics for all songs (including English translations for lyrics in a foreign language);
- the name(s) of the performing artiste(s) and guest performers (if any); and
- other multimedia material, such as videos, that would be shown.

The IMDA has released an Arts Entertainment Classification Code, which forms part of the licensing conditions that are issued by a licensing officer under the Public Entertainments Act. Licensed events will be given one of the following classification ratings:

Classification	Remarks
G	Content suitable for a general audience
Advisory	Content may not be suitable for a general audience
Advisory 16	Content more suited for persons 16 years and above
R18	Restricted to persons 18 years and above

In exceptional cases, an event may not be allowed for all ratings when its content exceeds the R18 rating. In general, this includes content which undermines Singapore's national interest, is likely to cause negative feelings or ill-will between different racial or religious groups, cause offence to any race or religious groups or glorifies lifestyles or behaviours contrary to prevailing social norms.

In addition, our Group may also need to obtain any other approvals, depending on the event organised. For instance, displays of lights including lasers or any other high-intensity light or discharges of pyrotechnics and fireworks require a permit from the Civil Aviation Authority of Singapore and relevant clearances from the Singapore Police Force.

PEOPLE'S REPUBLIC OF CHINA

The following description is a summary of the material laws and regulations applicable to our Group under PRC laws as at the Latest Practicable Date.

Save as disclosed in this Prospectus, as at the Latest Practicable Date, to the best of our Directors' knowledge, our Group is in compliance with all applicable PRC laws and regulations that are material to our business operations in the PRC.

Foreign Investment in the PRC

Foreign Investment Industries Guidance and the 2020 Negative List

According to Provisions on Guiding the Orientation of Foreign Investment (指导外商投资方向规定) (the "**Foreign Investment Orientation Provisions**"), which was promulgated by the State Council on 11 February 2002 and came into effect on 1 April 2002, projects with foreign investment shall fall into four categories, namely, encouraged, permitted, restricted and prohibited. The encouraged, restricted and prohibited projects with foreign investment shall be listed in the catalogue of industries for guiding foreign investment, which may be revised and promulgated by the relevant departments of the State Council from time to time, while any project not listed in the catalogue is deemed to be a permitted project for foreign investment.

On 23 June 2020, the NDRC and the MOFCOM issued the Negative List with effect from 23 June 2020. The Negative List sets out the areas where foreign investment is prohibited and the areas where foreign investment is allowed only on certain conditions. Unless otherwise provided in other laws, foreign investment in areas not listed on the Negative List is permitted and treated equally with domestic investment.

Foreign Investment in TV Series and Film Production Industries

Pursuant to the Negative List and Certain Opinions on Canvassing Foreign Investment into the Culture Industry (关于文化领域引进外资的若干意见), foreign investors are prohibited from holding any equity interest in any radio and TV program production and operation (including introduction of such program) companies, film production companies, distribution companies and the introduction of films fall within the prohibited foreign-invested industry.

Regulations on Foreign Investment

The Foreign Investment Law was adopted by the NPC on 15 March 2019. It took effect on 1 January 2020 and replaced the Sino-Foreign Equity Joint Venture Enterprise Law (中外合资经营企业法), the Sino-Foreign Cooperative Joint Venture Enterprise Law (中外合作经营企业法) and the Wholly Foreign-Owned Enterprise Law (外资企业法) to become the legal foundation for foreign investment in the PRC. The Foreign Investment Law sets out the definitions of foreign investment and the framework for promotion, protection and administration of foreign investment activities.

The Foreign Investment Law defines foreign investment as any investment activity directly or indirectly carried out in the PRC by one or more foreign natural persons, enterprises or other organisations, and specifically stipulates certain forms of investment activities as foreign investment, namely:

- (a) establishment of a foreign-invested enterprise in the PRC by a foreign investor, either individually or collectively with any other investor;
- (b) obtaining shares, equity interests, assets interests or any other similar rights or interests of an enterprise in the PRC by a foreign investor;
- (c) investment in any new construction project in the PRC by a foreign investor, either individually or collectively with any other investor; and
- (d) investment in any other manners stipulated under laws, administrative regulations or provisions prescribed by the State Council.

The Legal Adviser to our Company as to PRC Law and the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law have confirmed that the Contractual Arrangements are not currently specified as foreign investment under the Foreign Investment Law (as stated above), including under the scope of sub-paragraph (b) above, as the laws, administrative regulations or provisions prescribed by the State Council as at the Latest Practicable Date have not incorporated contractual arrangements as a form of foreign investment.

The Implementation Regulations on the Foreign Investment Law (as detailed below) are also silent on whether foreign investment includes contractual arrangements.

The Foreign Investment Law establishes the administration systems for foreign investment, which mainly consists of national treatment plus Negative List system, foreign investment information report system and security review system. The said systems, together with other administration measures stipulated under the Foreign Investment Law, constitute the framework of foreign investment administration. Under the national treatment plus Negative List system, foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List. For foreign investments falling outside of the Negative List, national treatment will apply.

The Foreign Investment Law sets forth principles and measures to promote foreign investment in the PRC and specifically provides that the PRC legally protects foreign investors' investment, earnings and other legitimate rights and interests in the PRC. The Foreign Investment Law further provides that foreign-invested enterprises established before the Foreign Investment Law coming into effect may retain their original form of organisations within five years after the Foreign Investment Law comes into effect. The specific implementing measures will be prescribed by the State Council.

Pursuant to the Implementation Regulations on the Foreign Investment Law (外商投资法实施条例), which was promulgated by the State Council on 26 December 2019 and which came into effect on 1 January 2020, if an existing foreign-invested enterprise fails to change their form of organisation and complete the formalities for change of registration before 1 January 2025, the relevant market regulation departments shall not process the application for any other registration matter of the foreign-invested enterprise and may disclose the relevant information. The Implementation Regulations on Foreign Investment Law further requires that foreign-invested enterprises and domestic enterprises shall be treated equally with respect to policy making and implementation.

Pursuant to the Interim Administrative Measures for the Record-filing of the Establishment and Modification of Foreign-invested Enterprises (外商投资企业设立及变更备案管理暂行办法), which was promulgated by MOFCOM on 8 October 2016 and amended on 30 July 2017 and 29 June 2018, establishment and modifications of foreign-invested enterprises not subject to the approval under the special entry management measures shall be filed with the competent commercial authorities.

On 30 December 2019, MOFCOM and the State Administration for Market Regulation (the "SAMR") jointly issued the Measures for Reporting of Foreign Investment Information (外商投资信息报告办法) (the "Foreign Investment Information Measures"), which came into effect on 1 January 2020 and replaced the Interim Administrative Measures for the Record-filing of the Establishment and Modification of Foreign-invested Enterprises. With effect from 1 January 2020, when foreign investors carry out investment activities directly or indirectly in the PRC, foreign investors or foreign-invested enterprises shall submit information through the Enterprise Registration System and the National Enterprise Credit Information Publicity System operated by the SAMR. Specifically, foreign investors or foreign-invested enterprises shall report their establishments, modifications and cancellations and file their annual reports in accordance with the Foreign Investment Information Measures. When a foreign-invested enterprise has completed

filing of such reports, the relevant information will be passed by the competent market regulation department to the competent commercial department, so the reports do not need to be submitted separately.

Regulations on TV Program and Film Production and Distribution

TV Program Permit System

The establishment of institutions that produce and distribute radio and TV programmes, or engage in the production and distribution of radio and TV programmes, is subject to a permit system. The Regulations on Radio and Television Administration (2017 Amendment) (广播电视管理条例(2017年修订)) stipulates that radio and TV programs shall be produced by radio stations, TV stations, radio and TV program production and distribution institutions whose establishment has been approved by the departments of radio and TV administration of people's governments at or above the provincial level. Institutions that continue to produce radio and TV programmes without obtaining permits may be suspended by the departments of radio and TV administration at or above the county level with its special-purpose tools, equipment and program carriers for illegal activities confiscated and may be subject to a fine of more than RMB10,000 and less than RMB50,000.

Institutions producing, broadcasting and/or providing to users outside of the PRC with any programs containing prohibited contents shall be directed to terminate such activities with its program carriers surrendered and confiscated and may be subject to a fine of more than RMB10,000 and less than RMB50,000. In more serious circumstances, the original approval authority may revoke the institution's permit or licence and violators of public security provisions may be penalised for public security violations by the public security organ according to law. Where the offence constitutes a crime, the institution may be subjected to criminal investigation and sanctions.

Establishment of TV Program Production and Distribution Institution

Pursuant to the Regulations on Administration of Production and Operation of Radio and Television Programmes (广播电视节目制作经营管理规定) (the "**Radio and TV Programmes Regulations**") promulgated by the State Administration of Radio, Film and Television (the "**SARFT**"), which came into effect on 20 August 2004 and was revised on 28 August 2015 and 31 October 2018, the Permit to Produce and Operate Radio or Television Programmes (广播电视节目制作经营许可证) shall be obtained to establish institutions that produce and distribute radio and TV programmes or engage in production and distribution of radio and TV programmes.

Production of TV Programs

Before the shooting and production of TV series, producers must obtain the Permit to Produce Television Series. The Permit to Produce Television Series, which includes Television Series Production Permit (Type A) (电视剧制作许可证(甲种)) and Television Series Production Permit (Type B) (电视剧制作许可证(乙种)), shall be uniformly issued by the National Radio and Television Administration (the "**NRTA**"). The Television Series Production Permit (Type B) only applies to the TV series with the validity of 180 days, although validity of the Permit may be extended appropriately, under exceptional circumstance, with the approval of the NRTA. Applicants that have produced six or more single-episode TV series or three or more TV series (three episodes or more per series) for two consecutive years may apply to the NRTA for TV Series Production Permit (Type A), which has an effective term of two years and may apply to all TV series produced by the holder during the effective term. For violations against the aforesaid provisions, the penalty provisions of the Regulations on Radio and Television Administration shall be applied *mutatis mutandis*.

As regards Sino-foreign cooperative TV programmes (including cartoons), the NRTA shall be responsible for the administration of such programmes and shall regulate and control the foreign parties, quantities and subjects thereof, as stipulated in the Provisions on the Administration of Sino-foreign Cooperation in the Production of Television Series (中外合作制作电视剧管理规定), which was promulgated on 21 September 2004, came into effect on 21 October 2004 and revised on 31 October 2018. A provincial radio and TV administrative department shall be responsible for the concrete administration of the production of the TV programmes (including TV cartoons) through Sino-foreign cooperation within its administrative area. Without approval, no one may undertake the activities of producing TV series (including cartoons) through Sino-foreign cooperation. Without passing the examination, no Sino-foreign cooperative TV series (or cartoons) after completion may be distributed or broadcasted. For the production of Sino-foreign Joint Production Television series (中外联合制作电视剧), the PRC party is required to hold a Television Series Production Permit (Type A).

Distribution of TV Programs

According to the Administrative Provisions for Contents of Television Series (电视剧内容管理规定) (the “**Provisions on Contents**”) promulgated by the SARFT on 14 May 2010 which came into effect on 1 July 2010, and was revised by SARFT on 4 May 2016 and on 31 October 2018, domestic TV series (国产电视剧), Sino-foreign cooperative TV series, and imported TV series (进口电视剧) that have not obtained the distribution permit may not be distributed, broadcast nor awarded. To distribute such TV series, the domestic TV series production company should submit an application for a Television Series Distribution Permit (电视剧发行许可证).

Filing Content for Filming and Production of TV Series

In accordance with the Administrative Measures of Record-filing and Announcement for Filming and Production of TV Series (电视剧拍摄制作备案公示管理办法) which was promulgated by the State Administration of Press, Publication, Radio, Film and Television on 22 September 2013 and came into effect on 1 December 2013, the filing content for filming and production of TV series shall satisfy the following requirements: (a) complying with the content requirements of the Provisions on Contents; and (b) if the content involves sensitive items concerning to politics, military, diplomacy, national security, united front, nations, religions, judiciary, public security, etc., written opinions from relevant parties or relevant authorities at or above the level of the province, autonomous region or municipality directly under the central government of the PRC shall be obtained prior to declaration of the record-filing and announcement for filming and production.

Development of High-Definition TV Series

On 2 September 2010, the SARFT issued the Notice on Further Facilitating and Regulating the Development of High-Definition Television (关于进一步促进和规范高清电视发展的通知), pursuant to which the high-definition TV series shall account for at least 50% of the total production volume of the TV series produced by the TV series production entities and only high-definition TV series are qualified to compete for TV series-related awards from 2011 onwards. As all the TV series produced by our Group are already high-definition TV series, such notice does not have any implications for our Group.

Regulations on Online Dramas and Micro Films

Pursuant to the Circular on Further Strengthening the Administration of Online Audio-visual Programmes Including Online Dramas and Micro Films (关于进一步加强网络剧、微电影等网络视听节目管理的通知) promulgated by the SARFT on 6 July 2012, before broadcasting the online dramas, micro films and other online audio-visual programmes, internet audio-visual programme service units shall organise examiners to examine the contents of online dramas, micro films and other online audio-visual programmes proposed to be broadcasted, and then broadcast them on

the Internet after such programmes are examined and approved. Internet audio-visual programme service institutions shall report the information regarding examined and approved online dramas, micro films and other online audio-visual programmes to the provincial radio, film and TV administration for record-filing.

Pursuant to the Notice about Upgrading the Information Recording Filing System of the Internet Audio-Visual Programme (关于网络视听节目信息备案系统升级的通知) promulgated by the NRTA on 27 December 2018, with effect from 15 February 2019, producing institutions shall, before the production of (a) major online dramas (including online drama series, films and cartoons) with an investment exceeding RMB5.0 million; and (b) major online films with an investment amounts exceeding RMB1.0 million, register the programme information through the information recording filing system. Upon the completion of production, the producing institutions shall register through the system as well and submit the completed dramas to relevant authorities.

Record-filing numbers would be issued to qualified dramas and only online dramas with the record-filing numbers can be broadcast and popularised on audio-visual website. Pursuant to Supplemental Notice of Circular on Further Strengthening the Administration of Online Audio-visual Programmes Including Online Dramas and Micro Films (关于进一步完善网络剧、微电影等网络视听节目管理的补充通知) which was promulgated by the SARFT on 2 January 2014, institutions engaged in the production of online dramas and micro films shall obtain the Permit to Produce and Distribute Radio or Television Programmes. Internet audio-visual programme service units shall not broadcast online dramas and micro films produced by these institutions without the above permit.

Regulations on Production Cost Allocation Ratio of TV and Online Dramas

The China Alliance of Radio, Film and Television (the “CARFT”) (中国广播电影电视社会组织联合会), China Netcasting Service Association (the “CNSA”) (中国网络视听节目服务协会), China TV Series Production Industry Association (the “CTDPIA”) (中国电视剧制作产业协会) released the Opinions on the Allocation Ratio of the Production Cost of TV Series and Online Dramas (关于电视剧网络剧制作成本配置比例的意见) in 2017, providing a cost ratio structure for TV series and online dramas. On 31 October 2018, the NRTA promulgated the Notice of Further Strengthening Administration of Radio, TV, and Online Audio-visual Entertainment Programs (关于进一步加强广播电视和网络视听文艺节目管理的通知), which requires that the issued self-regulatory rules of cost structure of TV shows and online dramas (including online motion pictures) be strictly implemented.

Accordingly, the total remuneration of all actors casted in online dramas, online films and TV shows broadcasted from 19:30 to 22:30 shall be limited to less than 40.0% of the total cost of production, among which, the main actors’ remuneration shall not exceed 70.0%, while other actors’ remuneration shall be no less than 30.0%. Where the total remuneration of all actors exceeds 40.0% of the total production cost, the production organisation shall file a record with the relevant association (the Production Commission of CARFT, the CTDPIA and the CNSA) and the Actor Commission of CARFT to explain the reasons for exceeding the prescribed percentage.

Regulations on Commercial Performance Agency Institutions

Pursuant to the Commercial Performances Regulations (营业性演出管理条例) promulgated by the State Council on 7 July 2005, which took effect on 1 September 2009, and was amended on 22 July 2008, 18 July 2013 and 6 February 2016 and the Rules for the Implementation of the Commercial Performances Regulations (营业性演出管理条例实施细则) promulgated by the Ministry of Culture on 28 August 2009, which took effect on 1 October 2009, and was amended on 15 December 2017, commercial performances refer to the onsite art performances (which may generally include performances such as concerts, stage plays and musicals) for the general public for profit-making purposes. Commercial performance agency institutions refer to the entities

engaging in (a) commercial activities such as organising, producing and marketing; (b) agency activities such as brokerage; and (c) other agency activities such as performer contracting and promotion. To be engaged in commercial performances, a commercial performance agency institution shall have three or more full-time performance brokers and funds for the relevant business, and file an application with the culture administrative department of the people's government of a province, autonomous region or municipality directly under central government of the PRC. A Commercial Performance Permit (营业性演出许可证) shall be issued by relevant authorities upon the approval. The Commercial Performances Regulations provides that the ownership percentage by PRC investors in a sino-foreign equity joint venture commercial performance agency institutions shall not be less than 51.0%. In the event that our Group introduces and produces other events which constitute commercial performances, such as stage plays and musicals, we will comply with all applicable PRC laws and regulations, including any foreign ownership restrictions under the Commercial Performances Regulations.

Regulations on Intellectual Property in the PRC

Copyright Law

The Copyright Law of the PRC (Revised in 2010) (中华人民共和国著作权法(2010年修订)) (the “**Copyright Law**”), which was promulgated by the Standing Committee of the National People's Congress (the “**SCNPC**”) and came into effect on 1 April 2010, provides that Chinese citizens, legal persons, or other organisations shall, whether published or not, enjoy copyright in their works, which include written works, oral works, musical, dramatic, quyi, choreographic, and acrobatic works, fine arts and architectural works, photographic works, cinematographic works and works created by a process analogous cinematography, graphic works such as drawings of engineering design, product design, maps, schematic, model works, computer software, and other works specified in laws and administrative regulations.

Copyright shall include but is not limited to the following types of personal rights and property rights: right of publication, right of authorship, right of alteration, right of integrity, right of reproduction, right of distribution, right of rental, right of exhibition, right of performance, right of projection, right of broadcasting, right of dissemination through information network, right of cinematography, right of adaptation, right of translation, and right of compilation.

With respect to a cinematographic work, a work created by a process analogous cinematography, or a photographic work, the term of protection of the right of publication and the rights under Items (5) to (17) in Paragraph 1 of Article 10 of the Copyright Law in respect of that work shall be 50 years, and shall end on 31 December of the 50th year after the work's first publication. If any such work remains unpublished in 50 years after its creation, it shall no longer be protected hereunder. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided in the Copyright Law, shall constitute infringements of copyright. The infringer shall, according to the circumstances of the case, undertake to cease the infringement and take remedial action, including but not limited to, paying damages and/or offering an apology.

Trademark Law

Pursuant to the Trademark Law of the PRC (中华人民共和国商标法(2019年修订)) (the “**Trademark Law**”), which was promulgated by the SCNPC on 23 August 1982, last amended on 23 April 2019 and took effective as of 1 November 2019, the right to exclusive use of a registered trademark shall be limited to trademarks which have been approved for registration and to goods or services for which the use of trademark has been approved. The Trademark Office of the State Council's administrative department for industry and commerce shall be in charge of the trademark registration and administration throughout the country.

Trademarks that are registered upon verification and approval of the relative authorities are registered trademarks and may be goods trademarks, service marks, collective marks, and certification marks. The period of validity of a registered trademark shall be 10 years, counted from the day the registration is approved. According to the Trademark Law, using a trademark that is identical with or similar to a registered trademark in connection with the same or similar goods without the authorisation of the owner of the registered trademark constitutes an infringement of the exclusive right to use a registered trademark. The infringer shall, in accordance with the regulations, undertake to cease the infringement and take remedial action, including but not limited to paying damages.

Domain Name

Pursuant to the Measures for the Administration of Internet Domain Names of China (中国互联网域名管理办法), which was promulgated on 5 November 2004 and abolished by the Measures for the Administration of Internet Domain Names (互联网域名管理办法), which was promulgated on 24 August 2017 and came into effect on 1 November 2017, “domain name” shall refer to the character mark of the hierarchical structure, which identifies and locates a computer on the internet and corresponds to the Internet protocol (IP) address of that computer. The principle of “first come, first serve” is followed for the domain name registration service. After completing the domain name registration, the applicant becomes the holder of the domain name registered by him/it. Furthermore, the holder shall pay operation fees for registered domain names as required. If the domain name holder fails to pay the corresponding fees as required, the original domain name registrar shall cancel the domain name registration and notify the holder of the domain name in writing.

Regulations on Tax in the PRC

Income Tax

According to the EIT Law, which was promulgated on 16 March 2007, last amended on 29 December 2018 and took effect on the same date, and the Implementation Regulations on the EIT Law (中华人民共和国企业所得税法实施条例), which was promulgated on 6 December 2007 and amended on 23 April 2019 by the State Council, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise shall pay enterprise income tax on its income derived from both inside and outside the PRC at the rate of enterprise income tax of 25.0%. A non-resident enterprise that has an establishment or place of business in the PRC shall pay enterprise income tax on its income derived from inside the PRC and obtained by such establishment or place of business, and on its income which derives from outside the PRC but has actual relationship with such establishment or place of business, at the rate of enterprise income tax of 25.0%. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but its income has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside the PRC at the reduced rate of enterprise income tax of 10.0%.

Income Tax in Relation to Dividend Distribution

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of the PRC and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (内地和香港特别行政区关于对所得税避免双重徵税和防止偷漏税的安排) (the “**Arrangement**”) on 21 August 2006. According to the Arrangement, the withholding tax rate 5.0% applies to dividends paid by a PRC company to a Hong Kong resident, provided that such Hong Kong resident directly holds at least 25.0% of the equity interests in the PRC company. The 10.0% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident if such Hong Kong resident holds less than 25.0% of the equity interests in the PRC company.

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (国家税务总局关于执行税收协定股息条款有关问题的通知), which was promulgated by the SAT and took effect on 20 February 2009, all of the following requirements shall be satisfied where a fiscal resident of the other party to a tax agreement needs to be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a PRC resident company: (a) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (b) owner's equity interests and voting shares of the PRC resident company directly owned by such a fiscal resident should reach specified percentage; and (c) the equity interests of the PRC resident company directly owned by such a fiscal resident, at any time during the 12 months prior to the obtainment of the dividends, should reach a percentage specified in the tax agreement.

Value-added Tax

According to the Temporary Regulations on Value-added Tax of the PRC (中华人民共和国增值税暂行条例), which was promulgated by the State Council on 13 December 1993 and amended on 10 November 2008, 6 February 2016 and 19 November 2017, and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax of the PRC (中华人民共和国增值税暂行条例实施细则), which was promulgated by the Ministry of Finance (the "MOF") on 25 December 1993 and amended on 15 December 2008 and 28 October 2011, all taxpayers selling goods, providing processing, repairing or replacement services or importing goods within the PRC shall pay value-added tax. The tax rate of 17.0% shall be levied on general taxpayers selling or importing various goods or providing processing, repairing or replacement service. The applicable rate for the export of goods by taxpayers shall be nil, unless otherwise stipulated.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (营业税改征增值税试点方案), which was promulgated by the MOF and the SAT, taxation reforms were launched in a gradual manner with effect from 1 January 2012, whereby the collection of value-added tax in lieu of business tax items was implemented on a trial basis in regions showing significant radiating effects in economic development and providing outstanding reform examples, beginning with production service industries such as transportation and certain modern service industries.

In accordance with Circular on Comprehensively Promoting the Pilot Programme of the Collection of Value-added Tax in Lieu of Business Tax (关于全面推开营业税改征增值税试点的通知), which was promulgated on 23 March 2016, took effect from 1 May 2016 and was partly abolished, upon approval of the State Council, the pilot programme of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner as of 1 May 2016, and all taxpayers of business tax engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot programme with regard to payment of value-added tax instead of business tax.

The Notice of the Ministry of Finance and the SAT on the Adjustment to Value-added Tax Rates (财政部、国家税务总局关于调整增值税税率的通知), which was promulgated by the MOF and the SAT on 4 April 2018 and became effective on 1 May 2018, reduced the applicable value-added tax rates for general value-added taxpayers to 16.0%, 10.0% and 6.0%, respectively. The Announcement on Policies for Deepening the Value-added Tax Reform (关于深化增值税改革有关政策的公告), which was promulgated by the MOF, the SAT and the General Administration of Customs on 20 March 2019 and took effect on 1 April 2019, further reduced the applicable value-added tax rates of 16.0%, 10.0% for general value-added taxpayers with respect to value-added taxable sales or imported goods to 13.0% and 9.0%, respectively.

Withholding Tax

The EIT Law and its implementation rules provide that an income tax rate of 10.0% will normally be applicable to dividends declared to non-PRC resident investors who do not have an establishment or place of business in the PRC, to the extent such dividends are derived from sources within the PRC. The income tax on the dividends may be reduced pursuant to a tax treaty between the PRC and the jurisdictions in which our non-PRC Shareholders reside.

Pursuant to the Arrangement and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5.0%. However, based on the Announcement of the State Administration of Taxation on Issues Relating to “Beneficial Owner” in Tax treaties (关于税收协定中“受益所有人”有关问题的公告) promulgated by the State Administration of Taxation on 3 February 2018 and effective from 1 April 2018, a comprehensive analysis shall be conducted to determine the “beneficial owner” under the Double Tax Avoidance Arrangement, taking into account actual conditions of the specific cases, and if:

- (a) the applicant is obligated to pay 50.0% or more of the income to a resident of a third country (region) within 12 months from receiving the income;
- (b) the business activities undertaken by the applicant do not constitute substantive business activities;
- (c) the treaty counterparty country (region) does not levy tax on the relevant income or exempts tax on the relevant income, or levies tax but the actual tax rate is very low;
- (d) in addition to the loan contract for which interests are derived and paid, there is/are other loan or deposit contract(s) between the creditor and the third party where the amount, interest rate and date of execution etc. are similar; and
- (e) in addition to the transfer contract of rights such as copyright, patent or technology for which the royalties are derived and paid, there is/are other transfer contract(s) of rights or ownership, such as in relation to copyright, patent and technology between the applicant and a third party,

such factors will be unfavourable for applicants to be recognised as the “beneficial owner” to enjoy the abovementioned reduced income tax rate of 5.0% under the Arrangement.

Regulations on Foreign Exchange and Foreign Debts in the PRC

The principal regulation governing foreign currency exchange in the PRC is the Foreign Exchange Administration Rules of the PRC (中华人民共和国外汇管理条例) (the “**Foreign Exchange Administration Rules**”). The Foreign Exchange Administration Rules was promulgated by the State Council on 29 January 1996, took effect on 1 April 1996 and further amended on 14 January 1997 and 5 August 2008. Under these rules, RMB is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as capital transfer, direct investment, investment in securities, derivative products or loans unless the prior approval by the competent authorities for the administration of foreign exchange is obtained.

Under the Foreign Exchange Administration Rules, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of the SAFE for paying dividends by providing certain evidencing documents (such as board resolutions, tax certificates, etc.), or for trade and services-related foreign exchange transactions by providing commercial documents evidencing such transactions. They are also allowed to retain foreign currency (subject to a cap approval by SAFE) to satisfy foreign exchange liabilities. In addition, foreign exchange transactions involving overseas direct investment or investment and trading in securities, derivative products abroad are subject to registration with the competent authorities for the administration of foreign exchange and approval or filings with the relevant governmental authorities (if necessary).

According to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment and Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (国家外汇管理局关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知) (the “**Circular 37**”), which is promulgated on 4 July 2014 and took effect from the same day, before a domestic resident contributes its legally owned onshore or offshore assets and equity into an special purpose vehicles (the “**SPV**”), the domestic resident shall conduct foreign exchange registration for offshore investment with the local branch of the SAFE, and in the event of change of basic information such as the individual shareholder, name, operation term, etc., or if there is a capital increase, decrease, equity transfer or swap, merge, spin-off or other amendment of the material items, the domestic resident shall complete foreign exchange alteration registration formality for offshore investment. The SPV is defined as “offshore enterprise directly established or indirectly controlled by the domestic resident (including domestic institution and individual resident) with their legally owned assets and equity of the domestic enterprise, or legally owned offshore assets or equity, for the purpose of investment and financing”. “Round-Trip Investments” refer to “the direct investment activities carried out by a domestic resident directly or indirectly via an SPV, i.e., establishing a foreign-invested enterprise or project within the PRC through a new entity, merger or acquisition and other ways, while obtaining ownership, control, operation and management and other rights and interests”. In addition, according to the procedural guidelines as attached to the Circular 37, the principle of review has been changed to “the domestic individual resident is only required to register the SPV directly established or controlled (first level)”.

Pursuant to the Circular of the SAFE on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (国家外汇管理局关于进一步简化和改进直接投资外汇管理政策的通知), which was promulgated on 13 February 2015, implemented 1 June 2015 and amended on 30 December 2019, the initial foreign exchange registration for establishing or taking control of an SPV by domestic residents can be conducted with a qualified bank, instead of the local foreign exchange bureau.

According to the Circular of the SAFE on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (国家外汇管理局关于改革外商投资企业外汇资本金结汇管理方式的通知), promulgated by the SAFE on 30 March 2015, took effect from 1 June 2015 and amended on 9 June 2016 and 30 December 2019, and the Circular of the SAFE on the Reform and Standardisation of the Management Policy of the Settlement of Capital Projects (国家外汇管理局关于改革和规范资本项目结汇管理政策的通知), promulgated by the SAFE on 9 June 2016, the settlement of foreign exchange by foreign invested enterprises shall be governed by the policy of foreign exchange settlement on a discretionary basis. However, the settlement of foreign exchange shall only be used for its own operation purposes within the business scope of the foreign invested enterprises and following the principles of authenticity.

According to the Notice of the SAFE on Optimising Foreign Exchange Administration to Support the Development of Foreign-related Business (国家外汇管理局关于优化外汇管理支持涉外业务发展的通知), which was issued by the SAFE on 10 April 2020 and took effect on the same day, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and proceeds from overseas listing, for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

Under the M&A Rules, a foreign investor is required to obtain necessary approvals when (a) a foreign investor acquires equity in a domestic non-foreign invested enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a domestic enterprise via an increase of registered capital thereby converting it into a foreign-invested enterprise; or (b) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise. According to Article 11 of the M&A Rules, where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it/him, acquires a domestic company which is related to or connected with it/him, approval from MOFCOM is required.

Under the Interim Measures on the Management of Foreign Debts (外债管理暂行办法), which was promulgated by the SAFE, the Ministry of Finance and the NDRC and took effect on 1 March 2003, any foreign loans are required to be registered with the SAFE or its local counterparts before being extended to relevant PRC entities. Under the Interim Measures on the Management of Foreign Debts, after a permanent body established according to law in the territory of the PRC, including but not limited to governmental agencies, domestic financial institutions, enterprises, public administrative entities and social organisations, has executed a contract for foreign loans or guarantees, it shall, in accordance with relevant provisions, apply to the foreign exchange administration departments for registration. In addition to the foregoing, according to the Notice of PBOC on Matters Concerning Macro-prudential Management on All-round Cross-border Financing (中国人民银行关于全口径跨境融资宏观审慎管理有关事宜的通知) and the Notice of the PBOC and the SAFE on Adjustments to Macro-prudential Regulation Parameters for Full-covered Cross-border Financing (中国人民银行、国家外汇管理局关于调整全口径跨境融资宏观审慎调节参数的通知), the limit for the total amount of foreign debt is 2.5 times of their respective net assets.

Regulations on Labour Protection in the PRC

According to the Labour Law of the PRC (中华人民共和国劳动法) (the “**Labour Law**”), which was promulgated by the SCNPC on 5 July 1994, took effect on 1 January 1995 and amended on 27 August 2009 and 29 December 2018, an employer shall develop and improve its rules and regulations to safeguard the rights of its workers. An employer shall develop and improve its labour safety and health system, stringently implement national protocols and standards on labour safety and health, conduct labour safety and health education for workers, guard against labour accidents and reduce occupational hazards. Labour safety and health facilities must comply with relevant national standards. An employer must provide workers with the necessary labour protection gear that complies with labour safety and health conditions stipulated under national regulations, as well as provide regular health checks for workers that are engaged in operations with occupational hazards. Labourers engaged in special operations shall have received specialised training and obtained the pertinent qualifications. An employer shall develop a vocational training system. Vocational training funds shall be set aside and used in accordance with national regulations and vocational training for workers shall be carried out systematically based on the actual conditions of the company.

The Labour Contract Law of the PRC (《中华人民共和国劳动合同法》), which was promulgated by the SCNPC on 29 June 2007, took effect on 1 January 2008, subsequently amended on 28 December 2012 and such amendments came into effect on 1 July 2013, and the Implementation Regulations on Labour Contract Law (《劳动合同法实施条例》), which was promulgated by the State Council on 18— September 2008 and took effect on the same date, regulates the relationship between an employer and an employee through a labour contract and contain specific provisions involving the terms of the labour contract. It is stipulated under the Labour Contract Law and the Implementation Regulations on Labour Contract Law that a labour contract must be made in writing. An employer and an employee may enter into a fixed-term labour contract, a labour contract without a fixed term, or a labour contract that concludes upon the completion of certain work assignments, by agreement after due negotiations. An employer may legally terminate a labour contract and dismiss its employees by agreement after due negotiations with the employee or by fulfilling the statutory conditions. Labour contracts concluded prior to the enactment of the Labour Law and subsisting within the validity period thereof shall continue to be honoured. With respect to a circumstance where a labour relationship has already been established but no formal contract has been made, a written labour contracts shall be entered into within one month from the effective date of the Labour Contract Law.

According to the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社会保险费征缴暂行条例》), the Regulations on Work Injury Insurance (《工伤保险条例》), the Regulations on Unemployment Insurance (《失业保险条例》) and the Trial Measures on Employee Maternity Insurance of Enterprises (《企业职工生育保险试行办法》), enterprises in the PRC shall provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies and shall pay or withhold relevant social insurance premiums for or on behalf of employees. The Law on Social Insurance of the PRC (《中华人民共和国社会保险法》), which was promulgated on 28 October 2010 and amended on 29 December 2018, has consolidated pertinent provisions for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, and has elaborated in detail the legal obligations and liabilities of employers who do not comply with relevant laws and regulations on social insurance.

According to the Regulations on the Administration of Housing Provident Fund (《住房公积金管理条例》), which was promulgated by the State Council on 3 April 1999, took effect on the same day and amended on 24 March 2002 and 24 March 2019, housing provident fund contributions by an individual employee and housing provident fund contributions by his or her employer shall belong to the individual employee.

The employer shall timely pay and deposit housing provident fund contributions in full and late or insufficient payments shall be prohibited. The employer shall process housing provident fund payment and deposit registrations with the housing provident fund administration centre. With respect to companies who violate these regulations and fail to process housing provident fund payment and deposit registrations or open housing provident fund accounts for their employees, such companies shall be ordered by the housing provident fund administration centre to complete such procedures within a designated period. Those who fail to process their registrations within the designated period shall be subject to a fine ranging from RMB10,000 to RMB50,000. When companies breach these regulations and fail to pay up housing provident fund contributions in full amount as due, the housing provident fund administration centre shall order such companies to pay up within a designated period and may further apply to the People's Court for mandatory enforcement against those who fail to comply after the expiry of such period.

MALAYSIA

The following description is a summary of the material laws and regulations applicable to our Group under Malaysia law as at the Latest Practicable Date.

As at the Latest Practicable Date, to the best of our Directors' knowledge, our Group is in compliance with all applicable Malaysia laws and regulations that are material to our business operations in Malaysia.

Perbadanan Kemajuan Filem Nasional Malaysia Act 1981 (“FINAS Act”)

The FINAS Act establishes FINAS and regulates the activities of production, distribution or exhibition of films or any combination of those activities in Malaysia. Section 22 of the FINAS Act provides that no person shall engage in any of the activities of production, distribution or exhibition of films or any combination of those activities as specified in subsection 21(1) of FINAS Act unless there is in force a licence authorising him to do the same.

Section 25 of the FINAS Act provides that any person who contravenes Sections 21 and 22 of the FINAS Act shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding two years or to both, and shall in addition, in the case of a continuing offence, be liable to daily fine not exceeding RM10,000. Further, where a person who has been issued with a licence under Section 22 of the FINAS Act is guilty of an offence, the licence shall be liable to be cancelled by FINAS and subsection 22(3) of the FINAS Act shall apply in respect of any decision of FINAS to cancel the licence.

The guidelines issued by FINAS in respect of the issuance of licences required under Section 22 of the FINAS Act sets out the requirements which a company must satisfy in order to be granted such a licence. Among the requirements to be satisfied by a company seeking such a licence is the condition that the company which is majority owned by non-Malaysians must have a minimum 30.0% equity held by Malaysians, of which 30.0% of the Malaysian equity shall be held by Bumiputera for up to five years. From the commencement of the sixth year onwards, the majority shareholders in the company must be Malaysians, of which a minimum 30.0% shall be held by Bumiputra.

Guidelines on Application for Filming and Performance by Foreign Artistes (“PUSPAL Guidelines”)

The PUSPAL Guidelines establishes the (a) application procedures for filming and performance by foreign artistes; (b) the procedures for employing foreign artistes according to the various categories; and (c) the determination of regulations to be complied with in order to obtain approval for filming and performance by foreign artistes, in Malaysia.

Under the PUSPAL Guidelines, all applications for filming and performance by foreign artistes must be approved by the Central Committee for the Application for Filming and Performance by Foreign Artistes (“**JK-PUSPAL**”) under the purview of the Ministry of Communications and Multimedia of Malaysia.

The PUSPAL Guidelines also provides that foreign film production companies must appoint a local film production company having a film production licence issued by FINAS. The foreign film production company may also be represented by a local film production company comprising any government agency. The local film production company is responsible for the management of all matters until completion of filming.

In the event of any breach of the PUSPAL Guidelines, legal action may be taken against the relevant organiser or local film production company or its agents pursuant to the Entertainment (Federal Territory of Kuala Lumpur) Act 1992, the state Entertainment Enactment or Entertainment Control Enactment, subject to the facts of the breach committed. In addition, JK-PUSPAL shall have the power to take any administrative action, including issuance of a warning letter concerning a breach of the PUSPAL Guidelines, a show-cause letter for a second time offence and blacklisting of the organiser or local film production company for a period of three to six months or any other period deemed reasonable by JK-PUSPAL.

Film in Malaysia Incentive Plus Guidelines (“FIMI Plus Guidelines”)

The Film In Malaysia Incentive Plus (“**FIMI Plus Grant**”), was introduced to promote the use of the integrated film and television facility located at 1 Persiaran Layar Perak, 79250 Iskandar Puteri, Johor Darul Takzim, Malaysia (“**Facilities**”) and services provided by Iskandar Malaysia Studios Sdn Bhd (the “**Studio**”) as well as (a) promoting the creation of quality creative content; (b) making Malaysia the preferred destination and film production hub; (c) encouraging production work; and (d) raising the bar and meeting international levels for skill sets in the creative content ecosystem. The FIMI Plus Grant is offered for production and post-production approved activities and gives a 30.0% cash rebate on all expenditure incurred in Malaysia for the purposes of producing the project (part of which shall be expended for the Facilities and/or services provided by the Studio) which meets the qualifying requirements stipulated in the FIMI Plus Guidelines and the provisional certificate (“**QMPE**”). The FIMI Plus Grant is available for both Malaysian and foreign production activities on the basis that the Facilities and/or services of the Studio are utilised for the project.

To be eligible for FIMI Plus Grant, the project must (a) spend a minimum expenditure of RM5,000,000 in aggregate for production activities only or a combination of production and post-production activities; and (b) spend at least 10.0% of the QMPE or MYR1,000,000 (whichever is higher) on the Facilities and/or services of the Studio.

Prior to the award of the FIMI Plus Grant, a provisional certificate will be issued by Studios Film Office Sdn Bhd (“**SFO**”) which indicates that the project may be eligible to be awarded the FIMI Plus Grant. A provisional certificate does not provide a guarantee of receiving a final certificate which enables the applicant producer to claim for the FIMI Plus Grant. Failure to fully comply with the terms of the provisional certificate and/or failure to obtain the approval of the SFO in relation to any proposed change to any creative and/or financial details of the project may result in refusal of the final certificate.

The applicant producer shall apply for a final certificate once the project is completed in order to claim the FIMI Plus Grant. The applicant producer and its board of directors are responsible for ensuring that all content, documents and information submitted in its application is true, accurate, reliable and complete. The SFO may revoke a final certificate where any part of the information and/or documentation was obtained by fraud, material inaccuracies or misrepresentation and will notify the applicant producer in writing of this decision. A final certificate may also be revoked if the applicant producer fails to provide SFO with a copy of the completed project.

Entertainment (Federal Territory of Kuala Lumpur) Act 1992 (“Entertainment Act”)

The Entertainment Act provides for the licensing and regulation of entertainment and places of entertainment and matters incidental thereto in the Federal Territory of Kuala Lumpur. Under the Entertainment Act, no person shall provide entertainment in any place of entertainment in Kuala Lumpur unless the Commissioner of the City of Kuala Lumpur has granted (a) a licence in respect of such entertainment; and (b) a licence to open such place of entertainment.

Any person who contravenes this section shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding five years or to both.

Local Government Act 1976 (“LGA”)

Local authorities in West Malaysia are established under the LGA and the respective state ordinances and by-laws. Each local authority is a separate legal entity from the federal or state government or other local authorities. They are responsible for the local affairs based on the powers set by the federal or state government. The LGA empowers every local authority to grant any licence or permit for any trade, occupation or premises and such licence shall be subject to such conditions and restrictions as the local authority may prescribe.

Licensing of Trades, Businesses and Industries (Federal Territory of Kuala Lumpur) By-Laws 2016 (“2016 By-Laws”)

The LGA governs the 2016 By-Laws. The 2016 By-Laws regulates the licensing in relation to trading of businesses and industrial matters carried out in the Federal Territory of Kuala Lumpur. The 2016 By-Laws states that any person may use any premise for operating any business activity when a planning approval, if necessary, for that purpose has been obtained under the relevant law and a business premise licence has been issued pertaining to the said premise by the Commissioner of the City of Kuala Lumpur.

The 2016 By-Laws further states that any person who contravenes any provisions of these 2016 By-Laws commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000.00 or imprisonment for a term not exceeding one year or to both and a fine not exceeding RM200.00 for each day during which such offence is continued after conviction.

Employment Act 1955

The Employment Act 1955 regulates all labour relations including contracts of service, payment of wages, employment of women, rest days, hours of work, termination, lay-off and retirement benefits and keeping of registers of employees.

Employees who are governed under the Employment Act 1955 are those:

- (a) whose wages are MYR2,000 and below a month; and
- (b) irrespective of amount of wages earned a month, engaged in (i) manual labour, (ii) operation or maintenance of mechanically propelled vehicle operated for the transport of passengers or goods or for reward or for commercial purposes, or (iii) supervision of other employees engaged in manual labour.

For determination of wages in paragraph (a) above, this would not include any payment by way of commission, subsistence allowance and overtime payment.

Section 99A of the Employment Act 1955 provides that any person who commits any offence under, or contravenes any provision of, the Employment Act 1955, or any regulations, order, or other subsidiary legislation whatsoever made thereunder, in respect of which no penalty is provided, shall be liable, on conviction, to a fine not exceeding MYR10,000.

Employees Provident Fund Act 1991 (“EPF Act”)

The EPF Act regulates and requires employees and their employers to contribute towards their retirement savings, and allows workers to withdraw these savings at retirement or for specified purposes before then. The amount is calculated based on the monthly wage of the employee and the contribution rate is based on the wage or salary received by the employee.

Section 43(2) of the EPF Act states that any employer who fails to contribute to the Employees Provident Fund any contributions which he is liable under the EPF Act to pay in respect of or on behalf of any employee shall be liable to an imprisonment term not exceeding three years or to a fine not exceeding MYR10,000 or both.

Employees’ Social Security Act 1969 (“ESSA 1969”) and Employees’ Social Security (General) Regulations 1971 (“ESSGR 1971”)

Social Security Organisation (“**SOCOSO**”) was mandated to administer and enforce the ESSA 1969 and the ESSGR 1971. Through the ESSA 1969 and ESSGR 1971, SOCOSO is able to provide free medical treatment, facility for physical or vocational rehabilitation and financial assistance to employees if they have lost their abilities due to accidents or disease that have reduced their abilities to work or rendered them incapacitated.

Section 5(1) of the ESSA 1969 provides that all employees in industries to which the ESSA 1969 applies, irrespective of the amount of wages, shall be insured in the manner provided by the ESSA 1969.

Pursuant to Section 6 of the ESSA 1969, the contribution payable under the ESSA 1969 in respect of an employee shall comprise contribution payable by the employer and contribution payable by the employee and shall be paid to SOCOSO. The contributions of the various categories shall be paid at the rates specified in the Third Schedule of the ESSA 1969.

Section 94 of the ESSA 1969 provides that if any person, among others, fails to pay any contribution or any part thereof which is payable by him under the ESSA 1969 or fails to pay within the time prescribed by regulations any interest payable or is guilty of any contravention of or non-compliance with any of the requirements of the ESSA 1969 or the rules or the regulations in respect of which no special penalty is provided, he shall be punishable with imprisonment for a term which may extend to two years, or with fine not exceeding RM10,000, or with both.

Service Tax Act 2018 (“Service Tax Act”)

The Service Tax Act regulates the service tax chargeable and levied on taxable services provided in Malaysia by a registered person in carrying on its business. The rate of service tax to be charged and levied on a taxable service other than relating to credit card or charge card services is presently 6% under the Service Tax (Rate of Tax) Order 2018. Any person who provides taxable services in the course of furtherance of business in Malaysia for a period within 12 months and exceeds the prescribed value of taxable services is liable to be registered under the Service Tax Act.

Corporate Income Tax

The Income Tax Act 1967 (“**ITA**”) provides that a company is considered to be a tax resident in Malaysia if the management and control of its business or affairs are exercised in Malaysia. Generally, a resident company is subject to pay income tax on income accruing in or derived from Malaysia. The income tax rate payable by a resident company differs depending on the amount of its (and its group companies’) paid-up ordinary share capital at the beginning of the basis period for the year of assessment:

- (a) Company with paid up capital of more than MYR2.5 million: 24.0% (for the year of assessment 2016 onwards).

(b) Company with paid up capital of MYR2.5 million or less:

- 17.0% for every ringgit of the first MYR500,000 of chargeable income (for the year of assessment 2018 and 2019); and
- 24.0% for every ringgit exceeding MYR500,000 of chargeable income (for the year of assessment 2016 to 2019).

Pursuant to the Malaysian Budget 2020, effective from year of assessment 2020, a company with paid up capital of MYR2.5 million or less and with annual sales of not more than RM50 million is taxed at (i) 17.0% for every ringgit of the first MYR600,000 of chargeable income; and (ii) 24.0% for every ringgit exceeding MYR600,000 of chargeable income.

The current rate of income tax is as at the Latest Practicable Date and may be subject to change in the future.

AUSTRALIA

The following description is a summary of the material laws and regulations applicable to our Group under Australia law as at the Latest Practicable Date.

As at the Latest Practicable Date, to the best of our Directors' knowledge, our Group is in compliance with all applicable Australia laws and regulations that are material to our business operations in Australia.

Overview

The laws of Australia are sourced in both government legislation (at the Commonwealth, State and local government levels) and the common law developed by the courts, as follows:

- **Commonwealth/Federal:** The Australian Government has power derived from the Federal Constitution to legislate in relation to specific areas including corporations, trade and commerce, taxation, banking and foreign investment. For example, the Corporations Act 2001 (Cth) (Corporations Act) is the legislation that governs financial services licensing, company registration and company operations.
- **State and Territory:** The States and Territories make laws which apply to their own jurisdiction. State based legislation covers the regulation of property ownership and environmental compliance.
- **Local Government:** Local governments (or councils) provide governance for communities at a local level, including on environmental aspects, permitted uses of land and building approvals. There are usually many local government areas and bodies within a capital city of each State and Territory.
- **Courts:** The meaning and application of legislation is interpreted and developed through decisions of Australian courts (common law). The system of binding precedent requires courts to consider or follow the reasoning established in previous cases, depending on the courts position in the hierarchy of the judicial system. The High Court is the supreme judicial body in Australia, meaning that the Federal Court and the State based Supreme Courts are bound to follow the reasoning in its judgments.

Concert Organisation and Events Management

In Australia, concert organisation and events management is not governed or regulated by a single set of laws nor regulations. Instead, there are a range of laws and regulations established at the Commonwealth, state and local government levels which apply based on the jurisdiction and locality of the concert or event. As such, our Group is subject to various regulations and laws applicable to its operations in Australia.

At the Commonwealth level, a concert or event will generally require various permissions, approvals or licences to use and broadcast copyright music under the Copyright Act. Additionally, the Australian Consumer Law, contained in Schedule 2 of the Competition and Consumer Act 2010 (Cth), sets the minimum standards required for the provision of goods and services at a concert or event. For example, the Australian Consumer Law will apply in relation to payments and ticket sales, false and misleading advertising and any changes or cancellations to the concert or event. If the minimum standards are not met, a consumer can rely on the statutory consumer guarantees set out in the Australian Consumer Law to obtain a remedy and the organiser or manager of the concert or event may be subject to a fine.

At the state government level, a concert or event will generally require a licence to sell or supply alcohol. Additionally, the organiser or manager of the concert or event may also require workers' compensation insurance to protect the business and the employees against financial loss in the case of a work-related injury.

At a local level, a concert or event may require a licence (or permission) to hold the concert or event, a licence (or consent) to use and occupy the venue or site, an approval or certification to erect temporary structures, an approval to serve food, a licence to operate fireworks, an approval to use sound amplifying devices or laser and light shows and insurance to cover public and products liability and professional indemnity liability.

The above is not an exhaustive list of the regulations and laws governing concert and event organisation in Australia. There may be other requirements for organising and managing a concert or event, including those which apply solely to the site or venue at which the concert or event is held.

Regulation of Corporations

Australian Securities and Investments Commission ("ASIC")

Companies are subject to a large range of corporate governance requirements and guidelines in Australia which primarily arise from the Corporations Act. The ASIC is the main regulator of corporations and the financial market in Australia and is responsible for administering and supervising compliance with the Corporations Act.

The powers of ASIC are set out in the Australian Securities and Investments Commission Act 2001 (Cth) and include investigations of companies suspected to be contravening the Corporations Act, examinations and interviews of persons, inspection of books and audit information-gathering powers, starting proceedings in order to prosecute offenders after investigations and holding hearings or inquiries.

Separate from its role of enforcing legal compliance, part of ASIC's purpose is to facilitate and improve the performance of the Australian financial system by reducing business costs, promoting efficiency and ensuring that financial information is available as soon as practicable for access by the public. To that end, ASIC acts as a repository to receive, process and store financial reporting from companies.

Financial Reporting

The Corporations Act requires all companies, registered schemes and disclosing entities to keep financial records. Reporting obligations imposed on companies vary depending on the type and size of the company.

A large proprietary company (a company with two of the following criteria: (a) consolidated annual revenue of AUD50 million; (b) consolidated gross assets of AUD25 million; and (c) 100 or more employees), has the following financial reporting obligations to ASIC and its shareholders:

- keep financial records;
- prepare an annual financial report;
- prepare a director's report;
- arrange audit of financial report and obtain auditor's report;
- send financial report, director's report and auditor's report to shareholders; and
- lodge the financial report, director's report and auditor's report with ASIC.

If the company does not meet at least two of the above criteria, it is considered a "small" proprietary company and is not subject to the same financial reporting obligations set out above for large proprietary companies. In some circumstances, however, small proprietary companies may also have to lodge financial reports. Failing to lodge an annual report will amount to a breach of the Corporations Act and an offence. This breach is an offence of strict liability, meaning that a director of a company can be convicted even though he or she was genuinely ignorant of the factors making their act or omission an offence.

Directors' Duties

In Australia, obligations and duties are imposed on directors and company officers from a number of sources, including the common law, equity, the Corporations Act, the company's constitution and contracts. Directors are in a fiduciary relationship with the company and owe fiduciary duties to the company. Essentially, this means that directors cannot use the power conferred upon them for personal advantage.

As fiduciaries, the directors owe duties to act honestly, to exercise care and diligence, to act in good faith in the best interests of the company and for a proper purpose, not to improperly use their position or company information to gain an advantage for themselves or someone else or cause detriment to the company and to disclose their material personal interests and avoid conflicts of interest.

As well as the duties above, a director can be found personally liable for the actions of a company, such as insolvent trading, breaches of relevant occupational health and safety laws, environmental protection laws and intellectual property laws.

When a director breaches a duty, the consequences depend on whether it is a general law duty or a statutory duty that is breached and also the sort of remedy is being sought. Breach of the director's general law duties can result in liability to pay compensation or account for any profit gained. Based on the nature of the director's breach of fiduciary duties, the breach may yield civil consequences or criminal consequences.

Data Security

Australian privacy law regulates the collection, storage, use and disclosure of personal information by organisations carrying on business in Australia, and the rights of individuals to access information held about them. A company that holds personal information must take reasonable steps to protect the information from misuse, interference and loss, as well as unauthorised access, modification or disclosure.

Service providers to the Australian Government, such as companies engaged in printing services, are often required by government agencies to comply with confidentiality undertakings as part of service provision arrangements and they are also subject to common law principles which regulate the use and disclosure of confidential information such as the equitable duty of confidence.

Intellectual Property

The principal forms of intellectual property protection available in Australia are trademarks, designs, patents and copyright. All of these forms of protection are governed by legislation. The common law also provides remedies against a person passing off goods or services as those of another, as well as protection for confidential information or trade secrets.

Trademarks

Trademarks and service marks can be registered in Australia under the Trade Marks Act 1995 (Cth). Trademarks can be obtained for names, logos, aspects of packaging, shapes, colours, sounds and scents.

Trademarks, names and brands may also be protected under the common law doctrine of passing off and under the Competition and Consumer Act 2010 (Cth), which prohibits corporations from engaging in misleading or deceptive conduct in trade or commerce. In both cases, it is necessary to establish a reputation for the particular trade mark.

Copyright

Copyright is protected under the Copyright Act 1968 (Cth) (Copyright Act). Registration of copyright is not required. Australia, like a vast majority of countries, is a signatory to the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention). Therefore, works created by a national or resident of another country which is also a signatory will be treated as if created in Australia for the purposes of Australian copyright protection and Australian copyright law will apply to those works. Computer programs are protected by copyright, as are literary works, while circuit layouts are protected by the Circuit Layouts Act 1989 (Cth).

TAXATION

SINGAPORE

The following is a discussion of certain tax matters arising under the current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice. The discussion is based on laws, regulations and interpretations now in effect and available as of the date of this Prospectus. These laws and regulations are subject to changes, which may be retrospective to the date of issuance of our Shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out below.

The discussion is limited to a general description of certain Singapore income tax, stamp duty, estate duty and GST consequences with respect to the subscription for, ownership and disposal of our Shares, and does not purport to be a comprehensive nor exhaustive description of all tax considerations that may be relevant to a decision to subscribe for, hold or dispose of our Shares.

Prospective investors should consult their own professional tax advisers concerning the Singapore and foreign income tax, stamp duty, estate duty and other tax consequences of subscribing for and/or purchasing, owning and disposing our Shares. Neither our Company, our Directors nor any other persons involved in the Offering accepts responsibility for any tax effects or liabilities resulting from the subscription for, holding or disposal of our Shares.

Income Tax

Corporate income tax

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- (a) income accruing in or derived from Singapore; and
- (b) income derived from outside Singapore (i.e. foreign-sourced income) which is received or deemed received in Singapore, unless otherwise exempted.

A non-Singapore tax resident corporate taxpayer is liable to Singapore income tax on income accruing in or derived from Singapore. A non-Singapore tax resident corporate taxpayer is also liable to Singapore income tax on income derived from outside Singapore which is received or deemed to have been received in Singapore but generally only where such taxpayer is considered to be operating in or from Singapore.

Presently, tax exemption will be granted to a Singapore tax resident corporate taxpayer on its foreign-sourced dividends, foreign branch profits and foreign-sourced service income ("**specified foreign income**") received or deemed to be received in Singapore on or after 1 June 2003, subject to meeting the following qualifying conditions:

- (a) the specified foreign income has been subject to tax in the foreign jurisdiction from which the income is received;

- (b) at the time the specified foreign income is received in Singapore, the headline tax rate (i.e. highest corporate income tax rate) of the foreign jurisdiction from which the income is received is at least 15.0%; and
- (c) the Comptroller of Income Tax (the “**Comptroller**”) is satisfied that the tax exemption would be beneficial to the Singapore tax resident corporate taxpayer.

Pursuant to a tax concession granted with effect from 30 July 2004, the above foreign income exemption has been extended to include specified foreign income which is exempted from tax (i.e. underlying and withholding tax) in the foreign jurisdiction as a result of a tax incentive granted by that foreign jurisdiction for carrying out substantive business activities in that foreign jurisdiction.

If the foreign income is not tax exempt in Singapore, a Singapore tax resident corporate taxpayer is entitled to claim foreign tax credit (“**FTC**”) for the overseas tax paid on such foreign income, subject to meeting the relevant conditions. The amount of foreign tax credit available to a Singapore tax resident corporate taxpayer is based on the lower of:

- (a) the Singapore tax payable on the particular source of income which qualifies for foreign tax credit; or
- (b) the actual foreign tax suffered on the same income.

Under the FTC pooling system, Singapore resident companies may elect to claim FTC on a pooled basis on any items of its foreign-sourced income, rather than the usual source-by-source and country-by-country basis, subject to meeting the relevant conditions as follows:

- (a) income tax must have been paid on the income in the foreign jurisdiction from which the income is derived;
- (b) at the time the foreign-sourced income is received in Singapore, the highest corporate tax rate (headline tax rate) of the foreign jurisdiction from which the income is derived is at least 15.0%;
- (c) there must be Singapore income tax payable on the foreign-sourced income; and
- (d) the taxpayer is entitled to claim foreign tax credits under sections 50, 50A or 50B of the Singapore Income Tax Act (“**SITA**”) on its foreign-sourced income.

The amount of foreign tax credit to be granted under the FTC pooling system is based on the lower of the total Singapore tax payable on the pooled foreign-sourced income and the pooled foreign taxes paid on that income.

With effect from the Year of Assessment (“**YA**”) 2020, the first S\$200,000 of a company’s normal chargeable income is exempt from tax as follows:

- (a) 75.0% of up to the first S\$10,000 of chargeable income; and
- (b) 50.0% of up to the next S\$190,000 of chargeable income.

For certain private companies, 75.0% of the first S\$100,000 of normal chargeable income and 50.0% of the next S\$100,000 of normal chargeable income is exempted from tax, subject to meeting the relevant conditions.

The remaining chargeable income (after deducting the applicable tax exemption of the first S\$200,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently at 17.0%.

As announced in the 2020 Budget by the Minister of Finance, all companies will enjoy a corporate income tax rebate of 25.0% of the tax payable up to a maximum tax rebate of S\$15,000 for the YA 2020.

Individual income tax

An individual is regarded as a tax resident in Singapore in a YA if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore, except for temporary absences.

An individual taxpayer (both tax resident and non-tax resident of Singapore) is subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received in Singapore by an individual taxpayer, regardless of whether he/she is a tax resident or non-tax resident of Singapore, is generally exempt from income tax in Singapore, except for such income received through a partnership in Singapore by the resident individuals.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 22.0%.

A non-Singapore tax resident individual is generally taxed at the rate of 22.0% except for Singapore employment income which may be taxable at a flat rate of 15.0% or the progressive rates as a tax resident, whichever is higher.

Dividend Distributions

Singapore currently adopts the One-Tier Corporate Taxation System (“**One-Tier System**”). Under the One-Tier System, the tax paid by a Singapore tax resident company is a final tax. All dividends paid by a Singapore tax resident company are tax exempt in Singapore in the hands of the shareholders regardless of their tax residency and whether the shareholder is a company or an individual. Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

It is our management’s intention for our Company to be considered as a tax resident in Singapore for income tax purposes and they will take the necessary actions for our Company to be regarded as a tax resident in Singapore for income tax purposes.

Foreign Shareholders/investors are advised to consult their own tax advisers in respect of the tax laws of their respective countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement that their country of residence may have with Singapore.

Gains on disposal of Shares

Singapore currently does not impose tax on capital gains. Any gains considered to be in the nature of capital made from the disposal of our Shares will not be taxable in Singapore. However, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore and may be taxable in Singapore.

There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. The characterisation of gains arising from the disposal of our Shares will depend primarily on the facts and circumstances of each Shareholder. As the precise facts and circumstances of one Shareholder will vary from another, Shareholders are advised to consult their own professional tax advisers on the Singapore tax consequences that may be applicable to their individual circumstances.

Section 13Z of the SITA provides for certainty on non-taxability of gains derived by a corporate taxpayer from the disposal of ordinary shares during the period from 1 June 2012 to 31 December 2027 (both dates inclusive) where:

- the divesting company had legally and beneficially held a minimum shareholding of 20.0% of the ordinary shares of the company whose shares are being disposed; and
- the divesting company had maintained the minimum 20.0% shareholding for a continuous period of at least 24 months immediately prior to the disposal.

The abovementioned “safe harbour rule” prescribed under Section 13Z of SITA is not applicable under the following scenarios:

- During the period from 1 June 2012 to 31 May 2022, on the disposal(s) of shares in an unlisted investee company which is in the business of trading or holding Singapore immovable properties (other than the business of property development).
- During the period from 1 June 2022 to 31 December 2027, on the disposals of unlisted shares in investee companies that are in the business of trading, holding or developing immovable properties in Singapore or abroad.

In addition, corporate Shareholders who have adopted, or who are required to adopt, the Singapore Financial Reporting Standard International (“**SFRS(I)**”) 9 (Financial Instruments) which replaces the existing SFRS(I) 1-39 (Financial Instruments – Recognition and Measurement) for accounting purposes may be required to recognise gains or losses in accordance with the provisions of SFRS(I) 9 regardless of any disposal of our Shares being made. If so, the gain or loss on the Shares may be taxed or allowed as a deduction for Singapore income tax purposes notwithstanding being unrealised. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences that may arise from the adoption of SFRS(I) 9 in respect of their acquisition, holding and disposal of our Shares.

Stamp Duty

There is no stamp duty payable on the subscription for, allotment or holding of our Shares.

Where our Shares evidenced in certificated form are acquired in Singapore and where our Company maintains a share registry in Singapore, stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2%, computed on the consideration paid or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

No stamp duty is payable upon transfer of our Shares if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require a contract or agreement to be executed) or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the scripless trading system operated by CDP, if such transfers are not pursuant to an instrument of transfer entered into.

Estate Duty

Singapore estate duty had been abolished with effect from 15 February 2008.

Goods and Services Tax (“GST”)

The sale of our Shares by a GST-registered investor belonging in Singapore through an SGX-ST member to another person belonging in Singapore is an exempt supply and so would not be subject to GST. Any input GST (e.g. GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Comptroller of GST and becomes an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore and that person is outside Singapore at the time the sale is executed, the sale is generally regarded as a taxable supply subject to GST at zero-rate. Any input GST incurred by a GST-registered investor in the making of this taxable supply in the course of or furtherance of a business carried on by him, subject to the provisions of the Goods and Services Tax Act, Chapter 117A of Singapore, may be recovered from the Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposition of our Shares.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor’s purchase, sale or holding of our Shares will be subject to GST at the standard rate, currently at 7.0%. Similar services rendered to an investor belonging outside Singapore are subject to GST at zero-rate, provided that the investor is physically present outside Singapore when the services are performed and the services provided do not directly benefit any Singapore non-GST registered persons.

CAYMAN ISLANDS

Our Company is incorporated as an exempted company in the Cayman Islands. Dividends remitted to Shareholders resident outside the Cayman Islands will not be subject to Cayman Islands withholding tax. There are no reciprocal tax treaties between the Cayman Islands and Singapore. See “Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company – Summary of Certain Provisions of the Cayman Islands Company Law – Taxation” to this Prospectus for further details.

PRC

See “Risk Factors – Risks Relating to the PRC – You may be subject to PRC income tax on dividends from us or on any gain realised on the transfer of our Shares” and “Regulations – PRC – Regulations on Tax in the PRC – Withholding Tax” of this Prospectus for further details.

PLAN OF DISTRIBUTION

THE OFFERING

The Offering comprises 21,696,000 Offering Shares (representing in aggregate 2.0% of our Company's share capital immediately after the completion of the Offering and the issuance of the New Cornerstone Shares) for subscription under the Placement and the Public Offer. At the same time as but separate from the Offering, the Cornerstone Investors have entered into Cornerstone Agreements with our Company to subscribe for, or our Company and the Vendors to subscribe for and purchase, an aggregate of 162,706,000 Cornerstone Shares at the Offering Price, conditional upon, among others, the Underwriting Agreement having been entered into and not having been terminated pursuant to its terms on or prior to the Listing Date.

The Offering Price was determined after a bookbuilding process and agreed among our Company, the Vendors and the Joint Underwriters and Bookrunners, after taking into account, among others, the prevailing market conditions. 18,696,000 Shares are being offered under the Placement and 3,000,000 Shares are being offered under the Public Offer. The Shares may be re-allocated between the Placement and the Public Offer at the discretion of the Joint Underwriters and Bookrunners, following consultation with our Company, subject to any applicable laws.

The Public Offer is open to members of the public in Singapore. Under the Placement, the Shares are being offered by way of an international placement through the Joint Underwriters and Bookrunners to investors, in offshore transactions as defined in and in reliance on Regulation S.

The closing of the Offering is conditional upon, among others, the closing of the transactions contemplated in the underwriting agreement dated 11 December 2020 (the "**Underwriting Agreement**") entered into among our Company, the Vendors and the Joint Underwriters and Bookrunners, including, among others, the fulfilment or waiver by the SGX-ST of all conditions contained in the letter of eligibility from the SGX-ST for the listing and quotation of the Shares on the Main Board of the SGX-ST.

THE UNDERWRITING AGREEMENT

Subject to the terms and conditions set forth in the Underwriting Agreement, we and the Vendors will effect the issue or sale (as the case may be) of, and the Joint Underwriters and Bookrunners are expected to procure subscribers and/or purchasers for, or failing which to subscribe for and/or purchase, an aggregate of 184,402,000 Shares (being the Offering Shares and the Cornerstone Shares). See the section entitled "Use of Proceeds – Expenses" of this Prospectus for information on the fees and commissions payable by us and the Vendors to the Joint Underwriters and Bookrunners. The Joint Underwriters and Bookrunners will procure subscribers and/or purchasers for, or failing which to subscribe for or purchase, subject to certain conditions, the number of Offering Shares and Cornerstone Shares set forth opposite their names below, at the Offering Price.

Joint Underwriters and Bookrunners	Number of Offering Shares	Number of Cornerstone Shares
DBS Bank Ltd.	10,848,000	81,353,000
UOB Kay Hian Private Limited	9,763,200	73,217,700
Bank of China Limited, Singapore Branch	1,084,800	8,135,300
	21,696,000	162,706,000

Our Company and the Vendors have agreed in the Underwriting Agreement to indemnify the Joint Underwriters and Bookrunners against certain liabilities. The Underwriting Agreement also provides that the obligations of the Joint Underwriters and Bookrunners to procure subscribers or purchasers, or failing which to subscribe for or purchase the Offering Shares and the Cornerstone Shares are subject to certain conditions contained in the Underwriting Agreement. The Underwriting Agreement may be terminated by the Joint Underwriters and Bookrunners at any time prior to the settlement of subscriptions, sales and purchases of the Offering Shares and the Cornerstone Shares, pursuant to the terms and subject to the conditions of the Underwriting Agreement upon the occurrence of certain events including, among others, certain force majeure events.

Purchasers and/or subscribers of the Placement Shares will be required to pay to the Joint Underwriters and Bookrunners a brokerage fee of up to 1.0% of the Offering Price, as well as stamp duty and other similar charges to the relevant authorities in accordance with the laws and practices of the country of purchase and/or subscription, at the time of settlement.

NO SALE OF SIMILAR SECURITIES AND LOCK-UP ARRANGEMENTS

Our Company

We have agreed with the Joint Underwriters and Bookrunners that, from the date of the lock-up undertaking until the date falling six months from the Listing Date (both dates inclusive) (the “**First Lock-up Period**”), we will not, without the prior written consent of the Joint Underwriters and Bookrunners, directly or indirectly:

- (a) allot, offer, issue, sell, contract to issue, grant any option, warrant or other right to subscribe or purchase, grant security over, encumber (whether by way of mortgage, assignment of rights, charge, pledge, pre-emption rights, rights of first refusal or otherwise), or otherwise dispose of or transfer, any Shares or any other securities of our Company or any subsidiary of our Company (including any equity-linked securities, perpetual securities and any securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of our Company or any subsidiary of our Company), whether such transaction is to be settled by delivery of Shares or other securities of our Company or subsidiary of our Company, or in cash or otherwise;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any securities of our Company or any subsidiary of our Company, or any interest in any of the foregoing (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or any subsidiary of our Company), whether such transaction is to be settled by delivery of Shares or other securities of our Company or subsidiary of our Company (including any securities convertible into, or exercisable or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of our Company or subsidiary of our Company), or in cash or otherwise;
- (c) deposit any Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or any subsidiary of our Company) in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with the obligations under these restrictions);
- (d) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

- (e) announce or publicly disclose any intention to do any of the above,

provided, however, that the foregoing restrictions shall not apply in respect of the Offering Shares, the Cornerstone Shares, the Award Shares and the Option Shares.

Mr. Guo Jingyu

Mr. Guo Jingyu has agreed with the Joint Underwriters and Bookrunners that, he will not, and shall exercise such powers as he may have under the terms of the Guo Yue Family Trust (“**GY Trust**”) to procure that Vistra Trust (Singapore) Pte. Limited will not (as trustee of the GY Trust), Da Yuan Developments Limited and Kang Ru Investments Limited will not, without the prior written consent of the Joint Underwriters and Bookrunners, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Shares legally and/or beneficially (whether directly or indirectly) owned by him, G.Y Media & Entertainment Limited, Kang Ru Investments Limited and Da Yuan Developments Limited as at the date of his lock-up undertaking and as at the Listing Date (“**Guo Lock-up Shares**”), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Guo Lock-up Shares, or enter into a transaction that would have the same effect;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Guo Lock-up Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Guo Lock-up Shares;
- (c) deposit any of the Guo Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Guo Lock-up Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under this letter agreement), whether any such transaction described above is to be settled by delivery of the Guo Lock-up Shares or such other securities, in cash or otherwise;
- (d) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the shares in G.Y Media & Entertainment Limited, Da Yuan Developments Limited and Kang Ru Investments Limited as at the Listing Date (“**Guo Relevant Shares**”), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Guo Relevant Shares;
- (e) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Guo Relevant Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Guo Relevant Shares;
- (f) deposit any of the Guo Relevant Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Guo Relevant Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under the lock-up undertaking), whether any such

transaction described above is to be settled by delivery of the Guo Relevant Shares or such other securities, in cash or otherwise;

(g) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or

(h) announce or publicly disclose any intention to do any of the above.

The restrictions in the preceding paragraph shall apply to (i) all the Guo Lock-up Shares and all the Guo Relevant Shares during the First Lock-up Period; and (ii) 50.0% of the Guo Lock-up Shares and all the Guo Relevant Shares for the period commencing on the date immediately following expiry of the First Lock-up Period until the date falling 12 months from the Listing Date (both dates inclusive) (the “**Second Lock-up Period**”). The restrictions in the preceding paragraph shall not apply during the First Lock-up Period and the Second Lock-up Period to the transfer of:

(i) (A) any Guo Lock-up Shares to and between any wholly-owned subsidiary of Vistra Trust (Singapore) Pte. Limited (as trustee of the GY Family Trust) (“**Vistra Subsidiary**”); or (B) any Guo Relevant Shares and/or shares of any Vistra Subsidiary holding an interest in any Guo Lock-up Shares or Guo Relevant Shares to any other Vistra Subsidiary, provided that such Vistra Subsidiary has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period;

(ii) any Guo Lock-up Shares and/or Guo Relevant Shares to any replacement trustee(s) of the GY Family Trust (in that capacity) and/or wholly-owned subsidiaries of such replacement trustee(s) (in that capacity) (“**Replacement Trustee Entity**”), provided that such Replacement Trustee Entity has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period; and

(iii) any Guo Lock-up Shares and/or Guo Relevant Shares to Mr. Guo Jingyu and/or any corporation that is wholly-owned by Mr. Guo Jingyu, including G.Y Media & Entertainment Limited (“**Permitted Guo Transferee**”), provided that such Permitted Guo Transferee has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

Mr. Guo Jingyu has further agreed that if, during the First Lock-up Period and the Second Lock-up Period, the trustee of the GY Trust is removed, replaced or additional trustees are appointed, he shall procure that such new or additional trustees will enter into substantially identical undertakings as Vistra Trust (Singapore) Pte. Limited (as trustee of the GY Trust) has given in favour of the Joint Underwriters and Bookrunners.

G.Y Media & Entertainment Limited

G.Y Media & Entertainment Limited has agreed with the Joint Underwriters and Bookrunners that, it will not, and shall exercise such powers as it may have under the terms of the GY Trust to procure that Vistra Trust (Singapore) Pte. Limited will not (as trustee of the GY Trust), Da Yuan Developments Limited and Kang Ru Investments Limited will not, without the prior written consent of the Joint Underwriters and Bookrunners, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate,

grant security over, encumber or otherwise transfer or dispose of, any of the Shares legally and/or beneficially (whether directly or indirectly) owned by it, Mr. Guo Jingyu, Kang Ru Investments Limited and Da Yuan Developments Limited as at the date of its lock-up undertaking and as at the Listing Date (“**GY Lock-up Shares**”), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the GY Lock-up Shares, or enter into a transaction that would have the same effect;

- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the GY Lock-up Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the GY Lock-up Shares;
- (c) deposit any of the GY Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any GY Lock-up Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under this letter agreement), whether any such transaction described above is to be settled by delivery of the GY Lock-up Shares or such other securities, in cash or otherwise;
- (d) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the shares in Da Yuan Developments Limited and Kang Ru Investments Limited as at the Listing Date (“**GY Relevant Shares**”), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the GY Relevant Shares;
- (e) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the GY Relevant Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the GY Relevant Shares;
- (f) deposit any of the GY Relevant Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any GY Relevant Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under the lock-up undertaking), whether any such transaction described above is to be settled by delivery of the GY Relevant Shares or such other securities, in cash or otherwise;
- (g) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (h) announce or publicly disclose any intention to do any of the above.

The restrictions in the preceding paragraph shall apply to (i) all the GY Lock-up Shares and all the GY Relevant Shares during the First Lock-up Period; and (ii) 50.0% of the GY Lock-up Shares and all the GY Relevant Shares during the Second Lock-up Period. The restrictions in the preceding paragraph shall not apply during the First Lock-up Period and the Second Lock-up Period to the transfer of:

- (i) (A) any GY Lock-up Shares to and between any Vistra Subsidiary; or (B) any GY Relevant Shares and/or shares of any Vistra Subsidiary holding an interest in any GY Lock-up Shares or GY Relevant Shares to any other Vistra Subsidiary, provided that such Vistra Subsidiary has executed and delivered to the Joint Underwriters and Bookrunners on substantially the

same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period;

- (ii) any GY Lock-up Shares and/or GY Relevant Shares to any Replacement Trustee Entity, provided that such Replacement Trustee Entity has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period; and
- (iii) any GY Lock-up Shares and/or GY Relevant Shares to any Permitted Guo Transferee, provided that such Permitted Guo Transferee has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

Da Yuan Developments Limited

Da Yuan Developments Limited has agreed with the Joint Underwriters and Bookrunners that, it will not, without the prior written consent of the Joint Underwriters and Bookrunners, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Shares that it legally and/or beneficially owns (whether directly or indirectly) as at the date of its undertaking and as at the Listing Date ("**DY Lock-up Shares**"), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the DY Lock-up Shares, or enter into a transaction that would have the same effect;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the DY Lock-up Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the DY Lock-up Shares;
- (c) deposit any of the DY Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any DY Lock-up Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under this letter agreement), whether any such transaction described above is to be settled by delivery of the DY Lock-up Shares or such other securities, in cash or otherwise;
- (d) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the shares in Kang Ru Investments Limited as at the Listing Date ("**DY Relevant Shares**"), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the DY Relevant Shares;
- (e) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the DY Relevant Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the DY Relevant Shares;

- (f) deposit any of the DY Relevant Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any DY Relevant Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under the lock-up undertaking), whether any such transaction described above is to be settled by delivery of the DY Relevant Shares or such other securities, in cash or otherwise;
- (g) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (h) announce or publicly disclose any intention to do any of the above.

The restrictions in the preceding paragraph shall apply to (i) all the DY Lock-up Shares and all the DY Relevant Shares during the First Lock-up Period; and (ii) 50.0% of the DY Lock-up Shares and all the DY Relevant Shares during the Second Lock-up Period. The restrictions in the preceding paragraph shall not apply during the First Lock-up Period and the Second Lock-up Period to the transfer of:

- (i) any DY Lock-up Shares to and between any Vistra Subsidiary; or (B) any DY Relevant Shares and/or shares of any Vistra Subsidiary holding an interest in any DY Lock-up Shares or DY Relevant Shares to any other Vistra Subsidiary, provided that such Vistra Subsidiary has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period;
- (ii) any DY Lock-up Shares and/or DY Relevant Shares to any Replacement Trustee Entity, provided that such Replacement Trustee Entity has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period; and
- (iii) any DY Lock-up Shares and/or DY Relevant Shares to any Permitted Guo Transferee, provided that such Permitted Guo Transferee has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

Kang Ru Investments Limited

Kang Ru Investments Limited has agreed with the Joint Underwriters and Bookrunners that, it will not, without the prior written consent of the Joint Underwriters and Bookrunners, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Shares that it owns as at the date of its undertaking and as at the Listing Date (“**KR Lock-up Shares**”), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the KR Lock-up Shares, or enter into a transaction that would have the same effect;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences

of ownership of the KR Lock-up Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the KR Lock-up Shares;

- (c) deposit any of the KR Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any KR Lock-up Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under the lock-up undertaking), whether any such transaction described above is to be settled by delivery of the KR Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

The restrictions in the preceding paragraph shall apply to (i) all the KR Lock-up Shares during the First Lock-up Period; and (ii) 50.0% of the KR Lock-up Shares during the Second Lock-up Period. The restrictions in the preceding paragraph shall not apply during the First Lock-up Period and the Second Lock-up Period to the transfer of:

- (i) any KR Lock-up Shares to and between any Vistra Subsidiary, provided that such Vistra Subsidiary has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period;
- (ii) any KR Lock-up Shares to any Replacement Trustee Entity, provided that such Replacement Trustee Entity has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period; and
- (iii) any KR Lock-up Shares to any Permitted Guo Transferee, provided that such Permitted Guo Transferee has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

Vistra Trust (Singapore) Pte. Limited

Vistra Trust (Singapore) Pte. Limited (in its capacity as trustee of the GY Trust) has agreed with the Joint Underwriters and Bookrunners that, it will not, without the prior written consent of the Joint Underwriters and Bookrunners, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Shares that it legally and/or beneficially owns (whether directly or indirectly) as at the date of its undertaking and as at the Listing Date ("**Vistra Lock-up Shares**"), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Vistra Lock-up Shares, or enter into a transaction that would have the same effect;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Vistra Lock-up Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Vistra Lock-up Shares;

- (c) deposit any of the Vistra Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Vistra Lock-up Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under this letter agreement), whether any such transaction described above is to be settled by delivery of the Vistra Lock-up Shares or such other securities, in cash or otherwise;
- (d) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the shares in Da Yuan Developments Limited or Kang Ru Investments Limited as at the Listing Date ("**Vistra Relevant Shares**"), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Vistra Relevant Shares;
- (e) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Vistra Relevant Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Vistra Relevant Shares;
- (f) deposit any of the Vistra Relevant Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Vistra Relevant Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under the lock-up undertaking), whether any such transaction described above is to be settled by delivery of the Vistra Relevant Shares or such other securities, in cash or otherwise;
- (g) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (h) announce or publicly disclose any intention to do any of the above.

The restrictions in the preceding paragraph shall apply to (i) all the Vistra Lock-up Shares and all the Vistra Relevant Shares during the First Lock-up Period; and (ii) 50.0% of the Vistra Lock-up Shares and all the Vistra Relevant Shares during the Second Lock-up Period. The restrictions in the preceding paragraph shall not apply during the First Lock-up Period and the Second Lock-up Period to the transfer of:

- (i) (A) any Vistra Lock-up Shares to and between any Vistra Subsidiary; or (B) any Vistra Relevant Shares and/or shares of any Vistra Subsidiary holding an interest in any Vistra Lock-up Shares or Vistra Relevant Shares to any other Vistra Subsidiary, provided that such Vistra Subsidiary has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period;
- (ii) any Vistra Lock-up Shares and/or Vistra Relevant Shares to any Replacement Trustee Entity, provided that such Replacement Trustee Entity has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period; and
- (iii) any Vistra Lock-up Shares and/or Vistra Relevant Shares to any Permitted Guo Transferee, provided that such Permitted Guo Transferee has executed and delivered to the Joint Underwriters and Bookrunners on substantially the same terms to the effect that it will comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

Mr. Ong Pang Aik

Mr. Ong Pang Aik has agreed for a certain number of our Shares held by him to be subject to a lock-up arrangement during the First Lock-up Period. The number of such Shares subject to the lock-up arrangement (the “**OPA Lock-up Shares**”) is calculated pursuant to the formula set out in Rule 229(4) of the Listing Manual as follows:

$$M = \frac{V_{\text{IPO}} - V_{\text{CP}}}{V_{\text{IPO}}} \times P$$

Where

M = the number of Shares subject to moratorium, being the OPA Lock-up Shares;

V_{CP} = the total cash paid for the Shares acquired by Mr. Ong Pang Aik within the 12 months preceding the date of the listing application;

V_{IPO} = the value of Mr Ong Pang Aik’s total shareholdings acquired within 12 months preceding the date of the listing application based on the Offering Price; and

P = the total number of Shares paid for by Mr. Ong Pang Aik in the 12 months preceding the date of the listing application.

In accordance with the terms of the lock-up arrangement, as the number of OPA Lock-up Shares calculated based on the foregoing formula is less than one, the lock-up arrangement shall not be of any effect whatsoever. Any Shares that Mr. Ong Pang Aik acquire and/or subscribe for on or after the Offering shall not be subject to the terms of the restriction.

Mr. Ong Pang Aik has agreed with the Joint Underwriters and Bookrunners that, he will not, during the First Lock-up Period, without the prior written consent of the Joint Underwriters and Bookrunners, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, the OPA Lock-up Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the OPA Lock-up Shares, or enter into a transaction that would have the same effect;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the OPA Lock-up Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the OPA Lock-up Shares;
- (c) deposit any of the OPA Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the OPA Lock-up Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with its obligations under the lock-up undertaking), whether any such transaction described above is to be settled by delivery of the OPA Lock-Up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

PERSONS INTENDING TO SUBSCRIBE FOR THE OFFERING SHARES

To the best of our knowledge, we are not aware of any person who intends to subscribe for more than 5.0% of the Offering Shares. However, through a bookbuilding process to assess market demand for the Shares, there may be person(s) who may indicate his or her interest to subscribe for more than 5.0% of the Offering Shares. No Shares shall be allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

NO EXISTING PUBLIC MARKET

Prior to the Offering, there had been no trading market for the Shares. The Offering Price was determined after a bookbuilding process and agreed among our Company, the Vendors and the Joint Underwriters and Bookrunners. Among the factors considered in determining the Offering Price of the Offering Shares were the prevailing market conditions, current market valuations of publicly traded companies that our Company and the Joint Underwriters and Bookrunners believe to be reasonably comparable to our Group, an assessment of our Group's recent historical performance, estimates of our Group's business potential and earnings prospects, the current state of our Group's development and the current state of the industry and the economy as a whole.

SELLING AND TRANSFER RESTRICTIONS

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Offering Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

No action has been or will be taken under the requirements of the legal or regulatory requirements of any other jurisdiction, except for the lodgement and registration of this Prospectus in Singapore in order to permit a public offering of the Offering Shares and the public distribution of this Prospectus in Singapore. The distribution of this Prospectus and the offering of the Offering Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by us, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners.

Persons to whom a copy of this Prospectus has been issued shall not circulate to any other persons, reproduce or otherwise distribute this Prospectus or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

Transfer Restrictions

Due to the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of Shares offered and sold in reliance on Regulation S under the Securities Act.

Each person who subscribes for and/or purchases our Shares in offshore transactions in reliance on Regulation S under the Securities Act will be deemed to have acknowledged, represented to and agreed with us, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as follows (terms used herein that are defined in Regulation S under the Securities Act are used herein as defined therein):

- (a) it acknowledges (or if it is a broker-dealer, its customer has confirmed to it that such customer acknowledges) that such Shares have not been and will not be registered under the Securities Act or under any securities laws of any state of the United States;
- (b) it certifies that either (i) it is, or at the time such Shares are purchased will be, the beneficial owner of such Shares, and (A) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S under the Securities Act) and (B) it is not our affiliate or a person acting on behalf of such an affiliate, or (ii) it is a broker-dealer acting on behalf of its customer, and its customer has confirmed to it that (A) such customer is, or at the time such Shares are purchased will be, the beneficial owner of such Shares, (B) such customer is not a U.S. person and it is located outside the United States (within the meaning of Regulation S under the Securities Act) and (C) such customer is not our affiliate or a person acting on behalf of such an affiliate; and
- (c) it agrees (or if it is a broker-dealer, its customer has confirmed to it that such customer agrees) that it (or such customer) will not offer, sell, pledge or otherwise transfer such Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable securities laws of the states of the United States.

Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions shall not be recognised by us. In addition, each prospective purchaser of the Offering Shares, by its acceptance thereof, will be deemed to have acknowledged that we, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any person representing us, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners will rely upon the truth and accuracy of the acknowledgments, representations and agreements contained under this section of this Prospectus and agrees that, if any of the acknowledgments, representations or agreements deemed to have been made by it through its purchase of the Offering Shares are no longer accurate, it shall promptly notify us, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, and if it is acquiring any of the Offering Shares as fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

Hong Kong

This Prospectus is not a prospectus under the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the “**C(WUMPO)**”), and nor is it required to be authorised under section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”).

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong and no action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any document issued in connection with it.

The Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than (a) to “professional investors” as defined in the SFO and any rules made under that Ordinance, or (b) in other circumstances which do not result in this document being a “prospectus” as defined in the C(WUMPO) or which do not constitute an offer to the public with the meaning of that Ordinance.

No advertisement, invitation or document relating to the Shares has been or will be issued in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong)

other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

Malaysia

No approval, authorisation or recognition of the Securities Commission of Malaysia has been or will be obtained for the making available, or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of the Shares on the basis that the Shares will only be made available, offered or sold exclusively to persons outside Malaysia or if within Malaysia then only by way of distribution of the Shares, through a holder of a Capital Markets Services Licence carrying on the business of dealing in securities, to the categories of persons specified in paragraph 10 of Schedule 5 of the Capital Markets and Services Act 2007 (the “**CMSA**”).

This Prospectus has not been and will not be registered as a prospectus with the Securities Commission of Malaysia on the basis that the Shares will not be made available, offered or sold within Malaysia other than to the categories of persons specified in Schedules 6 and 7 of the CMSA. A copy of this Prospectus has been deposited with the Securities Commission of Malaysia in accordance with the requirements of the CMSA.

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Company and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Investors should rely on their own evaluation to assess the merits and risks of the investment proposed herein.

OTHER RELATIONSHIPS

The Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking and/or other commercial transactions. The Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners and certain of their respective affiliates may have, from time to time, performed and may, in the future, engage in transactions with and/or performed one or more of the abovementioned services for our Group and our affiliates in the ordinary course of business for which they received or will receive customary fees and expenses. The Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners and certain of their affiliates may also, from time to time, trade in our securities and engage in transactions with our Group and our affiliates in the ordinary course of business. It is expected that the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners and their respective affiliates will continue to provide such services to, and enter into such transactions with, our Group and our affiliates in the future.

CLEARANCE AND SETTLEMENT

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of our Shares on the Main Board of the SGX-ST. For the purpose of trading on the SGX-ST, a board lot of our Shares will comprise 100 Shares. Upon listing and quotation on the SGX-ST, our Shares will be traded under the book-entry (scripless) settlement system of CDP, and all dealings in and transactions of the Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended from time to time.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

Our Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by CDP will not be treated, under the Cayman Islands Companies Law and our Articles of Association, as members of our Company in respect of the number of our Shares credited to their respective securities accounts. The depositors and depository agents on whose behalf CDP holds Shares for may not be accorded the full rights of membership such as voting rights, the right to appoint proxies, or the right to receive shareholders circulars, proxy forms, annual reports, prospectuses and takeover documents. In such an event, depositors and depository agents will be accorded only such rights as CDP may make available to them pursuant to CDP's terms and conditions to act as depository for foreign securities.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with our Articles of Association. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares, is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the Share Registrar for each share certificate issued, and stamp duty of 0.2% of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed and (where necessary) stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00, subject to GST at the prevailing rate (currently 7.0%) is payable upon the deposit of each instrument of transfer with CDP. The above fee may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for transfer of our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee that CDP may charge may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon for us by Rajah & Tann Singapore LLP with respect to matters of Singapore law, Commerce & Finance Law Offices with respect to matters of PRC law, Conyers Dill & Pearman Pte. Ltd. with respect to matters of Cayman Islands law, King & Wood Mallesons with respect to matters of Australia law, Christopher & Lee Ong with respect to matters of Malaysia law and Deacons with respect to matters of Hong Kong law.

Certain legal matters in connection with this Offering will be passed upon for the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners by Allen and Gledhill LLP with respect to matters of Singapore law and JunHe LLP with respect to matters of PRC law.

Each of Rajah & Tann Singapore LLP, Conyers Dill & Pearman Pte. Ltd., King & Wood Mallesons, Christopher & Lee Ong, Deacons and Allen & Gledhill LLP does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and each of them makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Prospectus.

Save as disclosed in the sections entitled “Risk Factors – Risks Relating to our Corporate Structure”, “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities”, “Corporate Structure and Ownership – Corporate Reorganisation”, “Management and Corporate Governance – Legal Representatives” and “Regulations – PRC – Foreign Investment in the PRC” of this Prospectus, each of Commerce & Finance Law Offices and JunHe LLP does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Prospectus.

Each of Commerce & Finance Law Offices, the Legal Adviser to our Company as to PRC Law, and JunHe LLP, the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto and the statements attributed to them in the sections entitled “Risk Factors – Risks Relating to our Corporate Structure”, “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities”, “Corporate Structure and Ownership – Corporate Reorganisation”, “Management and Corporate Governance – Legal Representatives” and “Regulations – PRC – Foreign Investment in the PRC” which were prepared as at the date of this Prospectus for the purpose of incorporation in this Prospectus in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus.

INDEPENDENT AUDITOR

Our audited combined financial statements for the financial period from 22 March 2018 to 31 December 2018, financial year ended 31 December 2019 and six months ended 30 June 2020 included in this Prospectus have been audited by Deloitte & Touche LLP, the Independent Auditor and Reporting Accountant, as stated in their report appearing in this Prospectus.

The interim financial statements for the six months period ended 30 June 2019, which were included as comparative figures in our audited combined financial statements for the financial period from 22 March 2018 to 31 December 2018, financial year ended 31 December 2019 and six months ended 30 June 2020 included in this Prospectus have been reviewed by Deloitte & Touche LLP, the Independent Auditor and Reporting Accountant, as stated in their report appearing in this Prospectus.

Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to its name and all references thereto and the statements attributed to them in the sections entitled “Risk Factors – Risks Relating to our Business and the Industry in which we Operate” and “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities”, the “Independent Auditor’s Report on the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020” set out in Appendix A to this Prospectus and the “Independent Auditor’s Assurance Report on the Compilation of Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020” set out in Appendix B to this Prospectus, in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.

The above reports set out in Appendices A and B to this Prospectus were prepared for the purpose of inclusion in this Prospectus.

EXPERTS

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the Industry Consultant, was responsible for preparing the Industry Report set out in “Appendix J – Industry Report” to this Prospectus. Frost & Sullivan is also responsible for certain statements attributable to it in the sections entitled “Summary”, “Risk Factors” and “History and Business” of this Prospectus.

Frost & Sullivan has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to (a) its name, (b) the Industry Report set out in Appendix J to this Prospectus and (c) certain statements attributable to it in the sections entitled “Summary”, “Risk Factors” and “History and Business” of this Prospectus, in the form and context in which they respectively are included and appear in this Prospectus, and to act in such capacity in relation to this Prospectus. The Industry Report set out in Appendix J to this Prospectus was prepared for the purpose of inclusion in this Prospectus.

SAC Capital Private Limited, the Independent Financial Adviser to our Audit and Risk Management Committee, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, (i) its name, (ii) the letter set out in Appendix F to this Prospectus and (iii) certain statements attributable to it in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions – Opinion of the Independent Financial Adviser” of this Prospectus, in the form and context in which they respectively are included in this Prospectus, and to act in such capacity in relation to this Prospectus. The letter set out in Appendix F to this Prospectus was prepared for the purpose of inclusion in this Prospectus.

Deloitte & Touche LLP, the Independent Tax Adviser, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and certain statements attributable to it in the sections entitled “Risk Factors – Risks Relating to our Corporate Structure”, “Risk Factors – Risks Relating to our Business and the Industry in which we Operate” and “Risk Factors – Risks Relating to Countries in which we Operate” of this Prospectus, in the form and context in which they respectively are included in this Prospectus, and to act in such capacity in relation to this Prospectus.

See also the section entitled “Legal Matters” of this Prospectus for details of the statements made in this Prospectus and the written consent given by each of Commerce & Finance Law Offices, the Legal Adviser to our Company as to PRC Law, and JunHe LLP, the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law.

See also the section entitled “Independent Auditor” of this Prospectus for details of the reports prepared for inclusion in this Prospectus and the written consent given by Deloitte & Touche LLP, the Independent Auditor and Reporting Accountant.

GENERAL INFORMATION

Information on Directors, Executive Officers and Controlling Shareholders

1. Save as disclosed below, as at the date of this Prospectus, none of our Directors, Executive Officers or Controlling Shareholders have:
 - (a) at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
 - (b) at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) any unsatisfied judgment against him;
 - (d) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
 - (e) ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
 - (f) at any time during the last 10 years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;
 - (j) ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

- (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
- (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere;

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

- (k) been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Mr. Ang Chun Giap

Mr. Ang Chun Giap was appointed as independent director of Lian Beng Group Ltd. since 12 October 2016. Lian Beng Group Ltd. and its subsidiaries and associated companies (“**Lian Beng Group**”) have, from time to time in the ordinary course of business, been:

- (i) fined by regulatory and statutory bodies such as the Ministry of Manpower, the Public Utilities Board and the National Environment Agency for infringement of certain environmental and safety rules and regulations such as noise pollution or mosquito breeding and such fines have been duly paid;
- (ii) fined by the Accounting and Corporate Regulatory Authority in relation to late filing of annual returns and appointments of officers, secretaries and/or auditors and such fines have been duly paid; and
- (iii) subject to stop work orders from the relevant authorities in respect of Lian Beng Group’s construction sites at which injury and/or death occurred.

Notwithstanding the above, Mr. Ang Chun Giap is not the subject of any current or past investigation by any regulatory authority, whether in Singapore or elsewhere.

Litigation

2. Neither our Company nor any of our subsidiaries and PRC Affiliated Entities is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated, which may have or have had in the 12 months before the date of lodgement of this Prospectus, a material effect on the financial position or the profitability, of our Group.

Subsidiaries and PRC Affiliated Entities

3. The details of our subsidiaries and PRC Affiliated Entities are set out in the section entitled “Corporate Structure and Ownership” of this Prospectus.
4. None of our Independent Directors sits on the board of directors of our principal subsidiaries based in jurisdictions outside Singapore.

Share Capital

5. Except as disclosed below and in the section entitled “Share Capital and Shareholders” of this Prospectus, there were no changes in the issued and paid-up capital of our Company and our subsidiaries and PRC Affiliated Entities for the last three years and up to the Latest Practicable Date.

GHY Singapore

Date of Issue	Number of shares Issued	Issue Price per Share	Resultant Issued Share Capital	Purpose of Issue
4 May 2017	2	S\$1.00	2	Allotment on incorporation
1 June 2017	2,000,000	S\$1.00	2,000,002	Increase in capital
5 September 2017	3,000,000	S\$1.00	5,000,002	Increase in capital
30 April 2018	4,000,000	S\$1.00	9,000,002	Increase in capital

GHY Malaysia

Date of Issue	Number of Shares Issued	Issue Price per Share	Resultant Issued Share Capital	Purpose of Issue
6 September 2017	1	MYR1.00	1	Allotment on incorporation
17 January 2018	499,999	MYR499,999.00	500,000	Increase in capital

Tianjin Changxin

Date of Issue	Increase in Registered Capital	Resultant Issued Share Capital	Purpose of Issue
28 November 2018	RMB0.06 million	RMB3.06 million	Increase in capital

Tianjin Xinhe

Date of Issue	Increase in Registered Capital	Resultant Issued Share Capital	Purpose of Issue
21 July 2020	RMB0.1579 million	RMB3.1579 million	Increase in capital

6. As at the Latest Practicable Date, no option to subscribe for any Shares in, or debentures of, our Company or our subsidiaries and PRC Affiliated Entities has been granted to, or was exercised by, any Director or Executive Officer within the two financial years preceding the date of this Prospectus.
7. Save as otherwise disclosed in this Prospectus, as at the Latest Practicable Date, no person has been, or has the right to be, given an option to subscribe for or purchase any securities of our Company or any of our subsidiaries and PRC Affiliated Entities.

Material Contracts

8. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company, our subsidiaries and PRC Affiliated Entities within the two years preceding the date of lodgement of this Prospectus and are or may be material:
 - (a) the Contractual Arrangements;
 - (b) the Cornerstone Agreements;
 - (c) (i) the loan agreement dated 10 October 2019 entered into between our Company and Mr. Ong Pang Aik in respect of the loan for an aggregate sum of S\$7.5 million; and (ii) the supplemental agreement dated 24 March 2020 in respect of the conversion of the outstanding loan amount and accrued interest into 1,093,000 Shares. See the section entitled “Corporate Structure and Ownership – Corporate Reorganisation – Subscription by Mr. Ong Pang Aik” of this Prospectus for further details; and
 - (d) the loan agreement entered into between Tianjin Changxin and Mr. Guo Jingyu in respect of a loan for an aggregate sum of RMB90.0 million for the term of 1 January 2019 to 31 December 2020. See the section entitled “Interested Person Transaction and Potential Conflicts of Interest – Past Interested Person Transactions – Loan from an Interested Person” of this Prospectus for further details.

Miscellaneous

9. There has not been any public take-over by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or the units of a business trust which has occurred between the beginning of FY2019 and the Latest Practicable Date.
10. Save as disclosed in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “History and Business – Our Business Strategies and Future Plans”, “History and Business – Trend Information” and “Appendix J – Industry Report” of this Prospectus, we are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our financial position and our revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition.
11. There is no known arrangement, the operation of which may, at a subsequent date, result in a change of control of our Company.
12. No expert is employed on a contingent basis by our Company or any of our subsidiaries and PRC Affiliated Entities, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries and PRC Affiliated Entities, or has a material economic interest, whether direct or indirect, in our Company including an interest in the success of the Offering.

13. Save as disclosed in the sections entitled “Interested Person Transactions and Potential Conflicts of Interest – Potential Conflicts of Interest-Interests of the Joint Issue Managers and Global Coordinators” and “Plan of Distribution” of this Prospectus, our Company does not have any material relationship with the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners, or any other financial adviser in relation to the Offering.
14. Save as disclosed in “Dividend Policy”, “Corporate Structure and Ownership – Corporate Reorganisation” and “Interested Person Transactions and Potential Conflicts of Interest”, “Appendix A – Independent Auditor’s Report and the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020”, “Appendix B – Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020” of this Prospectus, we are not aware of any event which has occurred since 1 July 2020 and up to the Latest Practicable Date, which may have a material effect on the financial position and results of our Group.
15. Save as disclosed in the sections entitled “Risk Factors” and “History and Business” of this Prospectus, our business and/or profitability is not materially dependent on any patent, licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.
16. We currently have no intention of changing our auditors after the Listing of our Company on the SGX-ST. The names, addresses and professional qualifications (including any membership in a professional body) of the auditors of our Company for the financial period from 22 March 2018 to 31 December 2018, the financial year ended 31 December 2019 and the six months ended 30 June 2020 and the period from 1 July 2020 up to the date of lodgement of this Prospectus are set out below:

Name and Address of Auditors	Membership in Professional Body	Partner-in-charge/ Professional Qualification
Deloitte & Touche LLP 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809	Institute of Singapore Chartered Accountants	Mr. Loi Chee Keong (Member of the institute of Singapore Chartered Accountants)

17. The names of the auditors of certain of our subsidiaries and our PRC Affiliated Entities as at the date of lodgement of this Prospectus are set out below. The rest of our subsidiaries and our PRC Affiliated Entities have also been audited by Deloitte & Touche LLP or Deloitte Touche Tohmatsu Certified Public Accountants LLP, Beijing Branch for group consolidation purposes:

Subsidiary/ PRC Affiliated Entity	Name and Address of Auditors
GHY Singapore	Deloitte & Touche LLP 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809
GHY Malaysia	Deloitte PLT Level 16, Menara LGB 1, Jalan Wan Kadir Taman Tun Dr. Ismail 60000 Kuala Lumpur, Malaysia

Subsidiary/ PRC Affiliated Entity	Name and Address of Auditors
Tianjin Changxin	Deloitte Touche Tohmatsu Certified Public Accountants LLP, Beijing Branch 12/F China Life Financial Centre No. 23 Zhenzhi Road, Chaoyang District Beijing, People's Republic of China
Beijing Changxin	Deloitte Touche Tohmatsu Certified Public Accountants LLP, Beijing Branch 12/F China Life Financial Centre No. 23 Zhenzhi Road, Chaoyang District Beijing, People's Republic of China

Consents

18. Each of DBS Bank Ltd. and UOB Kay Hian Private Limited, the Joint Issue Managers and Global Coordinators in relation to the Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and references thereto, in the form and context which it is included in this Prospectus and to act in such capacity in relation to this Prospectus.
19. Each of DBS Bank Ltd., UOB Kay Hian Private Limited and Bank of China Limited, Singapore Branch, the Joint Underwriters and Bookrunners in relation to the Offering, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and references thereto, in the form and context which it is included in this Prospectus and to act in such capacity in relation to this Prospectus.
20. Each of Commerce & Finance Law Offices, the Legal Adviser to our Company as to PRC Law, and JunHe LLP, the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto and the statements attributed to them in the sections entitled "Risk Factors – Risks Relating to our Corporate Structure", "Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities", "Corporate Structure and Ownership – Corporate Reorganisation", "Management and Corporate Governance – Legal Representatives" and "Regulations – PRC – Foreign Investment in the PRC" of this Prospectus which were prepared as at the date of this Prospectus for the purpose of incorporation in this Prospectus in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus.
21. Frost & Sullivan, the Industry Consultant, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto and the statements attributable to it in the sections entitled "Summary", "Risk Factors", "History and Business" and the "Industry Report" set out in Appendix J to this Prospectus which were prepared as at the date of this Prospectus for the purpose of incorporation in this Prospectus in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus.
22. SAC Capital Private Limited, named as the Independent Financial Adviser to our Audit and Risk Management Committee, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto and the statements attributable to it in the sections entitled "Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions –

Opinion of the Independent Financial Adviser” and the “Opinion of the Independent Financial Adviser” set out in Appendix F to this Prospectus which were prepared as at the date of this Prospectus for the purpose of incorporation in this Prospectus in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus.

23. Deloitte & Touche LLP, the Independent Auditor and Reporting Accountant, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto and the statements attributed to them in the sections entitled “Risk Factors – Risks Relating to our Business and the Industry in which we Operate” and “Corporate Structure and Ownership – Contractual Arrangements in respect of our PRC Affiliated Entities”, the “Independent Auditor’s Report on the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020” set out in Appendix A to this Prospectus and the “Independent Auditor’s Assurance Report on the Compilation of Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020” set out in Appendix B to this Prospectus which were prepared as at the date of this Prospectus for the purpose of incorporation in this Prospectus in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus.
24. Deloitte & Touche LLP, the Independent Tax Adviser, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and certain statements attributable to it in the sections entitled “Risk Factors – Risks Relating to our Corporate Structure”, “Risk Factors – Risks Relating to our Business and the Industry in which we Operate” and “Risk Factors – Risks Relating to Countries in which we Operate” of this Prospectus, in the form and context in which they respectively are included in this Prospectus, and to act in such capacity in relation to this Prospectus.

Responsibility Statement

25. Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, our Company, our subsidiaries and our PRC Affiliated Entities, and our Directors are not aware of any facts the omission of which would make any statements in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

Documents Available for Inspection

26. Copies of the following documents may be inspected at 988 Toa Payoh North, #07-08, Singapore 319002 during normal business hours for a period of six months from the date of this Prospectus:
 - (a) the Memorandum and Articles of Association of our Company;
 - (b) the Independent Auditor’s Report and the Audited Combined Financial Statements for the Period from 22 March 2018 to 31 December 2018, Year ended 31 December 2019 and Six Months Period ended 30 June 2020;

- (c) the Independent Auditor’s Assurance Report and the Compilation of Unaudited Pro Forma Combined Financial Information for the Year ended 31 December 2019 and Six Months Period ended 30 June 2020;
- (d) the respective audited financial statements of our Company, each of our subsidiaries, and PRC Affiliated Entities, where applicable, for the Period Under Review, and in respect of GHY Singapore, all notes, reports or information relating to its audited financial statements which are required to be prepared under the Singapore Companies Act;
- (e) the material contracts referred to in paragraph 8 above;
- (f) the letters of consent referred to in the sections entitled “Independent Auditor” and “Experts” of this Prospectus and in paragraphs 18 and 19 above;
- (g) the legal opinion in respect of the Contractual Arrangements entered into by our PRC Affiliated Entities by the Legal Adviser to our Company as to PRC Law referred to in this Prospectus;
- (h) the legal opinion in respect of the Contractual Arrangements entered into by our PRC Affiliated Entities by the Legal Adviser to the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners as to PRC Law referred to in this Prospectus;
- (i) the opinion of the Independent Financial Adviser referred to in this Prospectus;
- (j) the Industry Report referred to in this Prospectus;
- (k) the Service Agreements, referred to in the section entitled “Management and Corporate Governance – Service Agreements” of this Prospectus;
- (l) the rules of the GHY Performance Share Plan; and
- (m) the rules of the GHY Employee Share Option Scheme.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED
31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

**INDEPENDENT AUDITOR’S REPORT ON THE AUDITED COMBINED FINANCIAL
STATEMENTS FOR PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED
31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

11 December 2020

The Board of Directors
G.H.Y Culture & Media Holding Co., Limited
988 Toa Payoh North
#07-01/08
Singapore 319002

Dear Sirs,

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of G.H.Y Culture & Media Holding Co., Limited (the “Company”) and its subsidiaries (the “Group”). The combined financial statements comprise the combined statements of financial position as at 31 December 2018, 31 December 2019 and 30 June 2020, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the period from 22 March 2018 (date of incorporation of Tianjin Changxin Film & Media Co., Ltd., being the first entity came under common control) to 31 December 2018, year ended 31 December 2019 and six months period ended 30 June 2020 (the “Relevant Periods”), including a summary of significant accounting policies and other explanatory information, as set out on pages A-4 to A-110.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the combined financial position of the Group as at 31 December 2018, 31 December 2019 and 30 June 2020 and of the combined financial performance, combined changes in equity and combined cash flows of the Group for the Relevant Periods.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Group in accordance with the *Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED COMBINED FINANCIAL STATEMENTS FOR PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Responsibilities of Management and Directors for the Combined Financial Statements

Management is responsible for the preparation of these combined financial statements that give a true and fair view in accordance with the SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair combined financial statements and to maintain accountability of assets.

In preparing the combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED COMBINED FINANCIAL STATEMENTS FOR PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- (e) Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Review of the Interim Period Comparative Financial Information

We have reviewed the interim period comparative financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and combined statement of cash flows for the six months period ended 30 June 2019, including a summary of significant accounting policies and other explanatory information (the "Interim Period Comparative Financial Information"). Management is responsible for the preparation and fair presentation of the Interim Period Comparative Financial Information in accordance with SFRS(I)s. Our responsibility is to express a conclusion on the Interim Period Comparative Financial Information based on our review.

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Interim Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Interim Period Comparative Financial Information does not give a true and fair view of its financial performance and its cash flows for the six-month period then ended in accordance with SFRS(I)s.

Restriction on Distribution and Use

This report has been prepared solely to you for inclusion in the Prospectus in connection with the proposed listing of G.H.Y Culture & Media Holding Co., Limited and its subsidiaries on Mainboard of the Singapore Exchange Securities Trading Limited and for no other purpose.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Loi Chee Keong
Partner

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED COMBINED FINANCIAL STATEMENTS FOR PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018, 2019 AND 30 JUNE 2020

	Note	30 June 2020	31 December 2019	31 December 2018
		\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	7	14,233	17,356	13,778
Trade receivables	8	11,914	44,166	174
Other receivables	9	10,991	5,041	2,190
Amount due from related parties	23	1,235	9,082	31
Contract assets	10	21,364	4,956	–
Contract costs	11	847	577	–
Inventories		159	–	–
Finance lease receivables		–	3	3
Income tax recoverable		–	–	9
Films and drama productions in progress	12A	29,027	23,307	22,085
Films and drama products	12B	2,489	–	–
		92,259	104,488	38,270
Non-current assets				
Plant and equipment	13	4,023	3,670	590
Right-of-use assets	14	5,389	2,620	860
Finance lease receivables		–	5	8
Goodwill	15	1,111	1,111	1,111
Intangible assets	16	794	327	225
Other receivables	9	7	83	103
Deferred tax assets	17	221	203	360
Investment in associates	19	–	422	–
		11,545	8,441	3,257
Total assets		103,804	112,929	41,527

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)
AS AT 31 DECEMBER 2018, 2019 AND 30 JUNE 2020**

	Note	30 June 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
<u>LIABILITIES</u>				
Current liabilities				
Trade and other payables	20	36,072	38,059	14,411
Film investment funds from investors	21	4,145	2,708	2,692
Contract liabilities	22	8,206	21,629	9,951
Amount due to related parties	23	5,628	23,229	45
Lease liabilities	24	1,484	1,251	417
Borrowings	25	5,170	4,825	5,873
Income tax payable		996	2,582	–
		61,701	94,283	33,389
Non-current liabilities				
Lease liabilities	24	3,732	1,228	309
Deferred tax liabilities	17	68	–	–
		3,800	1,228	309
Total liabilities		65,501	95,511	33,698
NET ASSETS		38,303	17,418	7,829
<u>EQUITY</u>				
Capital and reserves attributable to equity holders of the Company				
Share capital	26	641	641	642
Share premium	27	13,449	5,713	8,512
Statutory reserve		297	297	–
Retained earnings (Accumulated losses)		23,675	10,665	(1,472)
Translation reserves		241	102	147
Total equity		38,303	17,418	7,829

See accompanying notes to financial statements.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 AND 2020**

	Note	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 ¹ to 31 December 2018
		\$'000	\$'000	\$'000	\$'000
Revenue	28	37,152	41,622	66,000	3,442
Cost of sales		(17,594)	(29,707)	(47,184)	(334)
Gross profit		19,558	11,915	18,816	3,108
Other income	29	4,178	6,151	6,575	12
Share of result from associate	19	(11)	(41)	35	–
Administrative expenses		(5,000)	(2,151)	(5,177)	(1,969)
Selling and distribution expenses		(2,859)	(350)	(1,887)	(375)
Other expenses	30	(518)	(1,195)	(2,035)	(1,288)
Finance costs	31	(606)	(350)	(931)	(56)
Profit (Loss) before income tax		14,742	13,979	15,396	(568)
Income tax expense	32	(1,732)	(2,350)	(2,962)	(174)
Profit (Loss) for the period	33	13,010	11,629	12,434	(742)
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		139	161	(45)	147
Total comprehensive income (loss) for the period		13,149	11,790	12,389	(595)
Profit (Loss) for the period attributable to:					
Owners of the Group		13,010	11,629	12,434	(1,472)
Non-controlling interests		–	–	–	730
		13,010	11,629	12,434	(742)
Total comprehensive income (loss) attributable to:					
Owners of the Group		13,149	11,790	12,389	(1,325)
Non-controlling interests		–	–	–	730
		13,149	11,790	12,389	(595)
Earnings per share					
Basic and diluted (cents)	36	1.43	1.28	1.36	(0.16)

1 22 March 2018 is the date of incorporation of Tianjin Changxin Film & Media Co., Ltd., being the first entity came under common control.

See accompanying notes to financial statements.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**COMBINED STATEMENTS OF CHANGES IN EQUITY
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 AND 2020**

Note	Share capital	Share premium	Statutory reserve [#]	(Accumulated losses)	Translation reserves	Equity	Non-controlling interests	Total
				Retained earnings		attributable to owners of the Company		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 22 March 2018	-	-	-	-	-	-	-	-
<i>Total comprehensive income (loss) for the period:</i>								
(Loss) Profit for the period	-	-	-	(1,472)	-	(1,472)	730	(742)
Other comprehensive income for the period	-	-	-	-	147	147	-	147
	-	-	-	(1,472)	147	(1,325)	730	(595)
<i>Transactions with owners, recognised directly in equity:</i>								
Shares issue	26	637	-	-	-	637	-	637
Issue of shares for acquisition of subsidiary	18(a),26	3	5,559	-	-	5,562	2,225	7,787
Issue of shares for acquisition of non-controlling interest	18(b),26	2	2,953	-	-	2,955	(2,955)	-
		642	8,512	-	-	9,154	(730)	8,424
Balances at 31 December 2018		642	8,512	-	147	7,829	-	7,829
<i>Total comprehensive income for the year:</i>								
Profit for the year		-	-	12,434	-	12,434	-	12,434
Other comprehensive loss for the year		-	-	-	(45)	(45)	-	(45)
		-	-	12,434	(45)	12,389	-	12,389
<i>Transactions with owners, recognised directly in equity:</i>								
Share buy-back from a non-controlling shareholder	26	(1)	(2,799)	-	-	(2,800)	-	(2,800)
Transfer to statutory reserves		-	-	297	(297)	-	-	-
		(1)	(2,799)	297	(297)	(2,800)	-	(2,800)
Balances at 31 December 2019		641	5,713	297	10,665	102	17,418	-

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**COMBINED STATEMENTS OF CHANGES IN EQUITY (cont'd)
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 AND 2020**

Note	Share capital	Share premium	Statutory reserve [#]	Retained earnings	Translation reserves	Equity attributable to owners of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 1 January 2020	641	5,713	297	10,665	102	17,418	–	17,418
<i>Total comprehensive income for the year:</i>								
Profit for the year	–	–	–	13,010	–	13,010	–	13,010
Other comprehensive loss for the year	–	–	–	–	139	139	–	139
	–	–	–	13,010	139	13,149	–	13,149
<i>Transactions with owners, recognised directly in equity:</i>								
Issue of share capital	2(xi) *	7,736	–	–	–	7,736	–	7,736
Balances at 30 June 2020	641	13,449	297	23,675	241	38,303	–	38,303

* Amount less than \$1,000.

Note	Share capital	Share premium	Statutory reserve [#]	Retained earnings	Translation reserves	Equity attributable to owners of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>For the six months ended 30 June 2019 (unaudited)</i>								
Balances at 1 January 2019	642	8,512	–	(1,472)	147	7,829	–	7,829
<i>Total comprehensive income for the year:</i>								
Profit for the period	–	–	–	11,629	–	11,629	–	11,629
Other comprehensive income for the period	–	–	–	–	161	161	–	161
	–	–	–	11,629	161	11,790	–	11,790
Balances at 30 June 2019 (unaudited)	642	8,512	–	10,157	308	19,619	–	19,619

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 ("PRC") but before dividend distribution. The reserve fund can only be used, upon approval by the relevant authority in PRC, to offset accumulated losses or to increase share capital.

See accompanying notes to financial statements.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENT OF CASH FLOWS

**PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 AND 2020**

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Operating activities				
Profit (Loss) before income tax	14,742	13,979	15,396	(568)
Adjustments for:				
Amortisation of films and drama products	2,473	29,512	30,359	–
Amortisation of intangible assets	3	3	7	3
Depreciation of plant and equipment	360	122	315	111
Depreciation of right-of-use assets	825	326	993	221
(Net reversal of) Allowance for expected credit losses	(18)	42	89	–
Written-off of inventories	14	–	–	–
Written-off of plant and equipment	8	–	–	–
Impairment loss of contract costs	716	–	–	–
Gain on disposal of right-of-use assets	(35)	–	–	–
Gain on disposal of investment in associate	(3,135)	–	–	–
Fair value gain on previously held interest in associate	(61)	–	–	–
Gain from bargain purchase of investment in subsidiary (Note 18(c))	(155)	–	–	–
Interest income	(45)	(11)	(51)	(6)
Interest expense	606	350	931	56
Gain on structured deposits	(18)	(1)	(15)	–
Share of result from associate	11	41	(35)	–
Fair value gain in amount due to an external investor	297	955	1,523	907
Net foreign exchange difference	162	273	148	113
Operating cash flows before movements in working capital	16,750	45,591	49,660	837
Films and drama productions in progress (Note A)	(3,976)	(17,592)	(31,727)	(20,801)
Films and drama products	–	–	–	214
Trade and other receivables	29,410	(36,060)	(52,749)	(2,184)
Amount due from related parties	7,847	31	(9,051)	(31)
Contract assets	(16,409)	–	(4,962)	–
Contract costs	(986)	(56)	(577)	–
Trade and other payables	1,894	4,049	20,144	4,434
Amount due to related parties	(6,931)	(45)	6,886	45
Inventories	(173)	–	–	–
Contract liabilities	(14,093)	(8,543)	11,678	9,951
Cash generated from (used in) operations	13,333	(12,625)	(10,698)	(7,535)
Interest income received	44	10	50	5
Interest paid	(548)	(32)	(285)	(22)
Income tax paid	(3,377)	(9)	(103)	(64)
Net cash generated from (used in) operating activities	9,452	(12,656)	(11,036)	(7,616)

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**COMBINED STATEMENT OF CASH FLOWS (cont'd)
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 AND 2020**

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Investing activities				
Purchase of plant and equipment (Note B)	(1,040)	(46)	(2,871)	(295)
Purchase of intangible assets	(483)	–	(238)	(34)
Repayments of finance lease receivables	–	2	4	2
Investment in structured deposits (Note C)	18	(985)	15	–
Advance to a related party	(1,772)	(905)	(2,083)	–
Proceeds from advance to a related party	–	–	2,083	–
Additions to investment in an associate (Note D)	–	–	(393)	–
Acquisition of subsidiaries (Note 18)	3,270	–	–	4,005
Net cash (used in) from investing activities	(7)	(1,934)	(3,483)	3,678
Financing activities				
Repayment of lease liabilities	(730)	(202)	(968)	(212)
Proceeds from issuance of shares	–	–	–	627
Proceeds from borrowings	247	–	4,825	5,873
Proceeds from amount due to a third party	–	–	7,500	–
Proceeds of film investment funds from investors at amortised cost	1,386	–	2,708	–
Proceeds of film investment funds from an external investor at FVTPL (Note 21)	–	6,977	6,977	1,820
(Repayment) Proceeds from amount due to related parties	(11,041)	–	16,298	–
Proceeds of loan from an entity connected to a non-controlling shareholder	–	–	–	4,118
Proceeds from loan due to director of a subsidiary	–	–	–	5,490
Repayments of film investment funds to an external investor at FVTPL (Note 21)	–	–	(11,256)	–
Repayment of loan due to an entity connected to a non-controlling shareholder	–	–	(4,118)	–
Repayment of loan due to director of a subsidiary	(1,631)	–	(3,859)	–
Shares buy-back	(800)	–	–	–
Net cash (used in) from financing activities	(12,569)	6,775	18,107	17,716

See accompanying notes to financial statements.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**COMBINED STATEMENT OF CASH FLOWS (cont'd)
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 AND 2020**

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Net (decrease) increase in cash and cash equivalents	(3,124)	(7,815)	3,588	13,778
Cash and cash equivalents at beginning of period/year/date of incorporation	17,356	13,778	13,778	–
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	1	7	(10)	–
Cash and cash equivalents at end of period/year (Note 7)	14,233	5,970	17,356	13,778

Note A:

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Additions of films and drama productions in progress	3,989	17,709	31,857	20,824
Less: non-cash movement:				
Amortisation of intangible assets capitalised as films and drama productions in progress (Note 16)	(13)	(20)	(33)	(23)
Amount utilised for drama production (Note 16)	–	(97)	(97)	–
	3,976	17,592	31,727	20,801

See accompanying notes to financial statements.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**COMBINED STATEMENT OF CASH FLOWS (cont'd)
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 AND 2020**

Note B:

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Purchase of plant and equipment	650	46	3,406	295
Add: settlement on purchase of plant and equipment remained payable as at the opening of the period/year	535	–	–	–
Less: non-cash movement:				
Trade-in with right-of-use assets	(145)	–	–	–
Purchase of plant and equipment remained payable as at the opening of the period/year	–	–	(535)	–
	1,040	46	2,871	295

Note C: In six months period ended 30 June 2020, the Group entered into structured deposits which represent 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 30 June 2020, gross investment and proceeds received arising from such investment upon maturity amounts to \$22,243,000 and \$22,261,000 (31 December 2019: \$9,593,000 and \$9,608,000; 30 June 2019: \$985,000 and \$Nil) respectively.

Note D: In six months period ended 30 June 2019, the Group had acquired 27.6% of the equity interest in Beijing Honghaier (Note 2(xvi)) at a consideration of \$393,000 (equivalent to RMB2,000,000) which remained payable as at 30 June 2019. Subsequently, the consideration has been fully paid in September 2019.

See accompanying notes to financial statements.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

1 GENERAL

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 offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The financial statements are presented in Singapore dollar and all values are rounded to the nearest thousand (\$’000).

The combined financial statements have been prepared solely in connection with the proposed listing of the Company on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associates are disclosed in Note 2 to the financial statements.

The combined financial statements of the Group for the Relevant Periods were authorised for issue by the Board of Directors on 11 December 2020.

2 CORPORATE REORGANISATION AND BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS

Pursuant to the corporate reorganisation exercise to rationalise the structure of the Company and its subsidiaries, including structured entities (the “Group”) in preparation for the proposed listing of the Company on the Singapore Exchange Securities Trading (“SGX-ST”) (the “Corporate Reorganisation Exercise”), the Group undertook the following steps:

(i) Incorporation of Tianjin Changxin Film & Media Co., Ltd. (“Tianjin Changxin”)

Tianjin Changxin was incorporated in the PRC as a limited liability company on 22 March 2018. The principal activity of Tianjin Changxin is TV program and film production. At the time of incorporation, Tianjin Changxin had a registered capital of RMB3.0 million (equivalent to \$627,000) and Mr. Guo Jingyu (the “ultimate controlling shareholder”) held 100% of the equity interest in Tianjin Changxin.

In November 2018, the registered capital of Tianjin Changxin was increased to RMB3.06 million (equivalent to \$640,000) and two individual shareholders had each subscribed for RMB0.03 million (equivalent to \$6,500) of the increased registered capital, representing in aggregate 1.96% of the enlarged equity interest in Tianjin Changxin. In May 2019, Mr. Xue Xin, a key management personnel of the Company (“Mr. Xue Xin”), acquired 1.96% of the equity interest in Tianjin Changxin from the two individual shareholders.

Subsequent to such acquisition of the 1.96% of the equity interest in Tianjin Changxin by Mr. Xue Xin, the ultimate controlling shareholder and Mr. Xue Xin holds 100.0% of the equity interest in Tianjin Changxin, in the proportion of 98.04% and 1.96%, respectively.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

(ii) Incorporation of G.H.Y Culture & Media Holding Co., Limited

The Company was incorporated in the Cayman Islands on 29 May 2018 as an exempted company with limited liability. The principal activity is that of an investment holding company. At the date of incorporation, the Company had an issued and paid-up share capital of US\$1.00, comprising one share held by Sertus Nominees (Cayman) Limited, which was transferred to G.Y Media & Entertainment Limited on the date of incorporation of the Company. G.Y Media & Entertainment Limited is the investment holding vehicle of, and wholly-owned by the ultimate controlling shareholder.

On 21 June 2018, the 1 ordinary share held by the ultimate controlling shareholder is split into 10,000 ordinary shares of par value of US\$0.0001 each. The ultimate controlling shareholder subscribed for additional 63,990,000 new shares in the Company at par value of US\$0.0001 each, representing 64.0% of the issued capital in the Company (equivalent to \$10,000).

(iii) Acquisition of G.H.Y Culture & Media Singapore Pte. Ltd. and its subsidiary (“GHY Singapore group”, Note 18)

In June to July 2018, the Company had undertaken the Share Exchanges as described below, in order to acquire GHY Singapore and GHY Malaysia, which is a wholly-owned subsidiary of GHY Singapore. GHY Singapore was incorporated in Singapore as a private company limited by shares on 4 May 2017 under the name of “Perfect World Pictures (Singapore) Pte. Ltd.” and GHY Malaysia was incorporated in Malaysia as a private company limited by shares on 6 September 2017 under the name of “Perfect World Pictures (Malaysia) Sdn Bhd”.

In connection with the Share Exchanges, the name of GHY Singapore was changed to “G.H.Y Culture & Media (Singapore) Pte. Ltd.” on 4 June 2018 and name of GHY Malaysia was changed to “GHY Culture & Media (Malaysia) Sdn Bhd” on 12 June 2018.

Share Exchange on 21 June 2018

On 21 June 2018, the Company entered into a share exchange agreement with Bestin B & J Holding Ltd., Bestin J & B Holding Ltd., Sweet B & J Holding Ltd. and Taiho Holding Ltd, pursuant to which the Company acquired an aggregate of 6,000,002 ordinary shares of GHY Singapore on the same date, representing approximately 66.7% of the total number of ordinary shares in GHY Singapore at the relevant time. Bestin B & J Holding Ltd. and Bestin J & B Holding Ltd. are the investment holding vehicles of Mr. John Ho, the Substantial Shareholder, Sweet B & J Holding Ltd. is the investment holding vehicle of Ms. Lian Lee Lee and Taiho Holding Ltd is the investment holding vehicle of Mr. Yang Jun Rong and Mdm. Yeh Hui Mei, the Substantial Shareholders.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

The consideration for the share exchange was satisfied by the issuance of an aggregate of 24,000,000 Shares in the Company to the respective transferees, representing an aggregate of approximately 27.3% of the total Shares of the Company as at the date of the share exchange:

- (a) 1,625,000 ordinary shares in GHY Singapore were transferred by Bestin B & J Holding Ltd. to the Company in consideration for the issuance of 6,500,000 Shares, representing approximately 7.4% of the total Shares of the Company as at the date of the share exchange;
- (b) 1,625,001 ordinary shares in GHY Singapore were transferred by Bestin J & B Holding Ltd. to the Company in consideration for the issuance of 6,500,000 Shares, representing approximately 7.4% of the total Shares of the Company as at the date of the share exchange;
- (c) 750,001 ordinary shares in GHY Singapore were transferred by Sweet B & J Holding Ltd. to the Company in consideration for the issuance of 3,000,000 Shares, representing approximately 3.4% of the total Shares of the Company as at the date of the share exchange; and
- (d) 2,000,000 ordinary shares in GHY Singapore were transferred by Taiho Holding Ltd to the Company in consideration for the issuance of 8,000,000 Shares, representing approximately 9.1% of the total Shares of the Company as at the date of the share exchange.

Share Exchange on 16 July 2018

On 12 July 2018, the Company entered into a share exchange agreement with Epical Entertainment Limited, pursuant to which the Company acquired 3,000,000 ordinary shares of GHY Singapore from Epical Entertainment Limited, representing approximately 33.3% of the total number of ordinary shares in GHY Singapore at the relevant time. The consideration for the share exchange was satisfied by the issuance of 12,000,000 Shares in the Company to Epical Entertainment Limited on 16 July 2018, representing 12.0% of the total Shares as at the date of the share exchange.

Upon completion of the share exchange on 21 June 2018 and the share exchange on 16 July 2018, the Company held 9,000,002 ordinary shares in GHY Singapore, representing 100% of the total number of ordinary shares in GHY Singapore.

Subsequent to the above, GHY Singapore became a wholly-owned direct subsidiary of the Company and GHY Malaysia became a wholly-owned indirect subsidiary of the Company.

- (iv) Incorporation of G.H.Y Culture & Media (Australia) Pty Ltd. (“GHY Australia”)

On 20 July 2018, GHY Australia was incorporated in Australia as a proprietary company limited by shares. The principal activity of GHY Australia is concert production. At the time of incorporation, GHY Australia had an issued and paid-up share capital of AUD200,000, comprising 200,000 shares held by GHY Singapore.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- (v) Incorporation of Beijing Changxin Film & Media Co., Ltd. (“Beijing Changxin”)

On 22 August 2018, Beijing Changxin was incorporated in the PRC as a limited liability company. The principal activity of Beijing Changxin is TV program and film production. At the time of incorporation, Beijing Changxin had a registered capital of RMB3.0 million, and 100% of the equity interest was held by Tianjin Changxin.

- (vi) Incorporation of G.Yue Culture and Media Limited (“GHY Hong Kong”)

On 30 August 2018, GHY Hong Kong was incorporated in Hong Kong as a limited liability company. The principal activity of GHY Hong Kong is investment holding. At the time of incorporation, GHY Hong Kong had an issued and paid-up share capital of HK\$1.00, comprising one share held by the Company.

- (vii) Incorporation of Tianjin Xinhe Culture & Broadcast Co., Ltd. (“Tianjin Xinhe”)

On 27 March 2019, Tianjin Xinhe was incorporated in the PRC as a limited liability company. The principal activity of Tianjin Xinhe is talent management and the renting and leasing of concert equipment. At the time of incorporation, Tianjin Xinhe had registered capital of RMB3.0 million, and 100% of the equity interest was held by GHY Hong Kong.

On 29 September 2019, 100% of the equity interest in Tianjin Xinhe was transferred by GHY Hong Kong to Tianjin Changxin for a consideration of RMB1,080,000, which was determined based on the net asset value of Tianjin Xinhe, pursuant to an internal restructuring exercise.

- (viii) Incorporation of Tianjin Zhengzai Vision Co., Ltd. (“Tianjin Zhengzai”)

On 19 April 2019, Tianjin Zhengzai was incorporated in the PRC as a limited liability company. The principal activity of Tianjin Zhengzai is provision of costumes, props and make-up services for drama production. At the time of incorporation, Tianjin Zhengzai had a registered capital of RMB3.0 million, and 100% of the equity interest was held by Tianjin Xinhe.

- (ix) Incorporation of Huahuo Entertainment (Tianjin) Culture & Management Co., Ltd. (“Huahuo Entertainment”)

On 19 April 2019, Huahuo Entertainment was incorporated in the PRC as a limited liability company. The principal activity of Huahuo Entertainment is talent management. At the time of incorporation, Huahuo Entertainment had a registered capital of RMB3.0 million, and 100% of the equity interest was held by Tianjin Xinhe.

- (x) Incorporation of Tianjin Ruyang Film & Media Co., Ltd. (“Tianjin Ruyang”)

On 29 July 2019, Tianjin Ruyang was incorporated in the PRC as a limited liability company. The principal activity of Tianjin Ruyang is TV program and film production. At the time of incorporation, Tianjin Ruyang had a registered capital of RMB3.0 million, and 100% of the equity interest was held by Tianjin Changxin.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

(xi) Subscription by Mr. Ong Pang Aik

On 24 March 2020, 1,093,000 shares of the Company were issued to Mr. Ong Pang Aik as repayment of the outstanding loan and accrued interest from the Company to Mr. Ong Pang Aik. Following the completion of the subscription, Mr. Ong Pang Aik held approximately 1.20% of the issued and paid-up share capital of the Company.

(xii) Incorporation of Tianjin Xinyuan Culture & Broadcast Co., Ltd. (“Tianjin Xinyuan”)

On 9 April 2020, Tianjin Xinyuan was incorporated in the PRC as a limited liability company. The principal activity of Tianjin Xinyuan is consultancy services. At the time of incorporation, Tianjin Xinyuan had a registered capital of RMB3.0 million, and 100% of the equity interest was held by GHY Hong Kong.

(xiii) Incorporation and acquisition of 70% equity interest in Beijing Yizhongdao Film & Media Co., Ltd. (“Beijing Yizhongdao”)

On 19 April 2019, Beijing Yizhongdao was incorporated in the PRC as a limited liability company. The principal activity of Beijing Yizhongdao is TV program and film production. At the time of incorporation, Beijing Yizhongdao had a registered capital of RMB1.0 million, and 30% of the equity interest was held by Tianjin Changxin and 70% of the equity interest was held by Mr. Wei Zi, an unrelated third party, respectively.

On 26 May 2020, Tianjin Changxin acquired 70% of the equity interest in Beijing Yizhongdao, from Mr. Wei Zi, an unrelated third party for a consideration of RMB0.7 million (equivalent to approximately \$139,000), which was determined based on the registered share capital of Beijing Yizhongdao. The consideration was fully satisfied in cash in August 2020 and the registration of the change in shareholding was completed in August 2020. Subsequent to such acquisition of the 70% of the equity interest in Beijing Yizhongdao, Beijing Yizhongdao became a wholly-owned subsidiary of Tianjin Changxin.

(xiv) Incorporation of BJHJHL Limited (“BJHJHL”)

On 26 June 2020, BJHJHL was incorporated in Hong Kong as a limited liability company. The principal activity of BJHJHL is investment holding. At the time of incorporation, BJHJHL had an issued and paid-up share capital of HK\$1.00, comprising one share held by BJH (BVI) Limited. Ms. Lian Lee Lee is the sole shareholder of BJH (BVI) Limited.

Each of BJHJHL and BJH (BVI) Limited was incorporated in order to facilitate the restructuring exercise in respect of Tianjin Xinhe (which is the holding company of Tianjin Zhengzai and Huahuo Entertainment) such that Tianjin Xinhe, Tianjin Zhengzai and Huahuo Entertainment would become wholly-owned indirect subsidiaries of the Company in preparation for the Listing on the SGX-ST. In connection with such restructuring exercise, BJHJHL would also become a wholly-owned direct subsidiary of the Company. Refer to Note 2 (xvii) for details.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- (xv) Incorporation and disposal of 51% equity interest in Beijing Lingzhanglei Film & Media Co., Limited (“Beijing Lingzhanglei”)

Tianjin Changxin held 51% of the equity interest in Beijing Lingzhanglei, which was incorporated in the PRC as a limited liability company on 16 May 2019. The principal activity of Beijing Lingzhanglei is TV program and film production and the remaining 49% of the equity interest in Beijing Lingzhanglei was held by Linghe Culture & Media (Shanghai) Co., Ltd., an unrelated third party.

On 11 June 2020, Tianjin Changxin disposed 51% of the equity interest in Beijing Lingzhanglei to Linghe Culture & Media (Shanghai) Co., Ltd. for a consideration of \$101,000 (equivalent to RMB510,000), which was determined based on the registered share capital of Beijing Lingzhanglei. The consideration has been fully satisfied in cash in August 2020.

- (xvi) Acquisition and subsequent disposal of 27.6% equity interest in Beijing Honghaier Film & Culture Co., Limited (“Beijing Honghaier”)

Tianjin Changxin had acquired 27.6% of the equity interest in Beijing Honghaier from Nanjing Xuexin Film & Culture Studio, which is a sole proprietorship established by Mr. Xue Xin, for a consideration of approximately \$393,000 (equivalent to approximately RMB2.0 million), which was determined based on the paid-up share capital of Beijing Honghaier. Upon completion of the disposal of the equity interest in Beijing Honghaier to Tianjin Changxin, Mr. Xue Xin ceased to have any interest, direct or indirect, in Beijing Honghaier.

Beijing Honghaier was incorporated in the PRC as a limited liability company on 21 August 2017 and its principal activity is script production. The remaining 72.4% of the equity interest in Beijing Honghaier were held by unrelated third parties.

On 18 June 2020, Tianjin Changxin transferred 27.6% of the equity interest in Beijing Honghaier to Tianjin Jianxin Culture & Broadcast Co., Ltd., a subsidiary of a non-controlling shareholder, for a consideration of \$3,541,000 (equivalent to approximately RMB17.9 million), which was determined based on an independent valuation conducted on Beijing Honghaier commissioned by the purchaser, pursuant to a share purchase agreement entered into between Tianjin Changxin and Tianjin Jianxin Culture & Broadcast Co., Ltd.. The consideration has been fully satisfied in cash in August 2020, and the registration of the transfer of the equity interest was completed in September 2020.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

(xvii) Restructuring of Tianjin Xinhe, Tianjin Zhengzai, Huahuo Entertainment and BJHJHL

In preparation for the Listing on the SGX-ST, the Group had undertaken a restructuring exercise in respect of Tianjin Xinhe (which is the holding company of Tianjin Zhengzai and Huahuo Entertainment), in order to facilitate the transfer of Tianjin Xinhe from Tianjin Changxin to Tianjin Xinyuan, such that Tianjin Xinhe, Tianjin Zhengzai and Huahuo Entertainment became wholly-owned indirect subsidiaries of the Company and BJHJHL became a wholly-owned direct subsidiary of the Company upon completion of the following:

- (a) on 21 July 2020, BJHJHL subscribed for approximately RMB0.16 million of the registered share capital of Tianjin Xinhe, following which BJHJHL held 5% of the equity interest in Tianjin Xinhe;
- (b) on 26 August 2020, Tianjin Changxin transferred 95% of the equity interest in Tianjin Xinhe to Tianjin Xinyuan for a consideration of RMB1,235,000, which was fully satisfied in cash; and
- (c) on 12 October 2020, BJH (BVI) Limited transferred 100% of the equity interest in BJHJHL to the Company for a nominal consideration of HKD1, which was fully satisfied in cash.

Subsequent to the above, BJHJHL became a wholly-owned direct subsidiary of the Company and Tianjin Xinhe, Tianjin Zhengzai and Huahuo Entertainment became wholly-owned indirect subsidiaries of the Company.

(xviii) Incorporation of Beijing Xinyuan Culture & Broadcast Co., Ltd. (“Beijing Xinyuan”)

On 28 August 2020, Beijing Xinyuan was incorporated in the PRC as a limited liability company. The principal activity of Beijing Xinyuan is consultancy services. At the time of incorporation, Beijing Xinyuan had a registered capital of RMB3.0 million and 100% of the equity interest was held by GHY Hong Kong.

(xix) Entry into Contractual Arrangements

On 1 November 2020, the Company, through the wholly-foreign owned enterprises (“WFOEs”), namely Tianjin Xinyuan and Beijing Xinyuan, entered into the Contractual Arrangements with the ultimate controlling shareholder and Mr. Xue Xin (“Individual Shareholders”) and each of the structured entities controlled via the Contractual Arrangements (“PRC Affiliated Entities”), under which operational control and economic rights over the PRC Affiliated Entities are conferred to the Group, which enables the Group to exercise control over the business operations of each of the PRC Affiliated Entities and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities. Further details of Contractual Arrangements are set out in the note below.

Following the completion of the corporate reorganisation exercise of the Group, the Company became the holding company of the subsidiaries and the PRC Affiliated Entities. The Company together with subsidiaries and the PRC Affiliated Entities are known as the Group.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Subsidiaries and associates

The details of the Group's subsidiaries and associates for the Relevant Periods, taking into account the above-mentioned Corporate Reorganisation Exercise are as follows:

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Effective percentage of equity interest and voting power held		
			30 June 2020	31 December 2019	31 December 2018
			%	%	%
Directly held:					
G.H.Y Culture & Media (Singapore) Pte. Ltd. ⁽ⁱ⁾	TV program and film production; Concert production; Talent management	Singapore	100	100	100
G.Yue Culture and Media Limited ^(iv)	Investment holding	Hong Kong	100	100	100
BJHJHL Limited	Investment holding	Hong Kong	–	–	–
Indirectly held:					
GHY Culture & Media (Malaysia) Sdn Bhd ⁽ⁱⁱ⁾	TV program and film production; Concert production	Malaysia	100	100	100
G.H.Y Culture & Media (Australia) Pty Ltd. ⁽ⁱ⁾	Concert production	Australia	100	100	100
Tianjin Xinhe Culture & Broadcast Co., Ltd. (天津信和文化传播有限公司) ⁽ⁱⁱⁱ⁾	Talent management services and the renting and leasing of concert equipment	PRC	100	100	–
Tianjin Zhengzai Vision Co., Ltd. (天津正在视觉有限公司) ⁽ⁱⁱⁱ⁾	Costume, props and make-up services	PRC	100	100	–
Huahuo Entertainment (Tianjin) Culture & Management Co., Ltd. (花火乐娱(天津)文化经纪有限公司) ⁽ⁱⁱⁱ⁾	Talent management services	PRC	100	100	–

The English names of certain subsidiaries and associates referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Effective percentage of equity interest and voting power held		
			30 June 2020	31 December 2019	31 December 2018
			%	%	%
Indirectly held:					
Beijing Xinyuan Culture & Broadcast Co., Ltd. (北京信远文化传播有限公司)	Consultancy services	PRC	–	–	–
Tianjin Xinyuan Culture & Broadcast Co., Ltd. (天津信远文化传播有限公司) ⁽ⁱⁱⁱ⁾	Consultancy services	PRC	100	–	–
Beijing Lingzhanglei Film & Media Co., Ltd. (北京灵长类影视传媒有限公司) ⁽ⁱⁱⁱ⁾	TV program and film production and operation	PRC	–	51	–

Name of associates	Principal activities	Country of incorporation/ place of business	Percentage of shareholding and voting power held		
			30 June 2020	31 December 2019	31 December 2018
			%	%	%
Beijing Honghaier Film & Culture Co., Limited (北京红孩儿映画影视文化有限公司) ⁽ⁱⁱⁱ⁾	Script production	PRC	–	27.6	–
Shanghai Honghaier Film & Culture Co., Limited (上海红孩儿映画影视文化有限公司) ^{#(iii)}	Script production	PRC	–	27.6	–
Beijing Yizhongdao Film & Media Co., Ltd. (北京易中道影视传媒有限公司) ⁽ⁱⁱⁱ⁾	TV program and film production and operation	PRC	(a)	30	–

A wholly owned subsidiary of Beijing Honghaier Film & Culture Co., Ltd.

The English names of certain subsidiaries and associates referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Structured entities controlled via the Contractual Arrangements⁽ⁱⁱⁱ⁾ (Note):

Name of subsidiaries	Principal activities	Country of incorporation/ place of business	Effective percentage of equity interest and voting power held		
			30 June 2020	31 December 2019	31 December 2018
			%	%	%
Tianjin Changxin Film & Media Co., Ltd. (天津长信影视传媒有限公司)	TV program and film production and operation	PRC	100	100	100
Beijing Changxin Film & Media Co., Ltd. (北京长信影视传媒有限公司)	TV program and film production and operation	PRC	100	100	100
Tianjin Ruyang Film & Media Co., Ltd. (天津如阳影视传媒有限公司)	TV program and film production and operation	PRC	100	100	–
Beijing Yizhongdao Film & Media Co., Ltd. (北京易中道影视传媒有限公司)	TV program and film production and operation	PRC	100	(a)	–

- (i) Audited by Deloitte & Touche LLP, Singapore for group consolidation purpose.
- (ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited for group consolidation purpose.
- (iii) The combined financials of the WFOEs and Tianjin Changxin group is audited by overseas practices of Deloitte Touche Tohmatsu Limited for group consolidation purpose.
- (iv) Not material to the results of the Group.
- (a) On 26 May 2020, Tianjin Changxin acquired 70% of the equity interest in Beijing Yizhongdao, subsequent to such acquisition, Beijing Yizhongdao became a wholly-owned subsidiary of Tianjin Changxin. Refer to Note 2(xiii) to the financial statements.

The English names of certain subsidiaries and associates referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Note:

Contractual Arrangements

To comply with the PRC laws, rules and regulations that prohibit foreign ownership of companies that are engaged in television program and film production and operation (including distribution of television programs and films produced overseas), and restrict foreign ownership of companies that are engaged in the business of concert organisation in the PRC, the Company engages in prohibited and restricted businesses in the PRC through certain PRC Affiliated Entities, whose equity interests are held by the Individual Shareholders.

The Company through wholly-foreign owned enterprises (“WFOEs”) has entered into Contractual Arrangements with the PRC Affiliated Entities, which provide the Company the power to control and the ability to receive substantially all of the expected residual interests of the PRC Affiliated Entities.

The following is a summary of the Contractual Arrangements:

Exclusive Business Cooperation Agreement

Pursuant to the Exclusive Business Cooperation Agreement, the WFOEs will provide, as the exclusive service providers, management, consultation, technical and business support to the PRC Affiliated Entities and comprehensive services related to its business activities to the extent permitted under relevant laws and regulations, including but not limited to, assisting in formulating management modes and business plans and market development plans, establishing sound business process management, providing management and consulting services in daily operation, finance, investment, assets, creditor’s rights and liabilities, human resources services, providing technical research and development, software development, technical upgrading services, and such other service matters specified by the WFOEs through negotiation, from time to time, according to actual business needs and ability to provide services.

With respect to the services provided by the WFOEs, the PRC Affiliated Entities and the Individual Shareholders will irrevocably ensure that the PRC Affiliated Entities will pay the services fees to the WFOEs, which shall be 100% of the remaining amount of the pre-tax profit of each of the PRC Affiliated Entities, after deducting related costs and reasonable expenses, to the extent permitted under the applicable PRC laws and regulations.

In addition, the WFOEs are granted certain rights under the terms of the Exclusive Business Cooperation Agreement, including but not limited to (i) the sole responsibility for the selection of the senior executives and employees of the PRC Affiliated Entities, and the finance, management and daily operations of the PRC Affiliated Entities; (ii) the right to enjoy and bear all economic benefits and risks arising out of the business of the PRC Affiliated Entities; and (iii) the right to consolidate the financial results of the PRC Affiliated Entities, each as a wholly-owned subsidiary of Tianjin Xinyuan or Beijing Xinyuan, as the case may be, in accordance with the applicable accounting standards.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Equity Pledge Agreement

Pursuant to the Equity Pledge Agreement, the Individual Shareholders and Tianjin Changxin, as the case may be, irrevocably pledge 100% of their equity in the relevant PRC Affiliated Entities and all rights and benefits related thereto to the WFOEs as a guarantee for the PRC Affiliated Entities and the Individual Shareholders to fulfil all obligations under the Contractual Arrangements.

The WFOEs have the right to dispose of the pledged equity in the event of breach of contract under the Equity Pledge Agreement.

The Individual Shareholders and Tianjin Changxin, as the case may be, further undertake to the WFOEs, including but not limited to, that the Individual Shareholders and Tianjin Changxin, as the case may be, will not sell, lease, lend, transfer, assign, gift, re-mortgage, trust, make capital contribution with the pledged equity or otherwise dispose of all or part of the pledge equity, agree to make resolutions to increase or decrease the registered capital of the PRC Affiliated Entities, or agree to any form of initial public offering, backdoor listing and/or asset restructuring, without the prior written consent of the WFOEs. The aforementioned undertakings would restrict the Individual Shareholders from pledging their interests in the PRC Affiliated Entities and/or Tianjin Changxin's interests in the PRC Affiliated Entities, as collateral and/or encumbrance for any loans undertaken by the Individual Shareholders.

Agreement on Exclusive Purchasing Power

Pursuant to the Agreement on Exclusive Purchasing Power, the PRC Affiliated Entities and the Individual Shareholders exclusively, irrevocably and freely grant the WFOEs or their respective designated third party an option to purchase all or part of the PRC Affiliated Entities' equities which the Individual Shareholders hold and/or all or part of the businesses or assets of the PRC Affiliated Entities at a nominal consideration of RMB1 or such other minimum price allowed by PRC laws and regulations.

Once the PRC laws and regulations permit the WFOEs to directly hold and the WFOEs decide to hold the equity of the PRC Affiliated Entities, furthermore, the WFOEs and/or its subsidiaries and branches can legally engage in the business of the PRC Affiliated Entities, the parties will immediately terminate the Agreement on Exclusive Purchasing Power and the WFOEs will have the right to immediately exercise all exclusive rights to purchase under the Agreement on Exclusive Purchasing Power.

Powers of Attorney

Pursuant to the Powers of Attorney granted by each of the Individual Shareholders and Tianjin Changxin in favour of the WFOEs, the Individual Shareholders and Tianjin Changxin appointed the WFOEs and their designated third parties as trustees and as their sole, comprehensive and exclusive agents, and in the name of the Individual Shareholders and Tianjin Changxin, to exercise all shareholder rights the Individual Shareholders and Tianjin Changxin enjoy in accordance with laws and the articles of association of the PRC Affiliated Entities for and on behalf of the Individual Shareholders and Tianjin Changxin, including the rights to attend and vote at shareholders' meetings and appoint directors.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

The Contractual Arrangements confer operational control and economic rights arising from the business of PRC Affiliated Entities to the Group, which enables the Group to exercise power over the business operations of PRC Affiliated Entities, and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities, and enables the Company, through the WFOEs, to have rights to variable return from its involvement with the PRC Affiliated Entities; and to have the ability to use its power to affect its return. Therefore, the Company is considered to control the PRC Affiliated Entities. Consequently, the Company regards PRC Affiliated Entities as controlled structured entities and consolidates the financial positions and results of operations of these entities in the financial statements of the Group.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the PRC Affiliated Entities and such uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the PRC Affiliated Entities. The directors are of the view that the Contractual Arrangements confer operational control and economic benefits from PRC Affiliated Entities to the Group and the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations. However, there is no assurance that the PRC government and regulatory authorities will not take a view that is contrary to or otherwise different from the advice of the legal adviser, or adopt new laws and regulations in the future which may invalidate the Contractual Arrangements.

If the PRC government finds that the Contractual Arrangements do not comply with its restrictions on foreign investment in businesses, or if the PRC government otherwise finds that the Group or the PRC Affiliated Entities are in violation of PRC laws or regulations or lack the necessary permits or licences to operate its business, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with these violations or failures, including but not limited to, revoking the business and operating licences of the PRC Affiliated Entities, requiring the Group to discontinue or restrict its operations, imposing fines or confiscating any of its income that they deem to have been obtained through illegal operations, imposing conditions or requirements with which the Group and the PRC Affiliated Entities may not be able to comply, requiring the Group to restructure the relevant corporate entities and their operations or taking further actions in order to comply with these laws, regulations and rules or taking other regulatory or enforcement actions against the Group. The imposition of any of these measures could significantly disrupt the Group's business operations and may result in a material and adverse effect on the Group's ability to conduct all or any portion of its business and operations in the PRC. If the imposition of any of these government actions causes the Group to lose its right to direct the activities of any of the PRC Affiliated Entities or otherwise separate from any of these entities and if the Group is not able to restructure its corporate structure and operations in a satisfactory manner, the Company would no longer be able to consolidate the financial results of the PRC Affiliated Entities in the consolidated financial statements of the Group.

Basis of preparation of the combined financial statements

The Group resulting from the above corporate reorganisation is regarded as a continuing entity throughout the Relevant Periods as the Group is ultimately controlled by the ultimate controlling shareholder both before and after the corporate reorganisation.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Accordingly, the combined financial statements of the Group for the Relevant Periods have been prepared using the principles of merger accounting on the basis that the corporate reorganisation transfers the interest in the combining entities and businesses under the common control to the Company has been effected as at the beginning of the Relevant Period, 22 March 2018 or since their respective dates of establishment, whichever is the shorter period except for GHY Singapore group which is accounted for using the acquisition method of accounting as disclosed in Note 18. The accounting policy for merger accounting is described in Note 3.5.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- 3.2 ADOPTION OF NEW AND REVISED STANDARDS – On 22 March 2018, the Group has adopted all the new and revised SFRS(I)s that are effective and are relevant to its operations since the beginning of the Relevant Periods. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the Relevant Periods, except as discussed below.

SFRS(I) 16 Leases

On 22 March 2018, the Group has applied SFRS(I) 16 *Leases* in advance of its effective date.

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, with exemption for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The Group’s significant accounting policies for leases under SFRS(I) 16 are as disclosed in Note 3.7 below.

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group were issued but not effective:

SFRS(I) pronouncements effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

- 3.3 BASIS OF CONSOLIDATION – The combined financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the combined statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments*, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

- 3.4 BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the acquisition date, the aggregate of fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

- 3.5 MERGER ACCOUNTING FOR BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL – The combined financial statements incorporates the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities of business came under the control of the controlling party.

The net assets of the combining entities or businesses are combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The combined statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

All significant intercompany transactions and balances between the entities in the Group are eliminated on combination.

- 3.6 FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

3.6.1 Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated certain debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other income and expense” line item as “profit or loss on film borne by external investors” (see below). Fair value is determined in the manner described in Note 5(c)(v).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other income and other expense” line item;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other income and expense” line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on trade and other receivables, lease receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) of the country in which it sells services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16 *Leases*.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.6.2 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other income and expense" line item.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Fair value is determined in the manner described in Note 5(c)(v).

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income and other expenses" line item in profit or loss (Notes 29 and 30 respectively) for financial liabilities that are not part of a designated hedging relationship.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Film investment funds from investors

Film investment funds from investors represent funds received from third parties for the financing of production and marketing expenditures that are associated with specific film and drama that the Group produce. In accordance with the financing agreement, the film investment funds from investors are not guaranteed on principals by the Group. The third party investors are entitled to a pre-agreed specified percentage of the proceeds from the sale of the specific film and drama associated with the financing provided.

Any gains or loss arising from changes in fair value of film investment funds from investors are recognised in profit or loss.

If the share of the proceeds payable to the investors is higher than the equivalent film investment funds from investors, the film made a profit and the proportionate profit to be repaid to the investors is recognised as “fair value gain in amount due to external investors” in other expenses. If the film made a loss and the proportionate loss to be deducted against the film investment funds from investors is recognised as “fair value loss in amount due to external investors” in other income.

For financing agreement where film investment funds investors are guaranteed on principals by the Group, the financial liabilities were measured at amortised cost with interests on film investment funds from investors are recognised in finance costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

3.7 LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS (I) 16. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.13.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Administrative expenses' in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to an office space that is sub leased to a third party. The Group also rents concert equipment owned by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

3.8 FILMS AND DRAMA PRODUCTIONS IN PROGRESS / FILMS AND DRAMA PRODUCTS

Films and drama productions in progress

Films and drama productions in progress include all direct costs associated with the production of films and drama, costs of services, direct labour costs and facilities in the creation of films and drama, which are accounted for on a film-by-film or drama-by-drama basis. Upon completion and available for commercial exploitation, these films and drama productions in progress are reclassified as films and drama products. Films and drama productions in progress are stated at cost less any impairment losses.

Films and drama products

Films and drama products are stated at cost less accumulated amortisation and any impairment losses. The portion of films and drama products to be recovered through use, less estimated residual value and accumulated impairment losses, are amortised based on the proportion of actual revenues earned during the year to their total estimated projected revenues as an approximation of the consumption of their economic benefits. Additional adjustment to accumulated amortisation is made if the projected revenues are different from the previous estimation or to reflect the actual consumption of economic benefits, as appropriate. Cost of films and drama products, accounted for on a project-by-project basis, includes production costs, costs of services, direct labour costs, facilities and raw materials consumed in the creation of a film or drama product.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

3.9 INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.10 PLANT AND EQUIPMENT – Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvements	–	2 to 3 years, or remaining lease term
Motor vehicles	–	5 years
Furniture and fixtures	–	3 years
Office equipment	–	3 to 5 years
Computer equipment	–	3 years
Filming equipment	–	5 years
Concert equipment	–	8 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss.

3.11 GOODWILL – Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.12 INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The estimated useful lives are as follows:

Film and drama adaptation licences	–	5 to 6 years
Rights to the film set	–	10 years
Software royalty	–	5 years

Rights to the film set under construction are not amortised as these assets are not yet available for use. Amortisation will commence when these assets are ready for use.

3.13 IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL – At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

- 3.14 INVESTMENT IN ASSOCIATES – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

The requirements of SFRS(I)1-28 *Investments in Associates and Joint Ventures* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I)1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I)1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

- 3.15 INTERESTS IN JOINT OPERATIONS – A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the SFRS(I)s applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Details of the revenue recognition related to investments in drama and film production classified as joint operation are set out in Note 3.18.

- 3.16 PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

- 3.17 GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.18 REVENUE RECOGNITION – The Group recognises revenue from the following major sources:

- Sale of television, drama and film production;
- Revenue from artistic performances and sponsorship revenue;
- Talent management service income; and
- Costume, make up and props services.

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at point in time or over time and the amount of revenue recognised is the amount allocated to the satisfied performance obligation when each of the Group's activities are performed.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not unconditional. It is assessed for impairment in accordance with SFRS(I) 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Sale of television, drama and film production

Revenue from production of drama and film as engaged by the customer where the Group undertook the role of producer

Where the Group is engaged by the customer for the production of a drama or film, the Group is entitled to a fixed fee for such dramas and films. Revenue is recognised over time based on stages of completion of the contract as the customer simultaneously receives and

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

consumes the benefits provided by the Group's performance as the Group performs. Management has assessed that the stage of completion by reference to the actual costs incurred up to the balance sheet date as a proportion of the total estimated costs for each contract is an appropriate measure of progress towards complete satisfaction of the performance obligations under SFRS(I) 15.

Revenue from content production which is developed by the Group and licensed or sold to the customer(s) for fixed fees

When the drama and film is developed and produced by the Group, it is either:

- (i) license the copyright and ancillary rights to such dramas and films to the customers for a certain period of time or geographic region. Revenue is recognised at the point in time upon delivery and acceptance of the final product by the customer as control of the entertainment content is transferred so that the customer can direct the use and obtain the associated benefits; or
- (ii) sell and transfer the copyright and ancillary rights to such dramas and films to the customers. Revenue is recognised over time based on the stages of completion of the contract as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Management has assessed that the stage of completion by reference to the actual costs incurred up to the balance sheet date as a proportion of the total estimated costs for each contract is an appropriate measure of progress towards complete satisfaction of the performance obligations under SFRS(I) 15.

Revenue from content production which is developed by the Group and licensed to the customer(s) for variable fees based on viewership

The Group earns variable fees for such dramas and films, which is determined based on user clicks or viewership for each episodes of the drama or the film on the online video platform. This constitutes a variable consideration and such revenue is only recognised to the extent that it is highly probable that there will be no significant reversal when the uncertainty is resolved.

Revenue from production of drama and film where the Group act as a co-producer and involves in a joint operation

The Group act as a co-producer and leverages on the extensive experience of other producer to make capital investment in production and jointly co-produce drama and film.

When the Group involves and participates in the determination of idea origination, script, budget, production crew, cast selection, shooting, post-production, and distribution plan for the drama and film with other co-producers, and when the key relevant activities of the drama and film production are discussed and jointly determined by the Group and other producers, the arrangement is considered in substance as a joint operation. As a result, the Group shall recognise the share of revenue and cost of the drama and film based on its own interest percentage on the relevant drama and film production according to the accounting policy disclosed in Note 3.15. Therefore, revenue from this type of drama and film

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

production/investment arising from the revenue share of the drama and film, based on the interest percentage owned by the Group, is recognised on gross basis when the Group complete satisfaction of the performance obligations under SFRS(I) 15. The relevant cost of such drama and film shared to the Group is recognised and presented as cost of sales in the same pattern of the aforesaid revenue recognition.

Revenue from rendering of services for post-production are recognised over time as and when the services are rendered.

Revenue from script production and sale of the script rights

Revenue derived from script production and sale of the script rights is recognised at the point in time as and when the script rights or distribution rights are transferred in accordance with the terms of the underlying contract.

Revenue from artistic performance and sponsorship revenue

Revenue from artistic performance and sponsorship revenue where the Group undertook the role of Concert Organiser, and which the Group is acting as a principal

Revenue from artistic performances and other special events is recognised when the events take place. When subscription to a number of events is sold, the fee is allocated to each event on a basis which reflects the extent to which services are performed at each event.

The Group derives revenue from sponsorships associated with event management. Sponsorship fees relate to a one-time event. Revenue from a one-time event is recognised if (i) persuasive evidence of an arrangement exists; (ii) the event has occurred; (iii) the price is fixed or determinable; and (iv) collectability is reasonably assured.

Sponsorship advances are deferred until earned pursuant to the sponsorship agreement and are presented as contract liabilities on the statement of financial position. Revenue is recognised at point in time when the Group has fulfilled the performance obligation of the revenue contracts or recognised when services are rendered upon completion of events or services and when the Group has no remaining obligation to perform.

The Group also recognised an asset in relation to cost incurred to fulfil the contract for sponsorship revenue and are presented as contract cost on the statements of financial position.

Revenue from artistic performance where the Group undertook the role of Concert Management, and which the Group is acting as an agent

Revenue from the concert management is recognised at the point of time when the services are rendered.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Talent management service income

The Group manages artists and revenue is derived from the artists' participation in events, advertisements, TV dramas, movies and other entertainment content projects. Revenue is recognised when the services are rendered upon completion of the events and when the Group has no remaining obligation to perform.

Costume, make-up and props services

The Group provides services to producers on areas relating to drama production activities in designing and making of costume and make-up services for artiste as well as props services for drama production. Revenue is recognised when the services are rendered upon completion of the events and when the Group has no remaining obligation to perform.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

- 3.19 **BORROWING COSTS** – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.
- 3.20 **RETIREMENT BENEFIT COSTS** – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.
- 3.21 **EMPLOYEE LEAVE ENTITLEMENT** – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.
- 3.22 **INCOME TAX** – Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies SFRS(I) 1-12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

3.23 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The combined financial statements of the Group are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserves.

On combination, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserves.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- 3.24 CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the statement of cash flows comprise cash on hand and at bank are subject to an insignificant risk of changes in value.
- 3.25 SEGMENT REPORTING – An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to members of management and the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) *Critical judgements in applying the Group's accounting policies*

The following is the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Determining control over PRC Affiliated Entities

A subsidiary is an entity in which the Group (a) directly or indirectly control more than 50% of the voting power; or (b) have the power to appoint or remove the majority of the members of the board of directors or to cast a majority of votes at the meetings of the board of directors or to govern the financial and operating policies of the investee pursuant to a statute or under an agreement among the shareholders or equity holders. However, there are situations in which consolidation is required even though these usual conditions of consolidation do not apply. Generally, this occurs when an entity holds an interest in another business enterprise that was achieved through contractual arrangements that do not involve voting interests, which results in a disproportionate relationship between the entity's voting interests in, and its exposure to the economic risks and potential rewards of, the other business enterprise. This proportionate relationship results in what is known as a variable interest, and the entity in which the Group have the variable interest is referred to as a variable interest entity. The Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the variable interest entity and such uncertainties presented by the PRC legal system could impede the Group's

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

beneficiary rights of the results, assets and liabilities of the variable interest entity. The directors are of the view that the Contractual Arrangements confer operational control and economic benefits from PRC Affiliated Entities to the Group and the Contractual Arrangements are legal, valid and enforceable under the applicable PRC laws and regulations.

As a result of the Contractual Arrangements as disclosed in Note 2, the Contractual Arrangements confer operational control and economic rights arising from the business of PRC Affiliated Entities to the Group, which enables the Group to exercise power over the business operations of PRC Affiliated Entities, and enjoy substantially all the economic rights arising from the business of the PRC Affiliated Entities, and enables the Company, through the WFOEs, to have rights to variable return from its involvement with the PRC Affiliated Entities; and to have the ability to use its power to affect its return. Therefore, the Company is considered to control the PRC Affiliated Entities. Consequently, the Company regards PRC Affiliated Entities as controlled structured entities and consolidates the financial positions and results of operations of these entities in the financial statements of the Group.

Classification of film investment

As disclosed in Note 3.18, the Group sometimes participates in drama and film production as a co-producer and assesses whether to undertake a particular drama or film project with other co-production parties prior to the commencement of production for such drama or film. Determining whether the film investment is considered in substance a joint operation requires judgment and consideration of all relevant facts and circumstances, including whether the Group is involved in and participates in the determination of idea origination, script, budget, production crew, cast selection, shooting, post-production, and distribution plan for the drama or film with other co-producers. When the key relevant activities of the drama or film project are discussed and jointly determined by the Group and other co-producers, the arrangement is considered in substance as a joint operation.

When the Group has joint control on the key relevant activities of the drama and film production under the contractual agreements, unanimous consent is required from all parties to direct the key relevant activities, the arrangement is considered in substance as a joint operation. When joint controls cannot be demonstrated, the funds received from film investors are classified as "film investment funds from investors" which were financial liabilities at FVTPL. The determination of the relevant activities under joint arrangements requires management's significant judgement.

Classification of rights to the film set

The Group signed a 10 years agreement with a joint investor to operate and manage the business of licensing and exploiting the jointly owned film set. The Group has a 50% share of rights to the film set located in Malaysia. The rights to the film set are used to obtain benefits for the venturers. Each venturer may take a share of the output from the rights to the film set and each bears an agreed share of the expenses incurred. These joint arrangements do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Management exercises judgement in ascertaining the nature and classification of the rights to the film set as intangible asset, which is carried at cost less any accumulated amortisation and any accumulated impairment losses. Subsequently upon completion of the construction, management exercises judgement in accounting the Group's proportionate share of the rights to the film set, rental income received and expenses as joint operation.

The carrying amount of rights to film set under construction is disclosed in Note 16 of the financial statements.

(ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Revenue recognition from sale of television, drama and film production

As described in Note 3.18 to the financial statements, revenue from production of certain drama and film where the Group only undertook the role of Producer or sell and transfer the copyright and ancillary rights to such dramas and films to the customers, revenue is recognised over time based on stage of completion of the contract as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Management has assessed that the stage of completion by reference to the actual costs incurred up to the balance sheet date as a proportion of the total estimated costs for each contract is an appropriate measure of progress towards complete satisfaction of the performance obligations under SFRS(I) 15. Revenue is therefore recognised over time on cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Notwithstanding that management reviews and revises the estimates of costs for the production of drama or film as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of trade and other receivables and contract assets are disclosed in Notes 8, 9 and 10 of the financial statements respectively.

Impairment loss on films and drama productions in progress and films and drama products

Management carries out review on the films and drama productions in progress and films and drama products on a project-by-project basis at the end of each reporting period, and make allowances for films and drama productions in progress and films and drama products identified. The management estimates the recoverable amount for such films and drama productions in progress and films and drama products based primarily on their target market and business plan taking into consideration of 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. The carrying amounts of films and drama productions in progress and films and drama products are disclosed in Notes 12A and 12B of the financial statements.

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period.

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Financial assets			
Financial assets at amortised cost	33,120	70,413	14,159
Finance lease receivables	–	8	11
	33,120	70,421	14,170
Financial liabilities			
Financial liabilities at amortised cost	38,918	55,782	20,316
Financial liabilities at FVTPL	–	–	2,692
Lease liabilities	5,216	2,479	726
	44,134	58,261	23,734

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

(b) Financial instruments subject to offsetting, enforceable master netting agreements and similar agreements

The Group does not have any financial instruments subject to enforceable master netting arrangements or similar agreement as at 30 June 2020, 31 December 2019 and 31 December 2018.

(c) Financial risk management objectives and policies

Management monitors and manages the financial risk relating to operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (including currency risks and interest rate risk), credit risk and liquidity risk.

The risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Foreign exchange risk

The Group transacts business in various foreign currencies, including Singapore dollar, Australia dollar, Chinese Yuan, Malaysian Ringgit and United States dollar and therefore is exposed to foreign exchange rate fluctuation.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	30 June 2020		31 December 2019		31 December 2018	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore dollar ⁽ⁱ⁾	476	4,163	–	12,609	5,403	2,042
Australia dollar	1,224	–	94	–	21	200
Chinese Yuan	–	–	6,989	6,784	–	–
Malaysian Ringgit	–	9,761	–	–	–	–
United States dollar	2,717	182	2,343	1,632	10	15

(i) Prior to 1 January 2019, the functional currency of GHY Singapore was United States dollar.

The determination of functional currency takes into consideration the primary economic environment in which the entity operates. SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* requires an entity to reassess its functional currency when there is a change in the facts and circumstances which affect the economic environment. Prior to 1 January 2019, GHY Singapore's transactions were primarily denominated in United States dollar. With effect from 1 January 2019, GHY Singapore's transactions have been increasingly denominated in Singapore dollar, and GHY Singapore retains substantial receipts from operations or financing in Singapore dollar. Accordingly, management has reassessed and determined the functional

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

currency of GHY Singapore to be Singapore dollar with effect from 1 January 2019, which appropriately reflects the underlying transactions, events and conditions that are relevant to GHY Singapore. Consequently, all balances as of 1 January 2019 were translated to the Singapore dollar at the exchange rate on that date. This change in functional currency to Singapore dollar has been applied prospectively from 1 January 2019 in accordance with SFRS(I) 1-21.

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the respective group entities' functional currencies. 10% is the sensitivity rate used when reporting foreign currency risk to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, profit before tax will increase (decrease) by:

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Singapore dollar	(369)	(1,261)	336
Australia dollar	122	9	(18)
Chinese Yuan	–	21	–
Malaysian Ringgit	(976)	–	–
United States dollar	254	71	(1)

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, the effect on profit before tax will be vice versa.

(ii) Interest rate risk

The Group does not have exposure on interest rate risk other than other payables, film investment funds from investors, lease liabilities and borrowings, which bore interest at fixed rate. The interest rates and terms of repayment are disclosed in the Notes 20, 21, 24 and 25 respectively.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on the interest-bearing financial instruments at the end of the reporting period.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

(iii) Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables.

The Group places its exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statements of financial position.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written off

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$'000	\$'000	\$'000
<u>Group</u>						
<u>30 June 2020</u>						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	11,978	(64)	11,914
Other receivables	9	Performing	12-month ECL	6,973	–	6,973
Contract assets	10	(i)	Lifetime ECL (simplified approach)	21,371	(7)	21,364
				<u>40,322</u>	<u>(71)</u>	<u>40,251</u>
<u>31 December 2019</u>						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	44,249	(83)	44,166
Other receivables	9	Performing	12-month ECL	1,902	–	1,902
Amount due from related parties (Trade)	23	(i)	Lifetime ECL (simplified approach)	6,989	–	6,989
Contract assets	10	(i)	Lifetime ECL (simplified approach)	4,962	(6)	4,956
Finance lease receivables		(i)	Lifetime ECL (simplified approach)	8	–	8
				<u>58,110</u>	<u>(89)</u>	<u>58,021</u>
<u>31 December 2018</u>						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	174	–	174
Other receivables (non-trade)	9	Performing	12-month ECL	176	–	176
Amount due from related parties (non-trade)	23	Performing	12-month ECL	31	–	31
Finance lease receivables		(i)	Lifetime ECL (simplified approach)	11	–	11
				<u>392</u>	<u>–</u>	<u>392</u>

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- (i) The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

As at year end, the Group has significant trade receivables and contract assets from a single debtor amounting to \$31,500,000 (2019: two debtors, \$47,978,000; 2018: \$Nil), indicating significant concentration of credit risk.

Further details of credit risks on trade and other receivables, contract assets, and amount due from related parties are disclosed in Notes 8, 9, 10 and 23 respectively.

(iv) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000
<u>30 June 2020</u>						
Non-interest bearing	–	29,603	–	–	–	29,603
Lease liabilities (fixed rate)	5.53	1,721	3,287	978	(770)	5,216
Fixed interest rate instruments	7.74	9,517	–	–	(202)	9,315
		40,841	3,287	978	(972)	44,134

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS
 PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	\$'000	\$'000	\$'000	\$'000
<u>31 December 2019</u>					
Non-interest bearing	–	40,748	–	–	40,748
Lease liabilities (fixed rate)	5.44	1,345	1,271	(137)	2,479
Fixed interest rate instruments	7.40	15,654	–	(620)	15,034
		<u>57,747</u>	<u>1,271</u>	<u>(757)</u>	<u>58,261</u>
<u>31 December 2018</u>					
Non-interest bearing	–	10,325	–	–	10,325
Financial liabilities measured at FVTPL	–	2,692	–	–	2,692
Lease liabilities (fixed rate)	5.38	444	317	(35)	726
Fixed interest rate instruments	5.30	10,488	–	(497)	9,991
		<u>23,949</u>	<u>317</u>	<u>(532)</u>	<u>23,734</u>

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

(v) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities, classified as current assets and current liabilities except for financial liabilities at FVTPL as disclosed in Note 21 to the financial statements, approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The following table gives information about how the fair values of these financial liabilities are determined.

Financial liabilities	Fair value as at (\$'000)						Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2020		31 December 2019		31 December 2018			
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		
Film investment funds from investors (Note 21)								
Film investment funds from investors at FVTPL	–	–	–	–	–	2,692	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the liability.

In 2018, the significant unobservable input used to derive the fair value of the financial liability being discount rate of 5.42% per annum determined using a Build-Up Method. The higher the discount rate, the lower the fair value.

(d) Capital management policies and objectives

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes film investment funds from investors and borrowings disclosed in Notes 21 and 25 respectively, and equity attributable to owners of the Company, comprising of share capital, share premium, statutory reserve and retained earnings.

The Group's overall strategy with regards to capital management remains unchanged during the Relevant Periods.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

**PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

6 RELATED PARTY TRANSACTIONS

Some of the group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than those disclosed elsewhere in the financial statements, significant related party transactions include the following:

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
With ultimate controlling shareholder and director:				
Loan from director	–	–	(14,894)	–
With an associate company:				
Advance to associate company (Note A)	1,772	905	2,083	–
Advance from associate company	–	–	(1,404)	–
With entities associated to a non-controlling shareholder and non-executive director:				
Net income arising from concert management	–	–	(203)	–
Prepayment of grant of rights for concert production	780	–	2,093	–
Expenses arising from concert production	1,910	–	–	–
Royalty fee expenses	63	–	–	–
With family members of the ultimate controlling shareholder and director:				
Artist service fees	–	328	425	467
Artist service fees arising from joint operations (Note B)	–	–	493	–
Prepayment of artiste fees	–	–	–	338
Provision of talent management services arising from joint operations (Note C)	–	–	(47)	–
With an entity controlled by a family member of the ultimate controlling shareholder and director:				
Artist service fees	–	–	48	–
With a key management personnel of the Company:				
Acquisition of associate	–	393	393	–

Note A: During the six months period ended 30 June 2020, the Group advanced \$1,772,000 to the associate Beijing Yizhongdao prior to the acquisition of 70% equity interest in the associate in May 2020 (Note 18(c)).

Note B: During the year ended 31 December 2019, total artiste service fees amounted to \$1,076,000 of which \$493,000 relates to the Group's proportionate share of the joint operation expenses.

Note C: During the year ended 31 December 2019, total talent management service income amounted to \$87,000 of which \$47,000 relates to service income earned from joint operators.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Compensation of directors and key management personnel

The remuneration of directors who are members of key management during the period/year were as follows:

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Short-term benefits	452	306	745	307
Post-employment benefits	12	7	17	8
	464	313	762	315

7 CASH AND CASH EQUIVALENTS

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Cash at bank	14,226	17,353	13,772
Cash on hand	7	3	6
	14,233	17,356	13,778

8 TRADE RECEIVABLES

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Trade receivables:			
Outside parties	10,305	34,445	174
Unbilled receivables	1,673	9,804	–
Loss allowance	(64)	(83)	–
	11,914	44,166	174

The average credit period granted to customers is 30 days. No interest is charged on the outstanding balance.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

**PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Unbilled receivable is the Group's right to consideration that is unconditional for which the Group has satisfied the performance obligation by transferring the drama production to the customer. The customer has obtained control of the drama production and only a passage of time is required before the Group issue the trade invoice based on the billing milestone.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the Relevant Periods.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimate of future economic conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group					
	Trade receivables – days past due					
	Not past due	1 to 30 days	31 to 60 days	61 – 90 days	> 90 days	Total
31 December 2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimated total gross carrying amount at default	80	–	–	60	34	174
Lifetime ECL	–	–	–	–	–	–
						<u>174</u>

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

**PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	Group					
	Trade receivables – days past due					
	Not past due	1 to 30 days	31 to 60 days	61 – 90 days	> 90 days	Total
31 December 2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimated total gross carrying amount at default	29,854	1,945	12,341	–	109	44,249
Lifetime ECL	–	–	–	–	(83)	(83)
						<u>44,166</u>

	Group					
	Trade receivables – days past due					
	Not past due	1 to 30 days	31 to 60 days	61 – 90 days	> 90 days	Total
30 June 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimated total gross carrying amount at default	11,965	–	–	–	13	11,978
Lifetime ECL	(64)	–	–	–	–	(64)
						<u>11,914</u>

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(l) 9:

	Lifetime ECL – non-credit-impaired		
	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
At the beginning of the period/year	83	–	–
Change in loss allowance	(19)	83	–
At the end of the period/year	<u>64</u>	<u>83</u>	<u>–</u>

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

9 OTHER RECEIVABLES

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Other receivables (current portion):			
Outside parties ⁽ⁱ⁾	1,104	31	–
With an entity connected to a non-controlling shareholder (Note 19)	3,541	–	–
Amount due from an investor of film investment fund ⁽ⁱⁱ⁾	942	1,231	–
Amount due from joint operators	521	–	–
Advances to staff	11	41	32
Advances to third party contractor	–	756	1,432
Director of a subsidiary	316	309	–
Refundable security deposits	326	207	41
Prepayments	2,030	1,588	345
Value-added tax receivable	1,637	878	340
Deferred issue costs ⁽ⁱⁱⁱ⁾	358	–	–
Grant receivable (Note 29)	205	–	–
	<u>10,991</u>	<u>5,041</u>	<u>2,190</u>
Other receivables (non-current portion):			
Refundable security deposits	7	83	103
Total	<u>10,998</u>	<u>5,124</u>	<u>2,293</u>

(i) As at 30 June 2020, other receivables owing from outside parties includes a consideration of \$101,000 (equivalent to RMB510,000) arising from disposal of 51% equity interest subsidiary, Beijing Lingzhanglei (Note 18(d)).

(ii) Amount due from an investor of film investment fund is measured at amortised cost, which is the estimated amount to be received from the film investor upon final settlement with the film investor (Note 21).

(iii) Deferred issue costs represent deferred professional fees incurred in connection with the proposed listing of the Company, which will be subsequently net-off against proceeds received from issuance of shares.

Other receivables at the end of the reporting period are interest free, unsecured and not past due.

For purpose of impairment assessment, the other receivables are considered to have low credit risk as there has been no significant increase in the risk of default on the other receivables since initial recognition. Accordingly, for the purpose of impairment assessment of these receivables, the loss allowance is measured at an amount equal to 12-month expected credit loss (ECL).

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

In determining the ECL, management has taken into account historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

10 CONTRACT ASSETS

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Drama and film production	21,371	4,962	–
Less: loss allowance	(7)	(6)	–
	<u>21,364</u>	<u>4,956</u>	<u>–</u>

Contract assets are initially recognised for revenue earned from drama and film production to represent the Group's right to consideration for the services transferred to date. Upon subsequent billing to the customer, the amounts recognised as contract assets are reclassified to trade receivables.

The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

The contract assets relate to the Group's right to consideration for drama and film production in progress but not billed at the reporting date as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the amounts due from customers at the end of the reporting period is past due.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

The table below shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL – non-credit-impaired		
	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
At the beginning of the period/year	6	–	–
Change in loss allowance	1	6	–
At the end of the period/year	7	6	–

11 CONTRACT COSTS

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Costs to fulfil contracts	847	577	–

The Group incurred cost to fulfil contracts associated with artistic performance management. The costs related directly to the contract, generate resources that will be used in satisfying the contract. They were therefore recognised as an asset from costs to fulfil a contract. The asset will be recognised as expense at point in time consistent with the recognition of the associated revenue. For the financial period ended 30 June 2020, an impairment loss of \$716,000 been recognised due to postponement of concerts in Malaysia and Australia arising from travel restrictions and concerns over the COVID-19 outbreak (Note 40). For the financial year ended 31 December 2019, there was no impairment loss in relation to the costs capitalised.

12A FILMS AND DRAMA PRODUCTIONS IN PROGRESS

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
At the beginning of the period/year	23,307	22,085	–
Additions	3,989	31,857	20,824
Arising from acquisition of a subsidiary (Note 18)	6,284	–	1,300
Transfer to films and drama products (Note 12B)	(4,970)	(30,359)	–
Exchange differences	417	(276)	(39)
At the end of the period/year	29,027	23,307	22,085

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

**PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Films and drama productions in progress represents the production costs, costs of services, direct labour costs, facilities and raw materials consumed under production. It is accounted for on a film-by-film or drama-by-drama basis. Films and drama productions in progress is stated at cost incurred to date, less any identified impairment losses.

The Group sometimes participates in drama and film production as a co-producer and the Group involves and participates in the determination of idea origination, script, budget, production crew, cast selection, shooting, post-production, and distribution plan for the drama and film with other co-producers. The Group has joint control on the key relevant activities of the drama and film production as under the contractual agreements, unanimous consent is required from all parties to direct the key relevant activities. As at 30 June 2020, \$8,932,000 (2019: \$12,900,000; 2018: \$Nil) relates to the Group's proportionate share in the ownership of the films and drama productions in progress. The Group is entitled to a proportionate share of the revenue received and bears a proportionate share of the joint operation's expenses.

The Group has the following material joint operations in PRC:

- (a) Drama Perfect Village 最美的乡村: In 2019, the Group has a 45.7% share in the ownership of the drama production in progress for which the copyright and ancillary rights will be licensed to customers upon completion. In 2020, the drama production has been completed and transferred to films and drama products (Note 12B).
- (b) Make a Wish Miss Xianqi 仙琦小姐许愿吧: In 2020 and 2019, the Group has a 70.0% share in the ownership of the drama production in progress which will be sold upon completion. Subsequently in July 2020, the Group sold the 70.0% share in the ownership of the drama production for a consideration of \$13,818,000 (equivalent to RMB70,000,000).

12B FILMS AND DRAMA PRODUCTS

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Cost:			
At the beginning of the period/year	30,390	–	–
Arising from acquisition of a subsidiary (Note 18(a))	–	–	214
Sales of films and drama products	–	–	(214)
Transfer from films and drama productions in progress (Note 12A)	4,970	30,359	–
Exchange differences	101	31	–
At the end of the period/year	35,461	30,390	–

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Accumulated amortisation:			
At the beginning of the period/year	30,390	–	–
Provided during the period/year	2,473	30,359	–
Exchange differences	109	31	–
At the end of the period/year	32,972	30,390	–
Net carrying amount	2,489	–	–

The balances are classified as current as the films and drama products has an economic life of less than twelve months and are expected to be realised within the Group's normal operating cycle.

In light of the circumstances of the films and drama industry, the Group regularly reviewed its films and drama products to assess the marketability/future economic benefits of films and drama products and the corresponding recoverable amounts. The estimated recoverable amount as at 30 June 2020 was determined based on the expected future revenues.

As at 30 June 2020, \$2,489,000 (2019: \$Nil; 2018: \$Nil) relates to the Group's proportionate share in the ownership of the drama Perfect Village 最美的乡村. The Group is entitled to a proportionate share of the revenue received and bears a proportionate share of the joint operation's expenses.

Subsequently in July 2020, the Group acquired 14.3% interest of a co-production party for a consideration of \$1,579,000 (equivalent to RMB8,000,000), after deducting outstanding co-production investment amount of \$395,000 (equivalent to RMB2,000,000) owed by such co-production party to the Group. As a result, the Group's interest in Perfect Village 最美的乡村 was increased from 45.7% to 60.0%.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

13 PLANT AND EQUIPMENT

	Leasehold improvements	Motor vehicles	Furniture and fixtures	Office equipment	Computer equipment	Filming equipment	Concert equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:								
At 22 March 2018 (date of incorporation)	-	-	-	-	-	-	-	-
Arising from acquisition of subsidiaries (Note 18)	364	-	33	32	99	-	-	528
Additions	10	215	-	-	33	37	-	295
Exchange differences	7	*	1	1	3	*	-	12
At 31 December 2018	381	215	34	33	135	37	-	835
Additions	8	-	12	3	40	-	3,343	3,406
Exchange differences	(1)	(1)	*	*	(1)	(2)	(6)	(11)
At 31 December 2019	388	214	46	36	174	35	3,337	4,230
Additions	-	370	26	-	254	-	-	650
Written-off	(32)	-	-	-	(1)	-	-	(33)
Exchange differences	*	*	*	*	1	1	69	71
At 30 June 2020	356	584	72	36	428	36	3,406	4,918
Accumulated depreciation:								
At 22 March 2018 (date of incorporation)	-	-	-	-	-	-	-	-
Arising from acquisition of subsidiaries (Note 18)	94	-	8	4	24	-	-	130
Depreciation	66	15	5	4	18	3	-	111
Exchange differences	2	*	*	*	2	*	*	4
At 31 December 2018	162	15	13	8	44	3	-	245
Depreciation	134	43	14	5	49	7	63	315
Exchange differences	*	*	*	*	*	*	*	*
At 31 December 2019	296	58	27	13	93	10	63	560
Depreciation	60	58	9	4	30	4	195	360
Written-off	(25)	-	-	-	*	-	-	(25)
Exchange difference	*	(1)	*	*	*	*	1	*
At 30 June 2020	331	115	36	17	123	14	259	895
Carrying amount:								
At 30 June 2020	25	469	36	19	305	22	3,147	4,023
At 31 December 2019	92	156	19	23	81	25	3,274	3,670
At 31 December 2018	219	200	21	25	91	34	-	590

* Amount less than \$1,000.

The Group's concert equipment are used to generate rental income which is subject to short term operating lease arrangement with lessee.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

14 RIGHT-OF-USE ASSETS (THE GROUP AS LESSEE)

The Group leases several assets including office premises/filming studio, office equipment and motor vehicles. The leases have varying terms and renewal rights. The average lease term is between 1 to 3 years and rentals are generally fixed for the same periods.

The Group does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

	Office premises/ filming studio	Office equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Cost:				
At 22 March 2018 (date of incorporation)	–	–	–	–
Arising from acquisition of subsidiaries (Note 18)	842	22	233	1,097
Exchange differences	21	1	6	28
At 31 December 2018	863	23	239	1,125
Additions	2,641	–	116	2,757
Exchange differences	(4)	(1)	(1)	(6)
At 31 December 2019	3,500	22	354	3,876
Additions	4,359	–	–	4,359
Disposal	(812)	–	(238)	(1,050)
Exchange difference	35	*	2	37
At 30 June 2020	7,082	22	118	7,222
Accumulated depreciation:				
At 22 March 2018 (date of incorporation)	–	–	–	–
Arising from acquisition of subsidiaries (Note 18)	–	–	43	43
Depreciation	194	3	24	221
Exchange differences	*	*	1	1
At 31 December 2018	194	3	68	265
Depreciation	937	5	51	993
Exchange differences	(1)	(1)	*	(2)
At 31 December 2019	1,130	7	119	1,256
Depreciation	806	3	16	825
Disposal	(135)	–	(119)	(254)
Exchange difference	6	*	*	6
At 30 June 2020	1,807	10	16	1,833
Carrying amount:				
At 30 June 2020	5,275	12	102	5,389
At 31 December 2019	2,370	15	235	2,620
At 31 December 2018	669	20	171	860

* Amount less than \$1,000.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Certain leases for the plant and equipment expired in the current financial year. The expired contracts were either replaced by new leases for identical underlying assets or extended through exercising the extension options. This resulted in additions to right-of-use assets of \$4,359,000, \$2,757,000 and \$Nil in 30 June 2020, 31 December 2019 and 2018 respectively.

15 GOODWILL

	Group
	S\$'000
Cost:	
At 22 March 2018	–
Arising on acquisition of a subsidiary (Note 18)	1,111
At 31 December 2018 and 2019 and 30 June 2020	<u>1,111</u>
Accumulated impairment:	
At 22 March 2018, 31 December 2018 and 2019	–
Impairment loss	–
At 30 June 2020	<u>–</u>
Carrying amount:	
At 31 December 2018 and 2019	<u>1,111</u>
At 30 June 2020	<u>1,111</u>

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill arising from the acquisition of GHY Singapore group (Note 18). Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Television Program and Film Production	510	510	510
Concert Production	601	601	601
	<u>1,111</u>	<u>1,111</u>	<u>1,111</u>

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

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

The recoverable amounts of the 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% (2019: 1.00%; 2018: 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 12.75% (2019: 13.35%; 2018: 13.80%).

As at 30 June 2020, any reasonably possible change to the key assumptions applied not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

16 INTANGIBLE ASSETS

	Film and drama adaptation licenses	Rights to the film set under construction	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000
Cost:				
At 22 March 2018 (date of incorporation)	–	–	–	–
Arising from acquisition of subsidiaries (Note 18)	241	–	–	241
Additions	26	–	8	34
Exchange differences	7	–	*	7
At 31 December 2018	274	–	8	282
Additions	–	238	–	238
Utilised for drama production	(127)	–	–	(127)
Exchange difference	*	*	*	*
At 31 December 2019	147	238	8	393
Additions	–	483	–	483
Exchange difference	*	*	*	*
At 30 June 2020	147	721	8	876

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	Film and drama adaptation licenses	Rights to the film set under construction	Software royalty	Total
	\$'000	\$'000	\$'000	\$'000
Accumulated amortisation:				
At 22 March 2018 (date of incorporation)	–	–	–	–
Arising from acquisition of subsidiaries (Note 18)	31	–	–	31
Amortisation charge	26	–	–	26
Exchange difference	*	–	–	*
At 31 December 2018	57	–	–	57
Amortisation charge	38	–	2	40
Utilised for drama production	(30)	–	–	(30)
Exchange difference	(1)	–	*	(1)
At 31 December 2019	64	–	2	66
Amortisation charge	15	–	1	16
Exchange difference	*	–	*	*
At 30 June 2020	79	–	3	82
Carrying amount:				
At 30 June 2020	68	721	5	794
At 31 December 2019	83	238	6	327
At 31 December 2018	217	–	8	225

* Amount less than \$1,000.

Film and drama adaptation licences are amortised over their estimated useful life of 5 to 6 years. The amortisation expenses of \$13,000, \$33,000 and \$23,000 have been capitalised in the line item 'films and drama productions in progress' in statement of financial position as at 30 June 2020, 31 December 2019 and 2018 (Note 12A).

In December 2019, the Group signed a 10 years agreement with a joint investor to operate and manage the business of licensing and exploiting the jointly owned film set. The Group has a 50% share of rights to the film set located in Malaysia. The film set is under construction as at 31 December 2019 and 30 June 2020 and will be held for leasing purpose and own use upon completion. The Group is entitled to a proportionate share of the rights to the film set, rental income received and bears a proportionate share of the joint operation's expenses.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

17 DEFERRED TAX

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Deferred tax liabilities	68	–	–
Deferred tax assets	(221)	(203)	(360)
	<u>(153)</u>	<u>(203)</u>	<u>(360)</u>
			<u>\$'000</u>
At 22 March 2018 (date of incorporation)			–
Arising from acquisition of subsidiaries (Note 18(a))			(469)
Charge to profit or loss during the period (Note 32)			118
Exchange differences			(9)
At 31 December 2018			(360)
Charge to profit or loss during the period (Note 32)			149
Exchange differences			8
At 31 December 2019			(203)
Arising from acquisition of subsidiary (Note 18(c))			68
Credit to profit or loss during the period (Note 32)			(14)
Exchange difference			(4)
At 30 June 2020			<u>(153)</u>

As at 30 June 2020, deferred tax liabilities arose from the fair value adjustment in relation to the acquisition of a subsidiary as disclosed in Note 18(c).

As at 30 June 2020, deferred tax assets arose from deductible temporary differences, unutilised tax losses and unused tax credits of \$99,000, \$76,000 and \$46,000 (2019: \$84,000, \$119,000 and \$Nil; 2018: \$8,000, \$352,000 and \$Nil) respectively.

Subject to the agreement by the tax authorities, as at 30 June 2020, the group has unutilised tax losses of \$1,457,000 (2019: \$474,000; 2018: \$2,826,000) available for offset against future profits. A deferred tax asset has been recognised in respect of \$766,000 (2019: \$474,000; 2018: \$2,806,000) of such losses. No deferred tax asset has been recognised in respect of the remaining \$691,000 (2019: \$Nil; 2018: \$20,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

\$252,000 (2019: \$Nil; 2018: \$20,000) that will expire in year 2027 (2019: Nil; 2018: year 2023). Other unrecognised tax losses may be carried forward indefinitely subject to the conditions imposed by law.

The Group intends to permanently reinvest earnings to further expand its businesses in PRC, it does not intend to declare dividends to its immediate foreign holding entities in the foreseeable future. Accordingly, no deferred tax liability on withholding tax was accrued as at the end of each reporting period. Cumulative undistributed earnings of the Company's PRC subsidiaries intended to be permanently reinvested in PRC were \$Nil, \$7,492,000 and \$10,374,000 as of 31 December 2018, 2019 and 30 June 2020.

Temporary difference arising in connection with investment in associates is insignificant.

18 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Share exchange on 21 June 2018

On 21 June 2018, the Group acquired GHY Singapore group as described in Note 2(iii), via share exchange arrangement for 66.7% shares in GHY Singapore with non-cash consideration of 24,000,000 ordinary shares of the Company at par value of US\$0.0001 each, representing 27.3% shares in the Company.

The Group acquired GHY Singapore group in order to add value through increase in operation and diversification to concert business.

Consideration transferred (at acquisition date fair values)

	As at 21 June 2018
	\$'000
Fair value of consideration transferred by the Company	<u>5,562</u>

The difference between fair value of consideration transferred by the Company of \$5,562,000 and share capital swapped of \$3,000 is recorded as share premium (Note 27) amounting to \$5,559,000 as at 31 December 2018.

Acquisition-related costs

In the financial period ended 2018, acquisition-related costs of \$29,000 had been excluded from the consideration transferred and were recognised as "other expenses" in profit or loss.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	As at 21 June 2018
	\$'000
<u>Current assets</u>	
Cash and cash equivalents	4,005
Trade receivables	93
Other receivables	87
Lease receivables	3
Film and drama production in progress	1,300
Film and drama products	214
<u>Non-current assets</u>	
Plant and equipment	398
Right-of-use assets	1,054
Lease receivables	11
Intangible assets	210
Other receivables	93
Deferred tax assets	469
<u>Current liabilities</u>	
Trade and other payables	(323)
Lease liabilities	(438)
<u>Non-current liabilities</u>	
Lease liabilities	(500)
Net assets acquired and liabilities assumed	<u><u>6,676</u></u>

Non-controlling interest

The non-controlling interest (33.3%) in GHY Singapore group recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to \$2,225,000.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Goodwill arising on acquisition

	As at 21 June 2018
	\$'000
Fair value of consideration transferred by the Company	5,562
Add: Non-controlling interests	2,225
Less: Fair value of identifiable net assets acquired	(6,676)
Goodwill arising on acquisition	<u>1,111</u>

Goodwill arose in the acquisition of GHY Singapore group because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of GHY Singapore group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The goodwill arising on the acquisition is not expected to be deductible for tax purposes.

Management engaged an independent valuer to perform Purchase Price Allocation ("PPA") exercise to determine the fair value of consideration transferred as well as the fair value of identified net assets of GHY Singapore group at acquisition date on 21 June 2018. The independent valuer has an appropriate professional qualification and relevant experience for PPA exercise and is not related to the Group. Based on the independent PPA report dated 15 July 2020, there is no other separate intangible assets identified as at acquisition date and the carrying values of net assets acquired approximate to their fair values as at acquisition date.

The fair value of consideration transferred was estimated by the independent valuer based on the fair value of 66.7% of the share capital of GHY Singapore as at acquisition date, which is based on Discounted Cash Flow ("DCF") as a primary approach and market approach as a secondary cross check to the value derived under DCF approach. The fair value under DCF is estimated with reference to the future free cash flows expected to be generated by GHY Singapore group, discounted to the valuation date with an appropriate risk-adjusted discount rate. The future free cash flows are based on 3 years financial projections from the valuation date prepared by management. The discount rate used is 25.00% with terminal growth rate of 1.00%. The fair value under market approach is estimated by reference to valuation multiple of comparable listed companies or comparable transactions.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Net cash inflow on acquisition of subsidiaries

	As at 21 June 2018
	\$'000
Consideration paid	–
Less: Cash and bank balances acquired	4,005
Net cash inflow on acquisition	<u>4,005</u>

Impact of acquisition on the results of the Group

Included in the profit for the period from 22 March 2018 to 31 December 2018 is \$319,000 attributable to the additional business generated by GHY Singapore group. Revenue for the period of 2018 from GHY Singapore group amounted \$3,442,000.

Had the business combination during the period been effected at 22 March 2018, the revenue of the Group would have been \$3,725,000, and the loss for the period would have been \$316,000.

(b) Share exchange on 16 July 2018

On 12 July 2018, the Group entered into an agreement to acquire the remaining 33.3% shareholdings in GHY Singapore group from its non-controlling interest, subsequently increasing its ownership interest and voting rights from 66.7% to 100%. The consideration for the acquisition was via share exchange arrangement for 33.3% shares in GHY Singapore group with 12.0% shares in the Company issued on 16 July 2018.

The difference between fair value of considered transferred by the Company of \$2,955,000 and share capital swapped of \$2,000 is recorded as share premium (Note 27) amounting to \$2,953,000 as at 31 December 2018.

The following schedule shows the effects of change in the Group's ownership interest in GHY Singapore group that did not result in change of control, on the equity attributable to owners of the Company:

	As at 16 July 2018
	\$'000
Fair value of consideration transferred by the Company	2,955
Non-controlling interest	<u>(2,955)</u>
Difference recognised in share premium	<u>–</u>

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

(c) Acquisition of 70% equity interest in Beijing Yizhongdao on 26 May 2020

On 26 May 2020, the Group acquired 70% equity interest in Beijing Yizhongdao with cash consideration of \$139,000 (equivalent to RMB700,000), as described in Note 2(xiii). This transaction has been accounted for by the acquisition method of accounting.

Consideration transferred (at acquisition date fair values)

	As at 26 May 2020
	\$'000
Consideration transferred by the Group	139

The difference between consideration transferred by the Group of \$139,000 and fair value of proportionate share of identifiable assets acquired and liabilities assumed at the date of acquisition of \$294,000, resulted in negative goodwill amounting to \$155,000 as recorded in other income.

Acquisition-related costs

In the six months period ended 30 June 2020, no significant acquisition-related costs had been incurred from the consideration transferred.

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	As at 26 May 2020
	\$'000
<u>Current assets</u>	
Cash and cash equivalents	3,270
Films and drama productions in progress	6,284
<u>Current liabilities</u>	
Trade and other payables	(9,066)
<u>Non-current liabilities</u>	
Deferred tax liabilities	(68)
Net assets acquired and liabilities assumed	420

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Negative goodwill arising on acquisition

	As at 26 May 2020
	\$'000
Consideration for 70% equity interest	139
Add: Fair value of previously held 30% equity interest	126
Less: Fair value of identifiable net assets acquired	(420)
Negative goodwill arising on acquisition	<u>(155)</u>

Fair value gain of previously held 30% equity interest

	As at 26 May 2020
	\$'000
Fair value of previously held 30% equity interest	126
Less: Carrying amount	(65)
Fair value gain (Note 29)	<u>61</u>

Management engaged an independent valuer to perform Purchase Price Allocation (“PPA”) exercise to determine the fair value of identified net assets of Beijing Yizhongdao at acquisition date on 26 May 2020. The independent valuer has an appropriate professional qualification and relevant experience for PPA exercise and is not related to the Group. Based on the independent PPA report dated 17 August 2020, there is no other separate intangible assets identified as at acquisition date.

The fair value of identified net assets of Beijing Yizhongdao was estimated by the independent valuer based on Discounted Cash Flow (“DCF”) approach. The fair value under DCF is estimated with reference to the future free cash flows expected to be generated by Beijing Yizhongdao, discounted to the valuation date with an appropriate risk-adjusted discount rate. The discount rates used are 6.91% and 6.95%.

Net cash inflow on acquisition of subsidiary

	As at 26 May 2020
	\$'000
Consideration paid	–
Less: Cash and bank balances acquired	3,270
Net cash inflow on acquisition	<u>3,270</u>

As at 30 June 2020, consideration for 70% equity interest remain unpaid.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Impact of acquisition on the results of the Group

Included in the profit for the period ended 30 June 2020 is \$2,000 attributable to the additional business generated by Beijing Yizhongdao. Revenue for the period from Beijing Yizhongdao amounted to \$Nil.

Had the business combination during the period been effected at 1 January 2020, the revenue of the Group would have been \$37,152,000, and the profit for the period would have been \$13,032,000.

(d) Disposal of 51% equity interest in Beijing Lingzhanglei on 11 June 2020

As described in Note 2(xv), on 11 June 2020, the Group disposed 51% of the equity interest in Beijing Lingzhanglei for a consideration of \$101,000 (equivalent to RMB510,000), which was determined based on the net asset value of Beijing Lingzhanglei as at the date of disposal (the “disposal”). There is no gain or loss arising from the disposal.

19 INVESTMENT IN ASSOCIATES

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Cost of investment in associates	–	393	–
Share of post-acquisition profit	–	35	–
Foreign currency exchange differences	–	(6)	–
	–	422	–

- (i) The associates are accounted for using the equity method in these consolidated financial statements.
- (ii) Summarised financial information in respect of the Group’s material associate are set out below. The summarised financial information below represents amounts shown in the associate’s financial statements prepared in accordance with SFRS(I)s.

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Current assets	–	1,905	–
Non-current assets	–	*	–
Current liabilities	–	(376)	–
Non-current liabilities	–	–	–
	–	1,529	–

* Amount less than \$1,000.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

**PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
Post-acquisition revenue	–	248	870	–
Post-acquisition (loss) profit for the year	(41)	(150)	128	–
Total post-acquisition comprehensive (loss) income for the year	(41)	(150)	128	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in these consolidated financial statements:

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Net assets of the associate	–	1,529	–
Proportion of the Group's ownership interest in associate	–	27.6%	–
Carrying amount of the Group's interest in associate	–	422	–

During the financial period ended 30 June 2020, the Group had:

- (a) acquired remaining 70% equity interest in Beijing Yizhongdao as described in Note 18(c);
- (b) disposed 27.6% of equity interest in Beijing Honghaier to an entity connected a non-controlling shareholder as described in Note 2(xvi), for a consideration of approximately \$3,541,000 (equivalent to RMB17,940,000). The difference between consideration receivable and fair value of equity interest in Beijing Honghaier as at date of disposal of \$406,000 (equivalent to RMB2,106,000) resulted in a gain of \$3,135,000 (equivalent to RMB15,834,000) recognised as other income (Note 29) in profit or loss. The share of loss from associate for the six months period ended 30 June 2020 is \$11,000.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

20 TRADE AND OTHER PAYABLES

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Trade payables:			
Outside parties	3,645	1,000	–
With entities connected to a non-controlling shareholder	7,822	6,684	–
Other payables:			
Outside parties ⁽ⁱ⁾	5,594	9,224	335
Joint operators ⁽ⁱⁱⁱ⁾	202	–	–
With an entity connected to a non-controlling shareholder ⁽ⁱⁱⁱ⁾	308	1,199	–
Amount due to a non-controlling shareholder ^(iv)	2,000	2,800	–
Advance receipts from joint operators:			
Outside parties	745	1,033	–
With entities connected to a non-controlling shareholder	9,979	10,726	–
Loan from director of a subsidiary ^(v)	–	1,631	5,490
Loan from an entity connected to a non-controlling shareholder ^(vi)			
– principal	–	–	4,118
– accrued interest	–	410	34
Accruals	1,199	1,746	4,421
Accrued interest	247	326	–
Provision	48	42	13
Deferred income ^(vii)	1,325	1,238	–
Listing expenses payable	419	–	–
Accrued listing expenses	1,869	–	–
Refund liabilities ^(viii)	670	–	–
	36,072	38,059	14,411

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The average credit period on purchases of goods is 30 days (2019: 30 days; 2018: 30 days). No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

- (i) For the financial year ended 31 December 2019, amount of \$7,500,000, which bore interest of 8% per annum and represented the amount due to a third party. In March

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

2020, such amount was settled by the third party subscribing 1,093,000 new shares in the Company, which represents approximately 1.20% of issued and paid-up share capital of the Company. Personal guarantee has been provided by the ultimate controlling shareholder and director of the Company on the outstanding balance as at 31 December 2019.

- (ii) As at 30 June 2020, \$202,000 is payable to joint operators, pertains to the proportionate share of revenue from sale of drama production attributable to the joint operators.
- (iii) As at 30 June 2020, \$190,000 (2019: \$1,199,000) is payable to a joint operator, an entity connected to a non-controlling shareholder, pertains to over contribution for a joint operation arising from the subsequent decrease in investment proportion by the joint operator based on the agreement between the Group and the joint operator and \$118,000 (2019: \$Nil) is payable to the joint operator for the proportionate share of revenue from sale of drama production.
- (iv) As at 30 June 2020, \$2,000,000 (2019: \$2,800,000) due to a non-controlling shareholder pertains to amount owing from share buy-back of 10,000,000 shares by the Company (Note 26).
- (v) As of 31 December 2019, the advances of \$1,631,000 (2018: \$5,490,000) from the director of a subsidiary is unsecured, interest-free and repayable on demand. The amount is subsequently settled in 30 June 2020.
- (vi) As of 31 December 2018, the advances of \$4,118,000 from an entity connected to a non-controlling shareholder of the Company bore fixed interest rate at 10% per annum. The principal was subsequently repaid in September 2019 and the remaining balance of \$410,000 was repaid in January 2020.
- (vii) As at 30 June 2020, deferred income of \$114,000 represented Jobs Support Scheme given by government. As at 30 June 2020, deferred income of \$1,211,000 (2019: \$1,238,000) represented government grant received for drama production in progress. The deferred income will be recognised in profit or loss when the Group recognises as expenses the related cost for which the grants are intended to compensate.
- (viii) As at 30 June 2020, refund liabilities relate to the estimated concert ticket refund to customers due to postponement of concerts in Malaysia and Australia arising from travel restrictions and concerns over the COVID-19 outbreak (Note 40).

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

21 FILM INVESTMENT FUNDS FROM INVESTORS

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
At amortised cost	4,145	2,708	–
At FVTPL:			
Balance at beginning of year/ 22 March 2018	–	2,692	–
Additions			
Cash	–	6,977	1,820
Non-cash ⁽ⁱ⁾	–	2,302	–
Fair value gain in amount due to an external investor (Note 30)	–	1,523	907
Settlement			
Cash	–	(11,256)	–
Non-cash ⁽ⁱ⁾	–	(2,302)	–
Others	–	143	–
Currency translation differences	–	(79)	(35)
Balance at end of year	–	–	2,692
Total	4,145	2,708	2,692
Total losses for the year included in:			
<u>Profit or loss</u>			
Fair value gain in amount due to an external investor (Note 30)	297	1,523	907
<u>Other comprehensive income (loss)</u>			
Currency translation differences arising from consolidation	51	(79)	(35)

As at 30 June 2020, the film investment funds from three investors (2019: one) for two (2019: one) drama and film productions is carried at amortised cost, bore interest at a range from 10% to 15% per annum (2019: 10% per annum) and is repayable within 12 months.

- (i) In financial year ended 31 December 2019, the repayment of film investment funds from investor of \$2,302,000 was netted against additional cost of investment required from investor on the production upon settlement.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

22 CONTRACT LIABILITIES

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Contract liabilities	8,206	21,629	9,951

Contract liabilities related to payments received in advance from customers. The related amounts are recognised as revenue when the Group fulfils its performance obligation under the contract with the customers which generally does not exceed one year.

The balances are classified as current as the performance obligations are expected to be fulfilled within the Group's normal operating cycle.

As at 31 December 2019, there is significant increase in contract liabilities due to advance receipts of ticket sales for upcoming concerts in 2020. This amount has been recognised as revenue when the concerts took place in 2020.

Revenue recognised in the financial period/year ended 30 June 2020, 31 December 2019 and 31 December 2018 amounting to \$15,051,000, \$9,751,000, and \$Nil respectively were included in contract liabilities at the beginning of the financial year.

23 AMOUNT DUE FROM (TO) RELATED PARTIES

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
<u>AMOUNT DUE FROM RELATED PARTIES:</u>			
Non trade			
(a) With ultimate controlling shareholder and director	–	–	10
(b) With a non-controlling shareholder	–	–	21
Trade			
(c) With a company controlled by a non-controlling shareholder and non-executive director	–	6,989	–
(d) With entities associated to a non-controlling shareholder and non-executive director – prepayment of grant of rights for concert production	1,235	2,093	–
	<u>1,235</u>	<u>9,082</u>	<u>31</u>

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

**PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

The credit period for trade-related balances is 30 days (2019: 30 days) and will be settled under normal credit terms. Management estimates the loss allowance on trade-related balances at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry.

The non-trade receivables represent expenses paid on behalf of the related parties. They are unsecured, non-interest bearing and repayable on demand.

None of the amounts due from related parties at the end of the reporting period is past due.

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
<u>AMOUNT DUE TO RELATED PARTIES:</u>			
Non trade			
(a) With ultimate controlling shareholder and director	(5,628)	(14,894)	–
(b) With an associate company	–	(1,404)	–
(c) With family members of ultimate controlling shareholder and director	–	(2)	(45)
Trade			
(d) With a company controlled by a non-controlling shareholder and non-executive director	–	(6,784)	–
(e) With family members of ultimate controlling shareholder and director – artiste fees	–	(97)	–
(f) With an entity controlled by a family member of ultimate controlling shareholder and director – artiste fees	–	(48)	–
	(5,628)	(23,229)	(45)

Trade payables principally comprise amounts outstanding for trade-related services received from related parties. The credit period taken for trade purchases is 30 days (2019: 30 days).

The non-trade payables representing advances received from related parties which are unsecured, interest-free and repayable on demand unless otherwise stated.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

24 LEASE LIABILITIES (THE GROUP AS LESSEE)

Maturity analysis:

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Year 1	1,721	1,345	444
Year 2	1,290	939	282
Year 3	909	332	26
Year 4	577	–	9
Year 5	511	–	–
Year 6 onwards	978	–	–
	5,986	2,616	761
Less: Unearned interest	(770)	(137)	(35)
	5,216	2,479	726
Analysed as:			
Current	1,484	1,251	417
Non-current	3,732	1,228	309
	5,216	2,479	726

The Group does not face a significant liquidity risk regarding its lease liabilities.

As at 30 June 2020, the weighted average incremental borrowing rate applied to the lease liabilities is 5.53% (2019: 5.44%; 2018: 5.38%) per annum.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Non-cash changes					31 December 2018
	22 March 2018	Financing cash flows ⁽ⁱ⁾	Acquisition of subsidiaries (Note 18)	Foreign exchange movement	Other changes ⁽ⁱⁱ⁾	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Film investment funds from investors (Note 21)	–	1,820	–	(35)	907	2,692
Lease liabilities (Note 24)	–	(212)	938	–	–	726
Borrowings (Note 25)	–	5,873	–	–	–	5,873
Loan from an entity connected to a non-controlling shareholder (Note 20)	–	4,118	–	–	34	4,152
Loan due to director of a subsidiary (Note 20)	–	5,490	–	–	–	5,490
	–	17,089	938	(35)	941	18,933

	Non-cash changes						31 December 2019
	1 January 2019	Financing cash flows ⁽ⁱ⁾	New lease liabilities	Foreign exchange movement	Non- recourse factoring facilities (Note 25)	Other changes ⁽ⁱⁱ⁾	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Film investment funds from investors (Note 21)	2,692	(1,571)	–	(79)	–	1,666	2,708
Lease liabilities (Note 24)	726	(968)	2,757	(36)	–	–	2,479
Borrowings (Note 25)	5,873	4,825	–	–	(5,873)	–	4,825
Loan from an entity connected to a non-controlling shareholder (Note 20)	4,152	(4,118)	–	–	–	376	410
Loan due to director of a subsidiary (Note 20)	5,490	(3,859)	–	–	–	–	1,631
Amount due to related parties (Note 23)	–	16,298	–	–	–	–	16,298
Other payables (Note 20)	–	7,500	–	–	–	100	7,600
	18,933	18,107	2,757	(115)	(5,873)	2,142	35,951

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	Non-cash changes						30 June 2020
	1 January 2020	Financing cash flows ⁽ⁱ⁾	Net change in lease liabilities	Foreign exchange movement	Conversion to shares (Note 26)	Other changes ⁽ⁱⁱ⁾	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Film investment funds from investors (Note 21)	2,708	1,386	–	51	–	–	4,145
Lease liabilities (Note 24)	2,479	(730)	3,673	25	–	(231)	5,216
Borrowings (Note 25)	4,825	247	–	98	–	–	5,170
Loan from an entity connected to a non-controlling shareholder (Note 20)	410	–	–	–	–	(410)	–
Loan due to director of a subsidiary (Note 20)	1,631	(1,631)	–	–	–	–	–
Amount due to related parties (Note 23)	16,298	(11,041)	–	371	–	–	5,628
Other payables (Note 20)	7,600	–	–	–	(7,736)	136	–
Share buy-back (Note 20)	2,800	(800)	–	–	–	–	2,000
	38,751	(12,569)	3,673	545	(7,736)	(505)	22,159

(i) The cash flows make up the net amount of proceeds from film investment funds from investors and repayments of film investment funds from investors in the statement of cash flows.

(ii) Other changes include interest accruals and payments, fair value gain in amount due to an external investor and its corresponding VAT payable, and prepaid lease payments.

25 BORROWINGS

As at the end of the reporting period, the Group have the following borrowings:

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Short term bank loans	5,170	4,825	–
Factoring facility	–	–	5,873
	5,170	4,825	5,873

Bank borrowings bear interest rate range from 4.35% to 5.01% per annum (2019: 5.01%, 2018: Nil) and are repayable within 12 months from the financial year end.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

**PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

For the financial period ended 31 December 2018, the Group factored trade invoice of \$5,873,000 relating to sale of drama production to a financial institution for cash, which bore interest at 2% per annum. The trade invoice was raised in accordance with the billing milestone under a cancellable contract and accordingly, no trade receivable was recognised as at 31 December 2018.

For the financial period ended 31 December 2019, the factoring facility was fully settled when the drama production was sold and as the Group has transferred substantially all the risks and rewards of ownership of those trade receivables, the Group derecognised such receivables and the corresponding factoring facility from the financial institution which was received in 2018.

For the financial period ended 30 June 2020, the short term bank loans amounting to \$5,170,000 (2019: \$4,825,000) is jointly guaranteed by an ultimate controlling shareholder, a director, structured entities controlled via the Contractual Arrangements and third parties.

26 SHARE CAPITAL

	Number of shares	Par value US\$	Share capital US\$
Authorised share capital of the Company:			
At 30 June 2020, 31 December 2019 and 31 December 2018	500,000,000	0.0001	50,000
	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Issued and fully paid:			
At beginning of year/ 22 March 2018	641	642	–
Issue of shares during the year/ period	*	–	637
Issue of shares for acquisition of GHY Singapore group (Note 2(iii))	–	–	3
Issue of share for acquisition of non-controlling interest in a subsidiary (Note 2(iii))	–	–	2
Share buy-back and cancelled during the year	–	(1)	–
At end of year	641	641	642

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

The share capital in the combined statements of financial position as at 31 December 2018, 31 December 2019 and 30 June 2020 relates to the aggregate amounts of the share capital under the ultimate controlling shareholder, which represents the share capital of the Company and Tianjin Changxin Film & Media Co., Ltd.

In December 2019, the Company repurchased 10,000,000 shares at a consideration of \$2,800,000 from one of the non-controlling shareholders. The shares are cancelled and the share capital of the Company was reduced from US\$10,000 (100,000,000 shares) to US\$9,000 (90,000,000 shares). These difference between consideration paid and shares buy back of \$2,799,000 are offset against share premium as of 31 December 2019.

As described in Note 2(xi), on 24 March 2020, 1,093,000 shares of the Company were issued to Mr. Ong Pang Aik as repayment of the outstanding loan and accrued interest from the Company to Mr. Ong Pang Aik. Following the completion of the subscription, Mr. Ong Pang Aik held approximately 1.20% of the issued and paid-up share capital of the Company.

Management engaged an independent valuer to perform valuation to determine the fair value of the newly issued shares by the Company with respect to the conversion of loan from Mr. Ong Pang Aik as at 24 March 2020. The independent valuer has an appropriate professional qualification and relevant experience and is not related to the Group.

Based on the independent report dated 27 August 2020, the fair value of the newly issued shares by the Company was estimated by the independent valuer based on income approach as a primary approach and market approach as a secondary cross check to the value derived under income approach. The fair value of the newly issued shares estimated by the independent valuer approximates the carrying amount of amount due to Mr. Ong Pang Aik. The difference between the fair value and par value of the newly issued shares to Mr. Ong Pang Aik of \$7,736,000 is recorded as share premium (Note 27).

On 25 November 2020, the Company sub-divided each share into 10 shares and the total number of shares in issue increased from 91,093,000 to 910,930,000.

27 SHARE PREMIUM

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
At beginning of period/ 22 March 2018	5,713	8,512	–
Acquisition of GHY Singapore group (Note 18(a))	–	–	5,559
Acquisition of non-controlling interest in GHY Singapore group (Note 18(b))	–	–	2,953
Share buy-back from a non-controlling shareholder (Note 26)	–	(2,799)	–

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Capitalisation of amount due to Mr. Ong Pang Aik (Note 2(xi) and Note 26)	7,736	–	–
At end of period/year	<u>13,449</u>	<u>5,713</u>	<u>8,512</u>

28 REVENUE

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
	(unaudited)			
Sale of television, drama and film production	21,884	41,606	60,651	3,222
Revenue from artistic performance and sponsorship revenue				
– Revenue as Concert Organiser	14,780	–	818	–
– Revenue from Concert Management	–	–	203	–
	14,780	–	1,021	–
Talent management service income	140	16	1,450	220
Costume, make-up and props services	348	–	2,643	–
	<u>37,152</u>	<u>41,622</u>	<u>65,765</u>	<u>3,442</u>
Operating lease income from concert equipment	–	–	235	–
	<u>37,152</u>	<u>41,622</u>	<u>66,000</u>	<u>3,442</u>

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

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

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
		(unaudited)		
Timing of revenue recognition:				
At a point in time	20,839	41,622	49,126	3,442
Over time	16,313	–	16,639	–
	<u>37,152</u>	<u>41,622</u>	<u>65,765</u>	<u>3,442</u>

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sale of television, drama and film production and concert as at the end of the reporting period is:

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
		(unaudited)		
Performance obligations that are unsatisfied (or partially unsatisfied)	8,206	1,408	21,629	9,951

Management expects that full amount will be recognised as revenue during the next reporting period.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

29 OTHER INCOME

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Interest income	45	11	51	6
Government grant	386	6,112	6,450	–
Gain on structured deposits	18	1	15	–
Net foreign currency exchange gain	324	–	–	–
Gain on disposal of right-of-use assets	35	–	–	–
Gain from bargain purchase of investment in a subsidiary (Note 18(c))	155	–	–	–
Fair value gain on previously held interest in an associate (Note 18(c))	61	–	–	–
Gain on disposal of associate (Note 19)	3,135	–	–	–
Net reversal of allowance for expected credit losses	18	–	–	–
Others	1	27	59	6
	<u>4,178</u>	<u>6,151</u>	<u>6,575</u>	<u>12</u>

During the six months period ended 30 June 2020, the government grants received by the Group mainly relate to Jobs Support Scheme provided by government during COVID-19 outbreak (Note 40). During the year ended 31 December 2019 and period ended 30 June 2019, the government grants received by the Group mainly relate to grants for production of dramas under the TV program and film production business segment.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

30 OTHER EXPENSES

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
		(unaudited)		
Net foreign currency exchange loss	–	187	183	381
Fair value gain in amount due to an external investor (Note 21)	297	955	1,523	907
Allowance for expected credit losses	–	42	89	–
Donation	184	–	176	–
Written-off of plant and equipment	8	–	–	–
Others	29	11	64	–
	518	1,195	2,035	1,288

31 FINANCE COSTS

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
		(unaudited)		
Interest expense on:				
Amount due to an entity connected to a non-controlling shareholder (Note 20)	–	205	376	34
Lease liabilities	130	32	96	22
Amount due to third party (Note 20)	137	–	100	–
Bank guarantee fee	23	–	124	–
Borrowings	126	113	190	–
Film investment funds from external investors (Note 21)	190	–	45	–
	606	350	931	56

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

32 INCOME TAX EXPENSE

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Tax expense comprises:				
Current tax				
– Current year	1,701	2,057	2,700	–
Deferred tax (Note 17)	(14)	293	149	118
Withholding tax	45	–	113	56
Total	1,732	2,350	2,962	174

Under the current laws of the Cayman Islands, the Company is not subject to tax on its income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

The Company's subsidiaries incorporated in other jurisdictions were subject to income tax charges calculated according to the tax laws enacted or substantially enacted in the countries where they operate and generate income.

On 11 May 2018, the Company's subsidiary incorporated in Singapore was granted incentives under the Development and Expansion incentive. The status was granted for a period of 5 years from 1 July 2018 to 30 June 2023. As such, for the period beginning 1 July 2018 the income tax expense on the qualifying profits of the subsidiary will be determined by applying the concessionary income tax rate of 5%.

The statutory tax rates for subsidiaries in Malaysia, Australia and the PRC were 24%, 30% and 25%, respectively.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

The total charge for the year/period can be reconciled to the accounting profit (loss) by applying the Singapore income tax rate of 17% as follows:

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
		(unaudited)		
Profit (Loss) before income tax	14,742	13,979	15,396	(568)
Income tax expenses calculated at 17%	2,506	2,376	2,617	(97)
Effect of expenses that are not deductible in determining taxable profit	43	31	71	95
Effect of income that is exempt from taxation	(80)	(103)	(78)	(2)
Stepped income exemption	(17)	(17)	(17)	–
Effect of tax rebate	–	(15)	(15)	–
Effect of applying 5% tax rate under Development and Expansion incentive	(1,667)	(607)	(515)	209
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	188	3	–	5
Effect of previously unrecognised tax losses now recognised as deferred tax assets	–	–	(5)	(6)
Effects of different tax rate of subsidiaries operating in other jurisdictions	716	687	790	(88)
Others	(2)	(5)	1	2
Withholding tax	45	–	113	56
Tax expenses	1,732	2,350	2,962	174

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

33 PROFIT (LOSS) FOR THE PERIOD

Profit (loss) for the period has been arrived at after charging (crediting):

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Depreciation of plant and equipment included in the cost of concert organisation recognised in cost of sales	195	–	63	–
Depreciation of plant and equipment recognised in administrative expenses	165	122	252	111
Depreciation of right-of-use assets	825	326	993	221
Amortisation of intangible assets	3	3	7	3
(Net reversal of) Allowance for expected credit losses	(18)	42	89	–
Written-off of inventories	14	–	–	–
Impairment loss of contract costs	716	–	–	–
Employee benefits expense	2,573	2,290	4,453	776
Cost of defined contribution plans included in employee benefits expense	132	235	413	66
Government grants	(386)	(6,112)	(6,450)	–
Net foreign currency exchange (gain) loss	(324)	187	183	381
Fair value gain in amount due to an external investor	297	955	1,523	907
Cost of television, drama and film production recognised as cost of sales	10,670	29,512	43,841	214
Amortisation of films and drama products included in the cost of television, drama and film production recognised as cost of sales	2,473	29,512	30,359	–
Expenses relating to short-term leases	148	33	100	–
Expenses relating to leases of low value assets	1	–	1	–
Listing expenses	2,137	–	–	–

The total cash outflow for leases amount to \$278,000, \$1,466,000, \$332,000 and \$1,107,000 for the Relevant Periods ended 31 December 2018 and 2019, 30 June 2019 and 2020.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

In the six months period ended 30 June 2020, the total employee benefits expense incurred of \$2,738,000 (31 December 2019: \$4,720,000; 30 June 2019: \$2,290,000; 31 December 2018: \$1,154,000) and recognised in profit or loss is \$2,573,000 (31 December 2019: \$4,453,000; 30 June 2019: \$2,290,000; 31 December 2018: \$776,000). In the six months period ended 30 June 2020, total employee benefit expenses incurred of \$165,000 (31 December 2019: \$267,000; 31 December 2018: \$378,000) is capitalised in the line item 'films and drama productions in progress'.

34 DEFINED CONTRIBUTION PLANS

The employees of the Group are members of state-managed retirement benefit plans, operated by relevant governmental authorities in those countries. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

In the six months period ended 30 June 2020, the total expense of \$148,000 (31 December 2019: \$436,000; 30 June 2019: \$235,000; 31 December 2018: \$107,000) was incurred and expense of \$132,000 (31 December 2019: \$413,000; 30 June 2019: \$235,000; 31 December 2018: \$66,000) was recognised in the profit or loss. In the six months period ended 30 June 2020, total expenses incurred of \$16,000 (31 December 2019: \$23,000; 31 December 2018: \$41,000) is capitalised in the line item 'films and drama productions in progress' represents contributions payable to those plans by the Group at rates specified in the rules of the plans. As at 30 June 2020, contributions of \$20,000 (2019: \$38,000; 2018: \$25,000) due in respect of current financial period had not been paid over to the plans, which was included in the "trade and other payables" line item in the combined statement of financial position. The amounts were paid over subsequent to the end of the reporting period.

35 SEGMENT INFORMATION

The Group's chief operating decision-maker ("CODM") comprises the Chief Executive Officer, Executive Director, Chief Financial Officer, and the heads of each business within the operating segment. 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 has 4 reportable segments, as described below, which are group's strategic business units. The strategic business units offer different services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the CODM reviews the internal management report on periodic basis.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

The following describes the operations in each of the Group's reportable segments:

Segment	Principal activities
Television 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 which are produced by the Group as their talent management agency on a project basis.
Costumes, Props and Make-up Services	Provision of costumes, props and make up services to artists and third party production companies.

Segment revenue

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
		(unaudited)		
Television Program and Film Production	21,884	41,606	60,651	3,222
Concert Production	14,780	–	1,256	–
All Other Segments	598	16	5,771	220
Inter-Segment Elimination	(110)	–	(1,678)	–
External Revenue	37,152	41,622	66,000	3,442

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Segment results

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000 (unaudited)	\$'000	\$'000
Television Program and Film Production	11,171	12,094	16,810	3,008
Concert Production	8,024	–	469	–
All Other Segments	359	(179)	2,258	100
Inter-Segment Elimination	4	–	(721)	–
Gross profit	19,558	11,915	18,816	3,108
Other income	4,178	6,151	6,575	12
Share of result from associate	(11)	(41)	35	–
Administrative expenses	(5,000)	(2,151)	(5,177)	(1,969)
Selling and distribution expenses	(2,859)	(350)	(1,887)	(375)
Other expenses	(518)	(1,195)	(2,035)	(1,288)
Finance costs	(606)	(350)	(931)	(56)
Profit (Loss) before tax	14,742	13,979	15,396	(568)
Income tax expense	(1,732)	(2,350)	(2,962)	(174)
Profit (Loss) for the period/year	13,010	11,629	12,434	(742)

All other segments include talent management services, and costumes, props and make-up services.

Segment assets and liabilities are not regularly reported to the board of directors of the Company and is not reported.

Revenue reported above represents revenue generated from external customers. There were inter-segment sales for the period ended 30 June 2020 and 2019 of \$110,000 and \$Nil respectively (period/year ended 31 December 2019 and 2018 of \$1,678,000 and \$Nil respectively).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of other income, share of results from associate, administrative expenses, selling and distribution expenses, other expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Revenue from major products and services

The Group's revenue from its major products and services are disclosed in Note 28.

Geographical information

Geographically, management reviews the performance of the businesses in Singapore, Australia, China and Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers' operations. Non-current assets other than goodwill, investment in associates, and deferred tax assets are based on the geographical location of the assets.

	Revenue from external customers			
	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
		(unaudited)		
Singapore	29,156	16	924	220
Australia	–	–	–	–
China	7,996	41,606	65,076	3,222
Malaysia	–	–	–	–
	37,152	41,622	66,000	3,442

	Non-current assets		
	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Singapore	2,309	1,276	1,634
Australia	–	–	–
China	7,144	5,137	64
Malaysia	760	292	88
	10,213	6,705	1,786

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**NOTES TO COMBINED FINANCIAL STATEMENTS
PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020**

Information on major customers

The revenue from customers individually contributed over 10% of total revenue of the Group during the periods are as follows:

	Six months period ended 30 June 2020	Six months period ended 30 June 2019	Year ended 31 December 2019	Period from 22 March 2018 to 31 December 2018
	\$'000	\$'000	\$'000	\$'000
		(unaudited)		
Customer A	N/A*	N/A*	N/A*	3,222
Customer B	20,604	41,606	60,651	N/A*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the reporting period.

36 EARNINGS PER SHARE

For illustrative purposes, the earnings per share have been calculated based on the profit/loss for the period attributable to owners of the Company of \$13,010,000 (30 June 2019: profit of \$11,629,000; 31 December 2019: profit of \$12,434,000; 31 December 2018: loss of \$1,472,000) and 910,930,000 shares after adjusting for the share split.

The fully diluted earnings per share and basic earnings per share are the same because there is no dilutive share.

37 LEASE ARRANGEMENTS

The Group is committed to \$284,000, \$Nil and \$64,000 for short term leases as at 30 June 2020, 31 December 2019 and 2018.

38 CAPITAL COMMITMENTS

In December 2019, the Group signed a 10 years agreement with a joint investor to operate and manage the business of licensing and exploiting the jointly owned film sets. The Group has a 50% share of rights to the film set located in Malaysia (Note 16).

The Group's share of the capital commitment of the joint operation is as follows:

	30 June 2020	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000
Commitments for the acquisition of rights to the film set	652	1,391	–

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019
AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

39 SEASONALITY

Due to the nature of the Group's business, the Group did not observe any significant seasonal trends within the Relevant Periods.

40 SUBSEQUENT EVENTS

Share capital

As at the date of these combined financial statements, the authorised share capital was US\$50,000 comprising 5,000,000,000 Shares and the issued and paid-up share capital was US\$9,109.30 comprising 910,930,000 Shares (after adjusting for the Share Split).

Pursuant to written resolutions dated 25 November 2020, the Shareholders at that time approved, among others, the following:

- (a) the adoption by the Company of a new Memorandum and Articles of Association;
- (b) the sub-division of each ordinary share of par value US\$0.0001 in the capital of the Company into 10 Shares (the "Share Split");
- (c) the allotment and issuance of the Offering Shares and the New Cornerstone Shares. The Offering Shares and the New Cornerstone Shares, when issued and fully-paid up, will rank pari passu in all respects with the existing issued and fully paid-up Shares;
- (d) the adoption of the GHY Performance Share Plan (details of which are set out in the section entitled "Appendix H – Rules of the GHY Performance Share Plan" to this Prospectus) and the authorisation of the Directors to allot and issue Shares upon the vesting of share awards granted under the GHY Performance Share Plan;
- (e) the adoption of the GHY Employee Share Option Scheme (details of which are set out in the section entitled "Appendix I – Rules of the GHY Employee Share Option Scheme" to this Prospectus) and the authorisation of the Directors to allot and issue Shares upon the exercise of the share options granted under the Employee Share Option Scheme;
- (f) the authorisation to the Directors to:
 - (i) (A) issue Shares whether by way of rights, bonus or otherwise; and/or
 - (B) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit; and

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

- (ii) (notwithstanding such authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while such authority was in force,

provided that:

- (1) the aggregate number of Shares issued pursuant to such authority (including Shares issued in pursuance to any Instruments made or granted pursuant to this resolution), does not exceed 50.0% of the total number of issued Shares excluding treasury Shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) does not exceed 20.0% of the total number of issued Shares excluding treasury Shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares post-Offering following the completion of the Offering and the issuance of the New Cornerstone Shares (excluding treasury Shares and subsidiary holdings of the Company), after adjusting for:
- (aa) new Shares arising from the conversion or exercise of any convertible securities, or share options or vesting of share awards which are outstanding or subsisting at the time such authority is given; and
- (bb) any subsequent bonus issue, consolidation or subdivision of Shares.
- (3) in exercising the authority conferred by such authority, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held, whichever is the earlier.

Impact of the Coronavirus Disease 2019 ("COVID-19")

The recent global pandemic outbreak of the COVID-19 announced by the World Health Organisation has disrupted the Group's operations, as well as the operations of the customers and suppliers, globally, including in Singapore, Australia, Malaysia and the PRC. Due to the COVID-19 outbreak, a number of governments around the world have imposed nationwide restrictions to curb the spread of COVID-19, including quarantine measures, travel restrictions and the closure of workplaces, schools, shops and other public venues, including entertainment venues.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

PERIOD FROM 22 MARCH 2018 TO 31 DECEMBER 2018, YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Due to such measures requiring the closure of workplaces and suspension of business activities, the Group had to delay the production schedule of one ongoing drama project, there has been no material and adverse effect on the Group's business, financial conditions and results of operations up to the date of this report. While the Group has agreed on a revised production schedule for such drama with the customer and suppliers, as well as the crew and personnel involved, the Group is unable to predict if the impact of the COVID-19 outbreak will be short-lived or long-lasting, or if there will be delays to the production schedules of future drama and film projects and/or further disruptions to the business and operations. Furthermore, if the development of the COVID-19 outbreak becomes more severe or if the customers, suppliers and/or subcontractors are forced to close down their businesses after prolonged disruptions to their operations, the Group may experience a delay or shortage of suppliers and/or services by the suppliers, or termination of contracts by the customers. In such event, the operations of the Group may be severely disrupted and may have a material and adverse effect on the business, financial conditions, results of operations and prospects.

In addition, due to the imposition of such travel restrictions and concerns over the COVID-19 outbreak, the Group had to postpone the concerts in Malaysia and Australia which were originally slated for 29 February 2020 and 14 March 2020, respectively, for the safety of the concertgoers and crew. As a result, the Group had incurred administrative fees charged by the ticketing agent for the cancellation and refund of the concert tickets, cancellation of the venue and additional logistics costs due to transportation of the concert equipment, costumes, site management and storage fees. Accordingly, the Group had recorded impairment loss of \$716,000 of contract cost (Note 11) and refund liabilities of \$670,000 (Note 20) as at 30 June 2020.

Dividend

On 18 November 2020, the Company declared interim dividends of \$10,000,000 in respect of financial year ending 31 December 2020 to be paid to the persons who were registered shareholders of the Company as at 30 September 2020 ("Existing Shareholders"), which were determined based on the available profits of the Group as at 30 June 2020. As at the date of these combined financial statements, the interim dividends have not yet been paid to the Existing Shareholders as the payment of the interim dividends is conditional upon the fulfilment of certain conditions, including the entry into the Contractual Arrangements, the receipt by the Company of dividend payment(s) from the relevant subsidiaries and PRC Affiliated Entities for distribution to the Existing Shareholders and the Listing of the Company on the Main Board of the SGX-ST.

Subject to the fulfilment of the conditions, the interim dividends will be paid within six months from the date of the Listing, subject to the level of the cash and retained earnings, actual and projected financial performance, expected future earnings, cash flow, working capital requirements, general business and financing conditions, as well as other factors which the Directors may determine appropriate and which the Audit and Risk Management Committee will monitor until the interim dividends have been fully paid.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

STATEMENT OF DIRECTORS

In the opinion of the directors, the combined financial statements of the Group as set out on pages A-4 to A-110 are drawn up so as to give a true and fair view of the financial position of the Group as at 30 June 2020, 31 December 2019 and 31 December 2018, and the financial performance, changes in equity and cash flows of the Group for the period from 22 March 2018 to 31 December 2018, year ended 31 December 2019 and six months period ended 30 June 2020 and at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Guo Jingyu

Wang Qing

11 December 2020

This page has been intentionally left blank.

APPENDIX B – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

11 December 2020

The Board of Directors
G.H.Y Culture & Media Holding Co., Limited.
988 Toa Payoh North
#07-01/08
Singapore 319002

Report on the Compilation of Unaudited Pro Forma Combined Financial Information

We have completed our assurance engagement to report on the compilation of the unaudited pro forma combined financial information of G.H.Y Culture & Media Holding Co., Limited (the “Company”) and its subsidiaries (the “Group”) by management. The unaudited pro forma combined financial information of the Group consists of the pro forma combined statements of financial position as at 31 December 2019 and 30 June 2020, and related notes as set out on pages B-4 to B-10 of the Prospectus issued by the Company. The applicable criteria on the basis of which management has compiled the unaudited pro forma combined financial information are described in Note 3.

The unaudited pro forma combined financial information has been compiled by the management to illustrate the impact of the significant events set out in Note 2 (“Significant Events”) on the unaudited pro forma combined financial position of the Group as at 31 December 2019 and 30 June 2020 as if the Significant Events had occurred on 31 December 2019 and 30 June 2020 respectively.

The pro forma adjustments do not have any material effect on the combined statement of profit or loss and other comprehensive income and combined statement of cash flows of the Group for the year ended 31 December 2019 and the six months period ended 30 June 2020. Accordingly, the unaudited pro forma combined statement of profit or loss and other comprehensive income and combined statement of cash flows for year ended 31 December 2019 and the six months period ended 30 June 2020 have not been presented.

As part of this process, information about the Group’s financial position has been extracted by management from the Group’s audited combined financial statements for the year ended 31 December 2019 and six months period ended 30 June 2020, on which an audit report have been published.

Management’s Responsibility for the Unaudited Pro Forma Combined Financial Information

Management is responsible for compiling the unaudited pro forma combined financial information of the Group on the basis of the applicable criteria as described in Note 3.

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma combined financial information has been compiled, in all material respects, by management on the basis of the applicable criteria as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements ("SSAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* ("SSAE 3420"), issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditors comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma combined financial information of the Group on the basis of the applicable criteria as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma combined financial information.

The purpose of the unaudited pro forma combined financial information included in the Prospectus is solely to illustrate the impact of Significant Events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma combined financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management in the compilation of the unaudited pro forma combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- (i) The related pro forma adjustments give appropriate effect to those criteria; and
- (ii) The unaudited pro forma combined financial information of the Group reflects the proper application of those adjustments to the unadjusted financial information.

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

The procedures selected depend on the auditor's judgment, having regard to his understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma combined financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma combined financial information of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The unaudited pro forma combined financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards (International);
 - (ii) on the basis of the applicable criteria stated in Note 3 of the unaudited pro forma combined financial information of the Group; and
- (b) Each material adjustment made to the information used in the preparation of the unaudited pro forma combined financial information is appropriate for the purpose of preparing such unaudited financial information.

Restriction of Use and Distribution

This report has been prepared solely to you for inclusion in the Prospectus in connection with the proposed listing of G.H.Y Culture & Media Holding Co., Limited on Mainboard of the Singapore Exchange Securities Trading Limited and for no other purpose.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Loi Chee Keong
Partner

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Audited combined statement of financial position	Unaudited pro forma adjustments		Unaudited pro forma combined statement of financial position
		Note 2(a)	Note 2(b)	
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	17,356	–	–	17,356
Trade receivables	44,166	–	–	44,166
Other receivables	5,041	–	–	5,041
Amount due from related parties	9,082	–	–	9,082
Contract assets	4,956	–	–	4,956
Contract costs	577	–	–	577
Inventories	–	–	–	–
Finance lease receivables	3	–	–	3
Income tax recoverable	–	–	–	–
Films and drama productions in progress	23,307	–	–	23,307
Films and drama products	–	–	–	–
	104,488	–	–	104,488
Non-current assets				
Plant and equipment	3,670	–	–	3,670
Right-of-use assets	2,620	–	–	2,620
Finance lease receivables	5	–	–	5
Goodwill	1,111	–	–	1,111
Intangible assets	327	–	–	327
Other receivables	83	–	–	83
Deferred tax assets	203	–	–	203
Investment in associates	422	–	–	422
	8,441	–	–	8,441
Total assets	112,929	–	–	112,929

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (cont'd)
AS AT 31 DECEMBER 2019

	Audited combined statement of financial position	Unaudited pro forma adjustments		Unaudited pro forma combined statement of financial position
		Note 2(a)	Note 2(b)	
	\$'000	\$'000	\$'000	\$'000
LIABILITIES				
Current liabilities				
Trade and other payables	38,059	–	(7,736)	30,323
Dividend payable	–	10,000	–	10,000
Film investment funds from investors	2,708	–	–	2,708
Contract liabilities	21,629	–	–	21,629
Amount due to related parties	23,229	–	–	23,229
Lease liabilities	1,251	–	–	1,251
Borrowings	4,825	–	–	4,825
Income tax payable	2,582	–	–	2,582
	94,283	10,000	(7,736)	96,547
Non-current liabilities				
Lease liabilities	1,228	–	–	1,228
Deferred tax liabilities	–	–	–	–
	1,228	–	–	1,228
Total liabilities	95,511	10,000	(7,736)	97,775
NET ASSETS	17,418	(10,000)	7,736	15,154
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	641	–	*	641
Share premium	5,713	–	7,736	13,449
Statutory reserve	297	–	–	297
Retained earnings	10,665	(10,000)	–	665
Translation reserves	102	–	–	102
Total equity	17,418	(10,000)	7,736	15,154

* Amount less than \$1,000.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

**UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Audited combined statement of financial position	Unaudited pro forma adjustments		Unaudited pro forma combined statement of financial position
		Note 2(a)	Note 2(b)	
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	14,233	–	–	14,233
Trade receivables	11,914	–	–	11,914
Other receivables	10,991	–	–	10,991
Amount due from related parties	1,235	–	–	1,235
Contract assets	21,364	–	–	21,364
Contract costs	847	–	–	847
Inventories	159	–	–	159
Finance lease receivables	–	–	–	–
Income tax recoverable	–	–	–	–
Films and drama productions in progress	29,027	–	–	29,027
Films and drama products	2,489	–	–	2,489
	92,259	–	–	92,259
Non-current assets				
Plant and equipment	4,023	–	–	4,023
Right-of-use assets	5,389	–	–	5,389
Finance lease receivables	–	–	–	–
Goodwill	1,111	–	–	1,111
Intangible assets	794	–	–	794
Other receivables	7	–	–	7
Deferred tax assets	221	–	–	221
Investment in associates	–	–	–	–
	11,545	–	–	11,545
Total assets	103,804	–	–	103,804

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (cont'd)
AS AT 30 JUNE 2020

	Audited combined statement of financial position	Unaudited pro forma adjustments		Unaudited pro forma combined statement of financial position
		Note 2(a)	Note 2(b)	
	\$'000	\$'000	\$'000	\$'000
LIABILITIES				
Current liabilities				
Trade and other payables	36,072	–	–	36,072
Dividend payable	–	10,000	–	10,000
Film investment funds from investors	4,145	–	–	4,145
Contract liabilities	8,206	–	–	8,206
Amount due to related parties	5,628	–	–	5,628
Lease liabilities	1,484	–	–	1,484
Borrowings	5,170	–	–	5,170
Income tax payable	996	–	–	996
	61,701	10,000	–	71,701
Non-current liabilities				
Lease liabilities	3,732	–	–	3,732
Deferred tax liabilities	68	–	–	68
	3,800	–	–	3,800
Total liabilities	65,501	10,000	–	75,501
NET ASSETS	38,303	(10,000)	–	28,303
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	641	–	–	641
Share premium	13,449	–	–	13,449
Statutory reserve	297	–	–	297
Retained earnings	23,675	(10,000)	–	13,675
Translation reserves	241	–	–	241
Total equity	38,303	(10,000)	–	28,303

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020

1. GENERAL

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 offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The financial statements are presented in Singapore dollar and all values are rounded to the nearest thousand (\$'000).

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries and associates are disclosed in Note 2 to the audited combined financial statements for the financial period from 22 March 2018 to 31 December 2018, year ended 31 December 2019 and six months ended 30 June 2020, as set out in Appendix A of the Prospectus.

2. SIGNIFICANT EVENTS

Save for the following significant events discussed in Notes (a) and (b) below (“Significant Events”), Management, as at the date of this report, are not aware of any other significant acquisitions, disposal of assets and subsidiaries or significant changes made to the capital structure of the Group subsequent to 30 June 2020.

(a) Declaration of interim dividend

On 18 November 2020, the Company declared interim dividends of \$10,000,000 in respect of financial year ending 31 December 2020 to be paid to the persons who were registered shareholders of the Company as at 30 September 2020 (“Existing Shareholders”), which were determined based on the available profits of the Group as at 30 June 2020. As at the date of these combined financial statements, the interim dividends have not yet been paid to the Existing Shareholders as the payment of the interim dividends is conditional upon the fulfilment of certain conditions, including the entry into the Contractual Arrangements, the receipt by the Company of dividend payment(s) from the relevant subsidiaries and PRC Affiliated Entities for distribution to the Existing Shareholders and the Listing of the Company on the Main Board of the SGX-ST.

Subject to the fulfilment of the conditions, the interim dividends will be paid within six months from the date of the Listing, subject to the level of the cash and retained earnings, actual and projected financial performance, expected future earnings, cash flow, working capital requirements, general business and financing conditions, as well as other factors which the Directors may determine appropriate and which the Audit and Risk Management Committee will monitor until the interim dividends have been fully paid.

(b) Subscription by Mr. Ong Pang Aik

On 24 March 2020, 1,093,000 shares of the Company were issued to Mr. Ong Pang Aik as repayment of the outstanding loan and accrued interest of an aggregate amount of \$7,736,000 due from the Company to Mr. Ong Pang Aik. Following the completion of the subscription, Mr. Ong Pang Aik held approximately 1.20% of the issued and paid-up share capital of the Company.

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020 (cont'd)

3. BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF THE GROUP

- 3.1 The unaudited pro forma combined financial information of the Group for the year ended 31 December 2019 and six months ended 30 June 2020 have been compiled based on the audited combined financial statements of the Group for the year ended 31 December 2019 and 30 June 2020 which were prepared by management in accordance with the Singapore Financial Reporting Standards (International), and audited by Deloitte & Touche LLP, Singapore in accordance with Singapore Standards on Auditing. The auditor's report on these combined financial statements was not modified.
- 3.2 The unaudited pro forma combined financial information of the Group has been prepared using the same accounting policies and methods of computation in the preparation of the audited combined financial statements for the period from 22 March 2018 to 31 December 2018, year ended 31 December 2019 and six months period ended 30 June 2020.

The unaudited pro forma combined financial information of the Group for the year ended 31 December 2019 and six months ended 30 June 2020 are prepared for illustrative purposes only. These are prepared based on certain assumptions and after making certain adjustments to show what the unaudited pro forma combined financial position of the Group as at 31 December 2019 and 30 June 2020 would have been if the Significant Events had occurred on 31 December 2019 and 30 June 2020 respectively.

The pro forma adjustments do not have any effect on the combined statement of profit or loss and other comprehensive income and combined statement of cash flows of the Group for the year ended 31 December 2019 and the six months period ended 30 June 2020. Accordingly, the unaudited pro forma combined statement of profit or loss and other comprehensive income and combined statement of cash flows for year ended 31 December 2019 and the six months period ended 30 June 2020 have not been presented.

Based on the assumption described above, the following material adjustments have been made to the audited combined statements of financial position as at 31 December 2019 and 30 June 2020, in arriving at the unaudited pro forma combined statement of financial position of the Group included herein:

- (i) Declaration of interim dividend

	31 December 2019	30 June 2020
	\$'000	\$'000
Dividend payable	10,000	10,000
Retained earnings	(10,000)	(10,000)

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019 AND SIX MONTHS PERIOD ENDED 30 JUNE 2020 (cont'd)

(ii) Subscription by Mr. Ong Pang Aik

Management engaged an independent valuer to perform valuation to determine the fair value of the newly issued shares by the Company with respect to the conversion of loan from Mr. Ong Pang Aik as at 24 March 2020. The independent valuer has an appropriate professional qualification and relevant experience and is not related to the Group.

Based on the independent report dated 27 August 2020, the fair value of the newly issued shares by the Company was estimated by the independent valuer based on income approach as a primary approach and market approach as a secondary cross check to the value derived under income approach. The fair value of the newly issued shares estimated by the independent valuer approximates the carrying amount of amount due to Mr. Ong Pang Aik. The difference between the fair value and par value of the newly issued shares to Mr. Ong Pang Aik of \$7,736,000 is recorded as share premium.

	31 December 2019	30 June 2020⁽¹⁾
	\$'000	\$'000
Trade and other payables	(7,736)	–
Share capital	*	–
Share premium	7,736	–

* Amount less than \$1,000.

⁽¹⁾ On 24 March 2020, 1,093,000 shares of the Company were issued to Mr. Ong Pang Aik as repayment of the outstanding loan and accrued interest from the Company to Mr. Ong Pang Aik. As the significant event occurred during the six months period ended 30 June 2020, there are no pro forma adjustments on the combined statement of financial position of the Group as at 30 June 2020.

3.3 The unaudited pro forma combined financial information of the Group, because of its nature, is not necessarily indicative of the results of the operations, cash flows and financial position that would have been attained had the Significant Events occurred earlier. Save as disclosed in Note 2, the management, for the purpose of preparing this set of unaudited pro forma combined financial information of the Group, has not considered the effects of other events.

APPENDIX C – DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the more important rights and privileges of Shareholders conferred by the laws of the Cayman Islands and Singapore (where applicable) and our Articles of Association. These statements summarise the material Articles of our Articles of Association, but are qualified in their entirety by reference to the laws of the Cayman Islands and Singapore (where applicable) and our Articles of Association.

These statements below provide, among others, a description of Shareholders' voting rights, restrictions on the transferability of shareholdings and Shareholders' rights to share in any surplus in the event of liquidation, and provide information about our share capital.

Share Capital

As at the Latest Practicable Date, the authorised share capital of our Company is US\$50,000 comprising 500,000,000 shares of par value of US\$0.0001 each. As at the date of this Prospectus, we have 910,930,000 Shares in issue which are fully paid-up.

Under the Cayman Islands Companies Law, certain changes in the share capital of our Company such as an increase, consolidation or subdivision are permitted if authorised by our Articles of Association. Article 4 of our Articles of Association provides that an ordinary resolution is required for an increase to, consolidation or subdivision of, our Company's share capital. With regard to a reduction of share capital, Article 6 of our Articles of Association provides that our Company may by special resolution, subject to any confirmation or consent required by the Cayman Islands Companies Law, reduce its share capital or any share premium account or capital redemption reserve or other undistributable reserve in any manner permitted by law.

An "ordinary resolution" is defined in our Articles of Association as a resolution passed by a simple majority of votes cast by members, being entitled so to do, voting in person or, in the case of members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of our Company. A "special resolution" is defined in our Articles of Association as a resolution passed by a majority of not less than three-fourths of votes cast by members, being entitled so to do, voting in person or, in the case of members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of our Company. Article 84 of our Articles of Association provides that subject to the Cayman Islands Companies Law, a resolution in writing signed by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of our Company shall, for the purposes of our Articles of Association, be treated as a resolution duly passed at a general meeting of our Company and, where relevant, as a special resolution so passed. Notices convening any general meeting at which it is proposed to pass a special resolution shall be sent to members entitled to attend and vote at the meeting at least 21 clear days before such meeting (excluding the date of notice and the date of the meeting).

All of our Shares are in registered form. Our Shares have identical rights in all respects and rank equally with one another. Subject to the Cayman Islands Companies Law and, where applicable, to the rules or regulations of the SGX-ST, no shares may be issued by our Board without the prior approval of our Company in general meeting but subject thereto and to our Articles of Association and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued Shares of our Company shall be at the disposal of our Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as our Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value, provided always that subject to any direction to the contrary that may be given by our Company in general meeting or except as permitted under the rules or regulations of the SGX-ST, all new Shares shall before issue be offered to such members in proportion as nearly as may be to the number of Shares then held by them and the provisions of the second sentence of Article 12(2) shall apply with such adaptations as are necessary shall apply.

Our Articles of Association also provide that subject to laws of the Cayman Islands and, where applicable, the rules or regulations of the SGX-ST, our Company in general meeting may by ordinary resolution grant to our Directors a general authority, either unconditionally or subject to such conditions as may be specified in the said ordinary resolution (including, but not limited to, the aggregate number of Shares which may be issued and the duration of the general authority), to issue shares in the capital of our Company whether by way of rights, bonus or otherwise; and/or make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; provided that unless otherwise specified in the ordinary resolution or required by any applicable rules or regulations of the SGX-ST, such general authority will continue (notwithstanding the authority conferred by the said ordinary resolution may have ceased to be in force) in relation to the issue of shares pursuant to any Instrument made or granted by our Directors while the said ordinary resolution was in force.

In the event of the issuance of preference shares by our Company, the total number of issued preference shares may not at any time exceed the total number of the issued ordinary Shares of our Company.

Subject to laws of the Cayman Islands, if any share certificate is defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the Shareholder, transferee, person entitled, purchaser, member firm or member company of the SGX-ST or on behalf of its or their client or clients as our Directors shall require, and (in case of defacement or wearing out) on delivery of the old certificate and in any case on payment of such sum not exceeding S\$2.00 as our Directors may from time to time require together with the amount of the stamp duty payable (if any) on each share certificate. In the case of destruction, loss or theft, a Shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to our Company all expenses incidental to the investigations by our Company of the evidence of such destruction or loss.

Purchase by our Company of our own Shares

Under the laws of the Cayman Islands, a company may, if authorised by its articles of association, purchase its own shares. Our Company has such power to purchase our own Shares under Article 3(2) of our Articles of Association. Such power of our Company to purchase our own Shares shall, subject to the Cayman Islands Companies Law and our Articles of Association (and if applicable, the rules and regulations of the SGX-ST), be exercisable by our Directors upon such terms and subject to such conditions as they think fit, in accordance with our Articles of Association. Under our Articles of Association:

- prior to the Listing of our Shares on the SGX-ST, such power may be exercised by our Board in such manner and upon such terms as it thinks fit and approval of our Shareholders in general meeting will not be required for purchases or acquisitions by our Company of our own Shares prior to the Listing of our Shares on the SGX-ST; and
- for so long as our Shares are listed on the SGX-ST, the prior approval of our Shareholders in general meeting will be required for the purchase or acquisition by our Company of our own Shares.

At no time may our Company purchase our Shares if, as a result of the purchase, there would no longer be any issued Shares other than Shares held as treasury Shares. Only fully paid Shares may be purchased by our Company.

Under the laws of the Cayman Islands, such purchases may be effected:

- out of profits of our Company or out of the share premium account or out of the proceeds of a fresh issue of Shares made for that purpose. In order to effect a purchase of our own Shares out of profits or the share premium account, our Company will have to ensure that it has sufficient profits and amounts in the share premium account; or
- subject to section 37 of the Cayman Islands Companies Law and in the manner authorised by our Articles of Association, by a payment out of capital. A payment out of capital by our Company for the purchase of our Shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, our Company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by our Company will be treated as cancelled on purchase unless, subject to our Memorandum and Articles of Association, our Directors resolve, prior to the purchase, to hold such Shares in the name of our Company as treasury Shares. Where the purchased Shares are treated as cancelled, the amount of our Company's issued share capital shall be diminished by the nominal value of those Shares. However, such purchase of Shares shall not be taken as reducing the amount of our Company's authorised share capital.

Under the laws of the Cayman Islands, where Shares are held as treasury Shares, our Company shall be entered in the register of members as holding those Shares. However, notwithstanding the foregoing, our Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury Shares, and any purported exercise of such a right shall be void. A treasury Share shall not be voted, directly or indirectly, at any meeting of our Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of our Articles of Association or the Cayman Islands Companies Law. Further, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to members on a winding up) may be made to our Company, in respect of a treasury Share.

For further details, see "Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company" to this Prospectus.

Shareholders

We maintain a register of members which contains the particulars as required under the Cayman Islands Companies Law. Except as required by law, no person shall be recognised by our Company as holding any Share upon any trust and we will not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any fractional part of a Share or (except only as otherwise provided by our Articles of Association or by law) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder. If any Share stands jointly in the names of two or more persons, the person first named in the register shall as regards service of notices and, subject to the provisions of our Articles of Association, all or any other matters connected with our Company, except with respect to the transfer of Shares, be deemed the sole holder thereof. Subject to the terms and conditions of any application for Shares, we may allot Shares applied for within 10 Market Days of the closing date of any such application (or such other period as may be approved by the SGX-ST). Our register of members, including any overseas or local or other branch register of members, may after notice has been given in accordance with applicable requirements of the SGX-ST, be closed at such times or for such periods in each year as the Board may determine and either generally or in respect of any class of shares. We would typically close the register to determine Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

Subject to our Articles of Association, any member may transfer all or any of his Shares by a duly signed instrument of transfer in the form acceptable to our Board provided always that our Company shall accept for registration an instrument of transfer in a form approved by the SGX-ST. Save as provided in our Articles of Association, there shall be no restriction on the transfer of fully paid up Shares (except where required by law or the rules or regulations of the SGX-ST). Our Board may decline to register a transfer of any Share which is not fully paid or on which our Company has a lien or, except in the case of a transfer to executors, administrators or trustees of the estate of a deceased member, a transfer of any Share to more than three joint holders. Our Board may also decline to recognise any instrument of transfer unless, among other things, it is duly stamped and is presented for registration together with the share certificate and such other evidence as our Board may reasonably require, and a fee of such sum (not exceeding S\$2.00 or such other maximum sum as the SGX-ST may determine to be payable) as our Board may from time to time require is paid to our Company in respect thereof.

General Meetings of our Shareholders

Under our Articles of Association, our Company may in each year hold a general meeting as its annual general meeting in Singapore (or in such other place as may be prescribed or permitted by the SGX-ST). Our Directors may, whenever they think fit, convene an extraordinary general meeting. For so long as our Shares are listed on the SGX-ST, the interval between the close of our Company's financial year and the date of our Company's annual general meeting shall not exceed four months or such period as may be prescribed or permitted by the SGX-ST.

Subject to the Cayman Islands Companies Law, members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of our Company carrying the right of voting at general meetings of our Company shall at all times have the right, by written requisition to the Board of Directors or the Secretary of our Company, to require an extraordinary general meeting to be called by our Board of Directors for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit our Board of Directors fails to proceed to convene such meeting the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of our Board of Directors shall be reimbursed to the requisitionist(s) by our Company.

At least 14 clear days' notice of a general meeting shall be given to each member entitled to attend and vote thereat (excluding the date of notice and the date of the meeting). A general meeting at which the passing of a special resolution is to be considered shall be called by not less than 21 clear days' notice (excluding the date of notice and the date of the meeting). For so long as the Shares are listed on the SGX-ST, at least 14 clear days' notice of any general meeting shall be given by advertisement in an English daily newspaper in circulation in Singapore and in writing to the SGX-ST.

Under the Cayman Islands Companies Law, only persons who agree to become members of a company and whose names are entered on the register of members of such company are considered members, with rights to attend and vote at general meetings. Accordingly, Depositors holding Shares through CDP are not recognised as members of our Company, and do not under the Cayman Islands Companies Law have a right to attend and to vote at general meetings of our Company. In the event that Depositors wish to attend and vote at general meetings of our Company, CDP will have to appoint them as proxies, pursuant to our Articles of Association and the Cayman Islands Companies Law.

In accordance with Article 77(1), unless CDP specifies otherwise in a written notice to our Company, CDP shall be deemed to have appointed as CDP's proxies each of the Depositors who are individuals and whose names are shown in the records of CDP, as at a time not earlier than 72 hours prior to the time of the relevant general meeting, supplied by CDP to our Company. Therefore, Depositors who are individuals can attend and vote at the general meetings of our Company without the lodgement of any proxy form. Depositors who cannot attend a meeting personally may enable their nominees to attend as CDP's proxies. Depositors who are not individuals can only be represented at a general meeting of our Company if their nominees are appointed by CDP as CDP's proxies. Proxy forms appointing nominees of Depositors as proxies of CDP would need to be executed by CDP as member and must be deposited at the specified place and within the specified time frame to enable the nominees to attend and vote at the relevant general meeting of our Company.

Voting Rights

Subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with our Articles of Association, at any general meeting (i) on a show of hands every member present in person (or being a corporation, is present by a representative duly authorised under Article 83) or by proxy shall have one vote and the chairman of the meeting shall determine which proxy shall be entitled to vote where a member (other than CDP or a relevant intermediary) is represented by two proxies; and (ii) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he is the holder or which he represents and in respect of which all calls due to our Company have been paid, but so that no amount paid up or credited as paid up on a Share in advance of calls or instalments is treated for the foregoing purposes as paid up on the Share. If the member is CDP or a relevant intermediary, CDP or the relevant intermediary may each appoint more than two proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of CDP or the relevant intermediary (as the case may be) as CDP or the relevant intermediary (as the case may be) could exercise, including the right to vote individually on a show of hands or on a poll.

For so long as the Shares of our Company are listed on the SGX-ST, if required by the listing rules of the SGX-ST, all resolutions at general meetings of our Company shall be voted by poll (unless such requirement is waived by the SGX-ST).

Dividends

Subject to the Cayman Islands Companies Law, any rights and restrictions for the time being attached to any Shares of our Company, or as otherwise provided for in our Articles of Association, our Company in a general meeting may from time to time declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by our Board of Directors. Dividends may be declared and paid out of the profits of our Company, realised or unrealised, or from any reserve set aside from profits which our Directors determine is no longer needed. With the sanction of an ordinary resolution of members, dividends may also be declared and paid out of the share premium account or any other fund or account which may be authorised for this purpose in accordance with the Cayman Islands Companies Law, provided that no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, our Company shall be able to pay its debts as they fall due in the ordinary course of business. Whenever our Board of Directors or our Company in a general meeting has resolved that a dividend be paid or declared, our Board of Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up Shares, debentures or warrants to subscribe for securities of our Company or any other company, or in any one or more of such ways. Our Board of Directors may resolve that no such assets shall be made available to members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of our Board, be unlawful or impracticable and in such event the only entitlement of the members aforesaid shall be to receive cash payments.

Subject to the rules or regulations of the SGX-ST, whenever our Board of Directors or our Company in general meeting has resolved that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of our Company, our Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as our Directors may think fit.

Take-overs and Substantial Shareholders

There are presently no Cayman Islands laws or regulations of general application which will require persons who acquire significant holdings in our Shares to make mandatory take-over offers for our Shares.

However, the Singapore Take-over and Merger Provisions apply to take-over offers of companies which are incorporated outside Singapore and all or any of the shares of which are listed for quotation on a securities exchange (as defined in the SFA). Accordingly, the Singapore Take-over and Merger Provisions will apply to take-over offers for our Shares for so long as our Shares are listed for quotation on the SGX-ST.

Article 174 of our Articles of Association provides that for so long as our Shares are listed on the SGX-ST, the Singapore Take-over and Merger Provisions, including any amendment, modification, revision, variation or re-enactment thereof, shall apply, as far as possible, to all take-over offers in respect of our Shares.

Take-overs

Under the Singapore Take-Over Code, issued by the Authority pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-Over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting shares acquires additional voting shares representing more than 1.0% of the voting shares in any six-month period. Under the Singapore Take-Over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser:
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-Over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert during the offer period and within the preceding six months.

Substantial Shareholders

Under the SFA, a person has a substantial shareholding in our Company if he has an interest or interests in one or more voting Shares (excluding treasury Shares) in our Company and the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares (excluding treasury Shares) in our Company.

The SFA requires our Substantial Shareholders, or if they cease to be our Substantial Shareholders, to give notice to us using the forms prescribed by the Authority (which are available at <http://www.mas.gov.sg>) of particulars of the voting Shares in our Company in which they have or had an interest or interests and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest or interests.

In addition, the deadline for a Substantial Shareholder to make disclosure to our Company under the SFA is two Singapore business days after he becomes aware:

- that he is or (if he had ceased to be one) had been a Substantial Shareholder;
- of any change in the percentage level in his interest; or
- that he had ceased to be a Substantial Shareholder,

there being conclusive presumption of a person being “aware” of a fact or occurrence at a time of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will in turn announce or otherwise disseminate the information stated in the notice to the SGX-ST as soon as practicable and in any case, no later than the end of the Singapore business day following the day on which we received the notice.

“Percentage level”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting Shares in which the Substantial Shareholder has an interest or interests immediately before or (as the case may be) immediately after the relevant time, as a percentage of the total votes attached to all the voting Shares (excluding treasury Shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

The Cayman Islands Companies Law does not require disclosure of shareholder ownership beyond a certain threshold. However, Article 173 of our Articles of Association contains provisions to the effect that for so long as the Shares of our Company are listed on the SGX-ST, Directors and Substantial Shareholders (having the meaning ascribed to it in the SFA) of our Company will have to disclose particulars of their interests in our Company and any change in the percentage level of such interest. The requirement to give notice under Article 173 does not apply to CDP.

Liquidation

Our Shareholders are entitled to the surplus assets of our Company in the event that it is wound up.

Indemnity

Our Articles of Association provide that our Board of Directors and officers shall be indemnified from and against all liability which they incur in execution or discharge of their duties, power, authorities or discretions in their respective offices, provided that this indemnity shall not extend to any matter in respect of any negligence, fraud, wilful default, breach of fiduciary obligations or dishonesty which may attach to any of the said persons in or about the conduct of our Company’s business or affairs (including as a result of any mistake or judgment). See “Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company – Summary of Certain Provisions of the Cayman Islands Companies Law – Indemnification” to this Prospectus for further details.

Limitations on Rights to Hold or Vote Shares

There are no limitations, either under Cayman Islands law or our Articles of Association, on the rights of owners of our Shares to hold or vote their Shares solely by reason that they are non-Caymanians.

Minority Rights

The Cayman Islands courts would ordinarily be expected to treat as persuasive English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal; (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company; and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

This page has been intentionally left blank.

APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE CAYMAN ISLANDS COMPANIES LAW AND THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides information about certain provisions of our Articles of Association and the laws of Cayman Islands. This description is only a summary and is qualified by reference to Cayman Islands law and our Articles of Association. Where portions of our Articles of Association are reproduced below, defined terms bear the meanings ascribed to them in our Articles of Association. Our Memorandum and Articles of Association is a document available for inspection.

SUMMARY OF CERTAIN PROVISIONS OF THE CAYMAN ISLANDS COMPANIES LAW

Our Company is incorporated in the Cayman Islands subject to the Cayman Islands Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman Islands company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman Islands company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

Operations

As an exempted company, our Company's business and operations must be conducted mainly outside the Cayman Islands. Our Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of our Company's authorised share capital.

Share Capital

The Cayman Islands Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Islands Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) redeeming or purchasing the company's own shares in such manner as provided in section 37 of the Cayman Islands Companies Law; (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Islands Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way and in particular may (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the needs of the company.

Membership

Under the Cayman Islands Companies Law, only those persons who agree to become members of a Cayman Islands exempted company and whose names are entered on the register of members of such a company are considered members. A Cayman Islands company is also not bound to see to the execution of any trust, whether express, implied or constructive, to which any of its shares are subject and whether or not the company had notice of such trust. Accordingly, persons holding shares through a trustee, nominee or depository will not be recognised as members of a Cayman Islands company under Cayman Islands law and may only have the benefit of rights attaching to the shares or remedies conferred by law on members through or with the assistance of the trustee, nominee or depository.

Financial Assistance to Purchase Shares of a Company or its Holding Company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

Purchase of Shares and Warrants by a Company and its Subsidiaries

Subject to the provisions of the Cayman Islands Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of the purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares redeemed or purchased by a company shall be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the redemption or purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares; however, notwithstanding the foregoing, the company shall not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Islands Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

Dividends and Distributions

With the exception of section 34 of the Cayman Islands Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Cayman Islands Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account.

Protection of Minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority. In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up. Or, as an alternative to a winding-up order, the Court may make the following orders: (a) an order regulating the conduct of the company's affairs in the future; (b) an order requiring the company to refrain from doing or continuing an act complained of by the petitioner or to do an act which the petitioner has complained it has omitted to do; (c) an order authorising civil proceedings to be brought in the name of and on behalf of the company by the petitioner on such terms as the Court may direct; or (d) an order providing for the purchase of the shares of any members of the company by other members or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

Management

The Cayman Islands Companies Law contains no specific restriction on the powers of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Accounting and Auditing Requirements

A Cayman Islands exempted company shall cause proper books of account, including, where applicable, material underlying documentation including contracts and invoices to be kept with respect to (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (b) all sales and purchases of goods by the company; and (c) the assets and liabilities of the company. Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions. A Cayman Islands exempted company shall cause all its books of account to be retained for a minimum period of five years from the date on which they are prepared.

Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

Taxation

Pursuant to Section 6 of the Tax Concessions Law (Revised) of the Cayman Islands, our Company has obtained an undertaking from the Financial Secretary: (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to our Company or its operations; and (b) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the Shares, debentures or other obligations of our Company. The undertaking for our Company is for a period of 20 years from 3 August 2020.

The Cayman Islands currently levy no taxes on exempted companies based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double taxation arrangement entered into with the United Kingdom but otherwise is not party to any double tax treaties.

Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

Loans to Directors

There is no express provision in the Cayman Islands Companies Law prohibiting the making of loans by a company to any of its directors.

Inspection of Corporate Records

Members of a company have no general right under the Cayman Islands Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Cayman Islands Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time. An exempted company may also maintain a separate register of members in respect of its listed shares. There is no requirement under the Cayman Islands Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. An exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar

of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers.

Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, 25.0% or more of the shares in or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the SGX-ST. Accordingly, for so long as the Shares of our Company are listed on the SGX-ST, our Company is not required to maintain a beneficial ownership register.

Economic Substance Requirements

Pursuant to the International Tax Co-operation (Economic Substance) Law of the Cayman Islands (“**ES Law**”), a “relevant entity” is required to satisfy the economic substance test set out in the ES Law. A “relevant entity” includes an exempted company incorporated in the Cayman Islands as is our Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as our Company is a tax resident outside the Cayman Islands, including in Singapore or Hong Kong, it is not required to satisfy the economic substance test set out in the ES Law.

Winding Up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court. A company may be wound up by either an order of the Court, voluntarily or subject to the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company’s affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

In circumstances where a company is solvent (the directors of the company will need to provide a statutory declaration to this effect), the company can be wound up by a special resolution of its shareholders, and the liquidation will not require the supervision of the Court. Unless one or more persons have been designated as liquidator or liquidators of the company in the company’s memorandum and articles of association, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets.

Alternatively, where the financial position of the company is such that a declaration of solvency cannot be given by the directors, the winding up will be initiated by an ordinary resolution of the company’s shareholders and will occur subject to the supervision of the Court.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the Court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval. A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (*pari passu* if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation for it. At least 21 days before the meeting the liquidator must send a notice specifying the time, place and object of the meeting to each contributory in any manner authorised by the company's articles of association and published in the Cayman Islands Gazette.

Reconstruction

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75.0% in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. While a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

Mergers and Consolidations

The Cayman Islands Companies Law provides that any two or more Cayman Islands companies limited by shares (other than segregated portfolio companies) may merge or consolidate in accordance with the Cayman Islands Companies Law. The Cayman Islands Companies Law also allows one or more Cayman Islands companies to merge or consolidate with one or more foreign companies (provided that the laws of the foreign jurisdiction permit such merger or consolidation). To effect a merger or consolidation of one or more Cayman Islands companies the directors of each constituent company must approve a written plan of merger or consolidation in accordance with the Cayman Islands Companies Law. The plan must then be authorised by each constituent company by a special resolution of members and such other authorisation, if any, as may be specified in such constituent company's articles of association.

Where a Cayman Islands parent company (“parent company” means, with respect to another company, a company that holds issued shares that together represent at least 90.0% of the votes at a general meeting of that other company) is merging with one or more of its Cayman Islands subsidiaries, shareholder consent is not required if a copy of the plan of merger is given to every member of each subsidiary company to be merged, unless that member agrees otherwise.

To effect a merger or consolidation of one or more Cayman Islands companies with one or more foreign companies, in addition to the approval requirements applicable to the merger or consolidation of Cayman Islands companies (in relation to Cayman Islands companies only), the merger or consolidation must also be effected in compliance with the constitutional documents of, and laws of the foreign jurisdiction applicable to, the foreign companies.

Compulsory Acquisition

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90.0% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

Indemnification

Cayman Islands law does not limit the extent to which a company’s articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy, such as for purporting to provide indemnification against the consequences of committing a crime.

SUMMARY OF CERTAIN PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

Registration Number

Our Company was incorporated on 29 May 2018 and our Company's registration number is 337751.

Memorandum and Articles of Association

Our Memorandum of Association states, inter alia, that the liability of each member is limited to the amount, if any, unpaid on the shares held by such member. Paragraph 3 of our Memorandum of Association states that the objects for which our Company is established are unrestricted and our Company shall have full power and authority to carry out any object not prohibited by Section 7(4) of the Cayman Islands Companies Law or as the same may be amended from time to time, or any other law of the Cayman Islands.

Ordinary and Special Resolution

An "ordinary resolution" is defined in our Articles of Association as a resolution passed by a simple majority of votes cast by members, being entitled so to do, voting in person or, in the case of members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of our Company.

A "special resolution" is defined in our Articles of Association as a resolution passed by a majority of not less than three-fourths of votes cast by members, being entitled so to do, voting in person or, in the case of members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of our Company. Notices convening any general meeting at which it is proposed to pass a special resolution shall be sent to members entitled to attend and vote at the meeting at least 21 clear days before such meeting (excluding the date of notice and the date of the meeting).

Article 84 of our Articles of Association provides that subject to the Cayman Islands Companies Law, a resolution in writing signed by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of our Company shall, for the purposes of our Articles of Association, be treated as a resolution duly passed at a general meeting of our Company and, where relevant, as a special resolution so passed.

Directors

Ability of Interested Directors to Vote (Articles 101 and 102)

A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Company, or which may directly or indirectly create a conflict with his duties or interests as Director, shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not participate in any discussions and shall not be entitled to vote on any resolution of the Board in respect of any contract, transaction or arrangement, or proposed contract, transaction or arrangement of any other proposal whatsoever (and/or receive any information relating thereto) (a) in which he has any material interest (personal or otherwise), whether directly or indirectly; (b) which might, whether directly or indirectly, create a conflict with his duties or interests as a Director; or in the case of a Director who represents the interests of,

or who was nominated for appointment by a Substantial Shareholder (as such term is defined in the SFA), in which such Substantial Shareholder and/or its related corporation may have an interest or potential interest. Certain matters in which a Director will not be considered to have a personal material interest are set out in our Articles of Association.

A Director, whose remuneration (including pension or other benefits) for himself is the subject of a resolution tabled at a meeting of the Board, shall not be entitled to vote on the resolution as he shall be taken to have a personal material interest in the matter. Other Directors of our Company will not be prohibited by our Articles of Association from voting on that resolution so long as they do not have any direct or indirect personal material interest in the subject matter of the said resolution.

Remuneration (Articles 90, 95, 97 and 98)

The fees of our Directors shall from time to time be determined by our Company in general meeting, shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting, and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

Any Director who, by request, goes or resides abroad for any purpose of our Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article. An Executive Director, including a managing director or a person holding an equivalent position, of our Company shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director, but he shall not in any circumstances be remunerated by a commission on or a percentage of turnover.

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by our Company in general meeting.

Borrowing Powers (Article 109)

Subject to the provisions of our Articles of Association, the Board may exercise all the powers of our Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our Company and, subject to the Cayman Islands Companies Law, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

Retirement Age Limit

There are no provisions relating to retirement of Directors upon reaching any age limit.

Shareholding Qualification (Article 85(3))

Neither a Director nor an alternate Director is required to hold any Shares of our Company by way of qualification.

Share Rights and Restrictions

Our Company currently has only one class of shares, namely ordinary Shares.

Dividends and Distribution (Articles 136, 137, 138, 140 and 145)

Subject to the Cayman Islands Companies Law, any rights and restrictions for the time being attached to any Shares of our Company, or as otherwise provided for in our Articles of Association, our Company in a general meeting may from time to time declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board. Dividends may be declared and paid out of the profits of our Company, realised or unrealised, or from any reserve set aside from profits which our Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of the share premium account or any other fund or account which may be authorised for this purpose in accordance with the Cayman Islands Companies Law, provided that no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, our Company shall be able to pay its debts as they fall due in the ordinary course of business.

Except in so far as the rights attaching to, or the terms of issue of, any Shares otherwise provide: (a) all dividends shall be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on a Share in advance of calls shall be treated as paid up on the Share; and (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. Our Board may deduct from any dividend or other moneys payable to a member by our Company on or in respect of any Shares all sums of money (if any) presently payable by such member to our Company in respect of any debts, liabilities or engagements to the Company on account of calls or otherwise towards satisfaction (in whole or in part) of such debts, liabilities or engagements, or any other account which our Company is required by law to deduct.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by our Board for the benefit of our Company until claimed. Any dividend or bonuses unclaimed after a period of six years from the date of declaration shall be forfeited and shall revert to our Company.

Voting Rights (Articles 65 and 77(1))

Subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with our Articles of Association, at any general meeting (i) on a show of hands every member present in person (or being a corporation, is present by a representative duly authorised under Article 83 or by proxy shall have one vote and the chairman of the meeting shall determine which proxy shall be entitled to vote where a member (other than CDP or a relevant intermediary) is represented by two proxies; and (ii) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he is the holder or which he represents and in respect of which all calls due to our Company have been paid, but so that no amount paid up or credited as paid up on a Share in advance of calls or instalments is treated for the foregoing purposes as paid up on the Share. If the member is CDP or a relevant intermediary, CDP or the relevant intermediary may each appoint more than two proxies to attend and vote at the same

general meeting and each proxy shall be entitled to exercise the same powers on behalf of CDP or the relevant intermediary (as the case may be) as CDP or the relevant intermediary (as the case may be) could exercise, including the right to vote individually on a show of hands or on a poll.

Our Articles of Association do not provide for cumulative voting in relation to election or re-election of Directors.

Share in Profits

Holders of Shares shall be entitled to share in our Company's profits by way of dividends declared or distribution approved by our Company in general meeting in accordance with the Cayman Islands Companies Law.

Share in Surplus upon Liquidation (Article 169)

Shareholders are entitled to the surplus assets of our Company in the event that it is wound up. If our Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Islands Companies Law, divide among the members in specie or kind the whole or any part of the assets of our Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator with the like authority shall think fit, and the liquidation of our Company may be closed and our Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Redemption Provisions (Articles 8(2))

Subject to the Cayman Islands Companies Law, the memorandum of association of our Company, our Articles of Association and, where applicable, the rules or regulations of the SGX-ST, and to any special rights conferred on the holders of any shares or attaching to any class of shares, Shares may be issued on the terms that they may be, or at the option of our Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit in accordance with the Cayman Islands Companies Law.

Sinking Fund

Our Articles of Association do not contain sinking fund provisions.

Calls on Shares (Articles 25, 26, 28 and 33)

Subject to our Articles of Association and to the terms of allotment, the Board may from time to time make calls upon the members in respect of any moneys unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 20.0% per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any

Shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide.

The Memorandum of Association states that the liability of each member of our Company is limited to the amount, if any, unpaid on the Shares held by such member.

Discriminatory Provisions against Substantial Shareholder

Our Articles of Association do not contain any provision discriminating against any existing or prospective holder of Shares as a result of such Shareholder owning a substantial number of Shares save that for so long as the Shares of our Company are listed on the SGX-ST, Substantial Shareholders (having the meaning ascribed to it in the SFA) have to disclose particulars of their interest in our Company and of any change in the percentage level of such interest. Such requirement to disclose does not apply to CDP.

Variation of Rights of Existing Shares or Classes of Shares (Articles 10 and 11)

Whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class of shares may be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise). To every such separate general meeting and all adjournments thereof all the provisions of our Articles of Association relating to general meetings of our Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and at any adjourned meeting of such holders, two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

General Meetings (Articles 2, 55, 56, 57, 75 and 79)

Under our Articles of Association, our Company may in each year hold a general meeting as its annual general meeting in Singapore (or in such other place as may be prescribed or permitted by the SGX-ST). For so long as the Shares of our Company are listed on the SGX-ST, the interval between the close of our Company's financial year and the date of our Company's annual general meeting shall not exceed 4 months or such other period as may be prescribed or permitted by the SGX-ST. Our Directors may, whenever they think fit, convene an extraordinary general meeting.

Subject to certain requirements in our Articles of Association, all registered Shareholders of our Company are entitled to attend general meetings of our Company (provided that all calls or other sums presently payable by such Shareholders in respect of Shares in our Company have been paid). The Cayman Islands Companies Law does not contain provisions as to any documentary evidence to be produced by proxies and corporate representatives. However, such provisions may be contained in our Articles of Association. Where, for example, it is stated that an instrument of proxy must be deposited a specified number of hours before the meeting (see Article 79), an instrument of proxy deposited after that time cannot be accepted.

Corporate representatives are different from proxies and unless specifically required by our Articles of Association, a letter of appointment does not need to be lodged before the meeting.

See also the section “Ordinary and Special Resolution” above.

No Limitation on Non-Cayman Shareholders

There are no limitations, either under Cayman Islands law or our Articles of Association, on the rights of owners of our Company’s Shares to hold or vote their Shares solely by reason that they are non-Caymanians.

Shareholding Disclosure Requirements

The Cayman Islands Companies Law does not require disclosure of shareholder ownership beyond a certain threshold. However, Article 173 contains provisions to the effect that for so long as the Shares of our Company are listed on the SGX-ST, Directors and Substantial Shareholders (having the meaning ascribed to it in the SFA) of our Company will have to disclose particulars of their interest in our Company and any change in the percentage level of such interest. The requirement to give notice under Article 173 does not apply to CDP.

Changes in Capital (Articles 4 and 6)

Under the Cayman Islands Companies Law, certain changes in the capital of a company such as an increase, consolidation or subdivision are permitted if authorised by its articles of association and its shareholders. Article 4 of our Articles of Association provides that an ordinary resolution is required for an increase to, consolidation or subdivision of, our Company’s share capital. Our Company may by special resolution, subject to any confirmation or consent required by the Cayman Islands Companies Law, reduce its share capital in any manner permitted by law.

This page has been intentionally left blank.

APPENDIX E – COMPARISON OF SELECTED SINGAPORE CORPORATE LAW AND CAYMAN ISLANDS CORPORATE LAW PROVISIONS

COMPARISON OF CAYMAN ISLANDS AND SINGAPORE CORPORATE LAW

The following table sets forth a summary of certain differences between the provisions of the laws of the Cayman Islands applicable to our Company (namely, the Cayman Islands Companies Law) and the laws applicable to Singapore-incorporated companies (namely, the Singapore Companies Act) and their shareholders. The summaries below are not to be regarded as advice on Cayman Islands corporate law or the differences between it and the laws of any jurisdiction, including, without limitation, the Singapore Companies Act. The summaries below do not purport to be a comprehensive description of all of the rights and privileges of shareholders conferred by the Cayman Islands Companies Law as compared to the Singapore Companies Act that may be relevant to prospective investors. In addition, prospective investors should also note that the laws applicable to Singapore-incorporated companies and Cayman Islands exempted companies may change, whether as a result of proposed legislative reforms to the Singapore Companies Act or the Cayman Islands Companies Law, as the case may be, or otherwise. In addition, the summaries below do not describe the regulations and requirements prescribed by the Listing Manual.

Our Company is incorporated in the Cayman Islands and is therefore subject to the Cayman Islands Companies Law. Our Company's corporate affairs are governed by our Memorandum and Articles of Association and the provisions of applicable Cayman Islands laws, including Cayman Islands common law.

CAYMAN ISLANDS CORPORATE LAW

SINGAPORE CORPORATE LAW

Power Of Directors to Allot And Issue Shares

The power to allot and issue shares in a company normally lies with the directors of the company subject to any restrictions in the memorandum and articles of association of the company. The Cayman Islands Companies Law has no statutory provisions requiring shareholders' approval for an issue of shares by a company. There is also no requirement for the filing of returns of share issuances with the Registrar of Companies.

The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company.

However, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares, or the share issue is void under the Singapore Companies Act. Such approval may be confined to a particular exercise of that power or may apply to the exercise of that power generally and, once given, will only continue in force until the conclusion of the annual general meeting commencing next after the date on which the approval was given or the expiration of the period within which the next annual general meeting after that date is required by law to be held, whichever is the earlier, provided that such approval has not been previously revoked or varied by the company in a general meeting.

Power of Directors to Dispose of the Issuer's or any of its Subsidiaries' Assets

The management of a Cayman Islands exempted company is the responsibility of and is carried on by its board of directors. Except as may be expressly provided in the company's articles of association, the shareholders can exercise control over the management of the company through their power to appoint and remove its directors. The Cayman Islands Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties, must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Giving of Financial Assistance to Purchase the Issuer's or its Holding Company's Shares

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a Cayman Islands exempted company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a Cayman Islands exempted company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's length basis.

The Singapore Companies Act provides that the business of a company is to be managed by or under the direction or supervision of the directors. The directors may exercise all the powers of a company except any power that the Singapore Companies Act or the constitution of the company require the company to exercise in general meeting. Under the Singapore Companies Act, prior approval of the company at a general meeting is required before the directors can carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property notwithstanding anything in the company's constitution.

Generally, a public company or a company whose holding company or ultimate holding company is a public company is prohibited from giving any financial assistance to any person directly or indirectly for the purpose of, or in connection with, the acquisition or proposed acquisition of that company's shares or shares in its holding company or ultimate holding company.

Financial assistance includes the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise.

Certain transactions are specifically provided by the Singapore Companies Act as transactions not to be prohibited. These include, among others: (i) a distribution of a company's assets by way of dividends lawfully made; (ii) a distribution in the course of a company's winding up; (iii) a payment made by a company pursuant to a reduction of capital in accordance with the Singapore Companies Act; (iv) the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase shares in the company; (v) and the entering into by the company, in good faith and in the ordinary course of commercial dealing, of an agreement with a subscriber for shares in the company permitting the subscriber to make payments for the shares by instalments.

The Singapore Companies Act further provides that a company can give financial assistance in certain circumstances, including but not limited to: (a) where the amount of financial assistance, together with any other financial assistance given by the company under this exception repayment of which remains outstanding, does not exceed 10.0% of the aggregate of the total paid-up capital and reserves of the company as disclosed in the most recent financial statements of the company and the company receives fair value in connection with the financial assistance; (b) where the financial assistance does not materially prejudice the interests of the company, its shareholders or the company's ability to pay its creditors; and (c) where the company, by special resolution, resolves to give financial assistance for the purpose of, or in connection with, that acquisition, provided that certain conditions and procedures under the Singapore Companies Act are also complied with.

Where the company is a subsidiary of a listed corporation or a subsidiary whose ultimate holding company is incorporated in Singapore, the listed corporation or the ultimate holding company, as the case may be, is also required to pass a special resolution to approve the giving of the financial assistance.

Transactions with Interested Persons

There is no express provision in the Cayman Islands Companies Law regulating transactions with interested persons.

The Singapore Companies Act does not impose compliance requirements relating to transactions with interested persons. The compliance requirements imposed on a company listed on the SGX-ST under Chapter 9 of the Listing Manual, insofar as transactions with interested persons are concerned, apply to that company regardless of whether such company is incorporated in Singapore or elsewhere.

Loans to Directors

There is no express provision in the Cayman Islands Companies Law prohibiting the making of loans by a Cayman Islands exempted company to any of its directors.

A company (other than an exempt private company) is prohibited from, among others, (a) making a loan or quasi-loan¹¹ to a director of the company or a director of a related company (a “**relevant director**”) (and to the spouse or natural, step or adopted children of any such director); (b) entering into any guarantee or providing any security in connection with a loan or quasi-loan to a relevant director; (c) entering into a credit transaction¹² as creditor for the benefit of a relevant director; and (d) entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of a relevant director (the “**restricted transactions**”), except in the following circumstances, where a transaction which would otherwise be a restricted transaction is:

- (subject to, among others, the approval of the company in a general meeting) made to or for the benefit of a relevant director to meet expenditure incurred or to be incurred for the purposes of the company or for the purpose of enabling him to properly perform his duties as an officer of the company;
- (subject to, among others, the approval of the company in a general meeting) made to or for the benefit of a relevant director who is engaged in full-time employment of the company or a related company, as the case may be, for the purpose of purchasing or otherwise acquiring a home occupied or to be occupied by that director; however, not more than one such restricted transaction may be outstanding from the director at any one time;

11 A quasi-loan means a transaction under which one party (the “**creditor**”) agrees to pay, or pays otherwise than in pursuance of an agreement, a sum for another (the “**borrower**”) or agrees to reimburse, or reimburses otherwise than in pursuance of an agreement, expenditure incurred by another party for the borrower: (i) on terms that the borrower (or a person on his behalf) will reimburse the creditor; or (ii) in circumstances giving rise to a liability on the borrower to reimburse the creditor.

12 A credit transaction means a transaction under which one party (the “**creditor**”): (i) supplies any goods or disposes of any immovable property under a hire-purchase agreement or a conditional sale agreement; (ii) leases or hires any immovable property or goods in return for periodic payments; or (iii) otherwise disposes of immovable property or supplies goods or services on the understanding that payment (whether in a lump sum or instalments or by way of periodic payments or otherwise) is to be deferred.

- made to or for the benefit of a relevant director who is engaged in full-time employment of the company or a related company as the case may be, where the company has at a general meeting approved of a scheme for the making of such transaction to or for the benefit of employees of the company, provided that the restricted transaction is in accordance with that scheme; and
- made to or for the benefit of a relevant director in the ordinary course of business by a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans, quasi-loans or credit transactions made or entered into by other persons if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Authority.

For these purposes, a related company of a company means its holding company, its subsidiary and a subsidiary of its holding company.

A company (the “**first mentioned company**”) (other than an exempt private company) is also prohibited from, among others, (a) making a loan or quasi-loan to connected persons; (b) entering into any guarantee or providing any security in connection with a loan or quasi-loan made to connected persons by a person other than the first mentioned company; (c) entering into a credit transaction as creditor for the benefit of a connected person; and (d) entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of a connected person. Connected persons of the first mentioned company include companies, limited liability partnerships or variable capital companies (as the case may be) in which the director(s) of the first mentioned company (and the spouse, natural step and adopted children of such director(s)), individually or collectively, have an interest in 20.0% or more of the total voting rights (as determined in accordance with the Singapore Companies Act) unless there is prior approval by the company in general meeting for the making of, provision for or entering into the loan, quasi-loan, credit transaction, guarantee or security (as the case may be) at which the interested director(s) and his or their family members abstained from voting. This prohibition does not apply to:

- anything done by a company where the other company (whether incorporated in Singapore or otherwise) or variable capital company is its subsidiary, holding company or a subsidiary of its holding company; or
- a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the company in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Authority.

Transactions Affecting Share Capital

The Cayman Islands Companies Law contains provisions relating to the reduction of share capital, and the redemption and repurchase of shares.

The Singapore Companies Act contains provisions relating to share capital reductions, permitted share buy-backs and redeemable preference shares.

Mergers And Similar Arrangements

The Cayman Islands Companies Law contains statutory provisions which facilitate reconstructions and arrangements approved by a majority in number representing 75.0% in value of shareholders (or class of shareholders) or creditors (or class of creditors), as the case may be, as are present and voting either in person or by proxy at a meeting called for such purpose and thereafter sanctioned by the court. Whilst a dissenting shareholder would have the right to express to the court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the court is unlikely to disapprove the scheme on that ground alone in the absence of evidence of fraud or bad faith on behalf of the management.

In addition, the Cayman Islands Companies Law provides a mechanism for mergers and consolidations between Cayman Islands companies as well as between Cayman Islands companies and foreign companies without the need for a court order. A written plan of merger or consolidation has to be authorised by each constituent company by way of a special resolution of the members of each such constituent company and such other authorisation, if any, as may be specified in such constituent company's articles of association.

The Cayman Islands Companies Law provides appraisal rights to the shareholders of a constituent company incorporated under the Cayman Islands Companies Law in connection with a merger or consolidation.

The Singapore Companies Act provides that the Singapore courts have the authority, in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and where under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (the transferor company) is to be transferred to another company (the transferee company), to order the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company. Such power only exists in relation to any corporation liable to be wound up under the Singapore Companies Act.

The Singapore Companies Act further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary amalgamation process, two or more Singapore-incorporated companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with the procedures set out in the Singapore Companies Act. As part of these procedures, the board of directors of each of the amalgamating companies must make a solvency statement in relation to both the amalgamating company and the amalgamated company.

The Singapore Companies Act also provides for a more simplified form of amalgamation procedure for (a) the amalgamation of a Singapore-incorporated company with one or more of its wholly-owned subsidiaries; and (b) two or more wholly-owned Singapore-incorporated subsidiary companies of the same corporation.

The Singapore Companies Act does not provide for appraisal rights to the shareholders of a company in connection with a merger.

Remuneration

There is no provision in the Cayman Islands Companies Law regulating remuneration for directors.

The Singapore Companies Act provides that a company shall not at any meeting or otherwise provide emoluments or improve emoluments for a director in respect of his office as such unless the provision has been approved by a resolution that is not related to other matters, and any resolution passed in breach of this provision is void. For this purpose, the term “emoluments” in relation to a director includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to income tax in Singapore, any contribution paid in respect of a director under any pension scheme, and any benefits received by him otherwise than in cash in respect of his services as a director.

Disclosure of Interest in Contracts With the Company

There is no provision under the Cayman Islands Companies Law relating to directors in a position of conflict of interest. The common law principle that a director must not put himself in a position of conflict between his personal interest and his duty to the company will apply to the Directors of the Company.

The Singapore Companies Act provides that, where a director or chief executive officer of a company is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with that company, such a director or chief executive officer must, as soon as practicable after the relevant facts have come to his knowledge, (a) declare the nature of his interest at a meeting of the directors of the company; or (b) send a written notice to the company containing details on the nature, character and extent of his interest in the transaction or proposed transaction with the company. The Singapore Companies Act also provides that every director and chief executive officer of a company who holds any office or possesses any property whereby whether directly or indirectly, any duty or interest might be created in conflict with their duties or interests as director or chief executive officer shall (i) declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict; or (ii) send a written notice to the company setting out the fact and the nature, character and extent of the conflict. For these purposes, an interest of a member of a director’s or chief executive officer’s family (this includes his or her spouse, natural, step or adopted children) is treated as an interest of that director or chief executive officer.

Appointment, Qualification, Retirement, Resignation and Removal of Directors

(a) Number, Qualification and Appointment of Directors

There must be at least one director of a Cayman Islands exempted company. There is no requirement that any of the directors be ordinarily resident in the Cayman Islands.

The initial director(s) is (are) appointed by the subscriber(s) to the memorandum of association. Thereafter, the addition and/or removal of directors will normally be effected in accordance with the provisions of the company's articles of association.

The names and addresses of the directors and officers of a company must be entered in a register of directors and officers and kept at the registered office of the company. A copy of the register and notice of any amendments must be filed with the Registrar of Companies in the Cayman Islands. There is no requirement that the register of directors and officers be made available for inspection to the public.

The Cayman Islands Companies Law does not contain provisions on the retirement age of directors.

Under the Singapore Companies Act, every company must have at least one director who is ordinarily resident in Singapore. Where the company has only one member, that sole director may also be the sole member of the company.

No person other than a natural person who has attained the age of 18 and who is otherwise of full legal capacity shall be a director of a company.

Every director, who is by the constitution of the company required to hold a specified share qualification and who is not already qualified, must obtain his qualification within two months after his appointment or such shorter period as is fixed by the constitution.

In the case of a public company, the appointment of directors at a general meeting must generally be voted on individually. A motion for the appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution passed in pursuance of a motion made in contravention of this shall be void, whether or not its being so moved was objected to at the time.

The Singapore Companies Act does not contain provisions on the age limit of directors.

(b) Disqualification of Directors

The Cayman Islands Companies Law does not contain provisions on disqualification of directors. The circumstances under which a person is disqualified from acting as a director will be as provided in the company's articles of association.

Under the Singapore Companies Act, a person may not act as a director of, or directly or indirectly take part in or be concerned in the management of, any corporation if he is an undischarged bankrupt unless he has the leave of the Singapore courts or the written permission of the Official Assignee appointed under the Bankruptcy Act, Chapter 20 of Singapore to do so.

A person may be disqualified from acting as a director of a company by the Singapore courts for a period not exceeding five years if: (a) he is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or within three years of his ceasing to be a director) and was insolvent at that time; and (b) his conduct as director of that company either taken alone or taken together with his conduct as a director of any other company or companies makes him unfit to be a director of or in any way, whether directly or indirectly, be concerned in, or take part in, the management of a company.

A person may, subject to certain exceptions, also be disqualified from acting as a director by the Singapore courts for a period of three years from the date of the making of the winding up order if he is a director of a company which is ordered to be wound up by the Singapore courts on the ground that it is being used for purposes against national security or interest.

He could also be disqualified on other grounds, such as conviction of any offence (whether in Singapore or elsewhere) involving fraud or dishonesty which is punishable with imprisonment for three months or more, or any offence under Part XII of the SFA or where he is subject to the imposition of a civil penalty under Section 232 of the SFA. The Singapore courts may also make a disqualification order against a person who is convicted in Singapore of any offence in connection with the formation or management of a corporation or any offence under Section 157 or 396B of the Singapore Companies Act.

A director may also be disqualified because of persistent default in relation to delivery of documents to the Registrar of Companies.

A person could be the subject of a debarment order made against him by the Registrar of Companies, if the Registrar of Companies is satisfied that a company of which he is a director at the time the order is made is in default of any requirement of the Singapore Companies Act. A person who has a debarment order made against him may not act as director of any company (except in respect of a company of which he was a director immediately before the order was made), and the debarment order applies from the date the order is made and continues in force until the Registrar of Companies cancels or suspends the order.

(c) Resignation of Directors

The Cayman Islands Companies Law does not contain provisions on the resignation of directors.

Under the Singapore Companies Act, a director of a company cannot resign or vacate his office unless there is remaining in the company at least one director who is ordinarily resident in Singapore, and any purported resignation or vacation of office in breach of this provision is deemed to be invalid.

Subject to the provisions of the Singapore Companies Act, unless the constitution of the company otherwise provide, a director's resignation is effective by giving written notice to the company, and his resignation is not conditional upon the company's acceptance of such resignation.

(d) Removal of Directors

The Cayman Islands Companies Law does not contain provisions on the removal of directors. The removal of directors will normally be effected in accordance with the provisions of the company's articles of association.

A director of a public company may be removed before the expiration of his period of office by an ordinary resolution (which requires special notice to be given in accordance with the provisions of the Singapore Companies Act) of the shareholders, notwithstanding anything in the constitution of that company or in any agreement between that company and the director, but where any director so removed was appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove him shall not take effect until his successor has been appointed.

Subject to the provisions of the Singapore Companies Act, the constitution of a company may prescribe the manner in which a director may be removed from office before the expiration of his term of office.

Alteration Of Governing Documents

(a) Alteration of Constitution, Memorandum of Association or Articles of Association

The Cayman Islands Companies Law provides that a Cayman Islands exempted company may, by special resolution of its shareholders, alter its memorandum of association with respect to any of the objects, powers or other matters specified therein. The amended memorandum of association and a copy of the special resolution must be filed with the Registrar of Companies in the Cayman Islands.

Unless otherwise provided in the Singapore Companies Act, a company's constitution may be altered by way of special resolution, except that any entrenching provision in the constitution and any provision contained in the constitution before 1 April 2004 which could not be altered before that date may be removed or altered only if all members of the company agree.

For these purposes, the term "entrenching provision" means a provision of the constitution of a company to the effect that other specified provisions of the constitution: (a) may not be altered in the manner provided by the Singapore Companies Act; or (b) may not be so altered except by a resolution passed by a specified majority greater than 75.0%, or where other specified conditions are met.

Unless otherwise provided in the Singapore Companies Act, any alteration to the constitution of the company takes effect on and from the date of the special resolution approving such alteration or such later date as is specified in the resolution.

Subject to Section 33 of the Singapore Companies Act, a company may by special resolution alter the provisions of its constitution with respect to the objects of the company, if any. Where a company proposes to alter its constitution, with respect to the objects of the company, it shall give 21 days' written notice by post or by electronic communications in accordance with the provisions of Singapore Companies Act, specifying the intention to propose the resolution as a special resolution and to submit it for passing at a meeting of the company to be held on a day specified in the notice.

Notwithstanding any other provision of the Singapore Companies Act, a copy of the resolution altering the objects of a company shall not be lodged with the Registrar, among others, before the expiration of 21 days after the passing of the resolution, and a copy of the resolution shall be lodged with the Registrar within 14 days thereafter, on compliance with which the alteration, if any, of the objects shall take effect.

(b) Alteration of articles of association

The Cayman Islands Companies Law provides that a Cayman Islands exempted company may, by special resolution of its shareholders, but subject otherwise to the memorandum of association of the company, alter or add to its articles of association.

On an amendment of the articles of association, the amended version of the articles of association must be registered with the Registrar of Companies in the Cayman Islands. A copy of the special resolution must be filed with the Registrar.

Variation of Rights Attached to Shares

The Cayman Islands Companies Law does not contain provisions determining the action necessary to change the rights of holders of shares. The variation of the rights attached to any class of shares is usually dealt with generally in the articles of association of a company.

Under the Singapore Companies Act, if a provision is made in the constitution of a company for authorising the variation or abrogation of the rights attached to any class of shares in the company and in pursuance of that provision such rights are at any time varied or abrogated, the holders of not less in aggregate than 5.0% of the total number of the issued shares of that class may apply to the Singapore courts to have the variation or abrogation cancelled in accordance with the Singapore Companies Act.

The Singapore courts may, if satisfied, having regard to all the circumstances of the case, that the variation or abrogation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation or abrogation, and shall, if not so satisfied, confirm it and this decision shall be final.

Shareholders' Proposals

The Cayman Islands Companies Law provides that, in the absence of any provision in the articles of association as to the persons to summon general meetings, three members shall be competent to summon the same.

Under the Singapore Companies Act, (a) any number of members representing not less than 5.0% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the requisition relates; or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than S\$500, may requisition the company to give to members notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting, and circulate to members any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Notwithstanding anything in its constitution, the directors of a company shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10.0% of the total number of paid-up shares (excluding treasury Shares) as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than 10.0% of the total voting rights of all members having at that date a right to vote at general meetings, immediately proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than two months after the receipt by the company of the requisition.

If the directors do not within 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50.0% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by directors convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date.

Under the Singapore Companies Act, two or more members holding not less than 10.0% of the total number of issued shares of the company (excluding treasury Shares) or, if the company has not a share capital, not less than 5.0% in number of the members of the company or such lesser number as is provided by the constitution may call a meeting of the company.

A meeting of a company or of a class of members, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the constitution.

Shorter notice can be given if, (i) in the case of an annual general meeting, all the members entitled to attend and vote thereat so agree; or (ii) in the case of any other meeting, a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95.0% of the total voting rights of all the members having a right to vote at that meeting so agree.

Shareholders' Action by Written Consent

Certain matters are required by the Cayman Islands Companies Law to be decided by special resolution. Where so authorised by the articles of association of a company, special resolutions may be approved in writing by all of the members entitled to vote at a general meeting of the company in one or more instruments each signed by one or more of the members.

Notwithstanding any other provision of the Singapore Companies Act, a private company or an unlisted public company may pass any resolution by written means (save for any resolution to dispense with the holding of annual general meetings or any resolution for which special notice is required) in accordance with the provisions of the Singapore Companies Act. There is no corresponding provision in the Singapore Companies Act which applies to a public listed company, whether listed in Singapore or elsewhere.

Shareholders' Suits and Protection of Minority Shareholders

The Cayman Islands courts would ordinarily be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal; (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company; and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint one or more inspectors to examine into the affairs of the company and to report thereon in such manner as the court shall direct. The inspectors shall on the completion of their investigation report to the court. Such report is not, unless the court so directs, open to public inspection. A company also may, by special resolution, appoint inspectors for the purpose of examining into the affairs of the company. Inspectors so appointed will have the same powers and perform the same duties as inspectors appointed by the court, except that instead of making their report to the court they will report in such manner and to such persons as the company by resolution of its members directs.

A shareholder of a company who has held shares in a company for at least six months may petition the court which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

A member or a holder of a debenture of a company may apply to the Singapore courts for an order under Section 216 of the Singapore Companies Act to remedy situations where:

- a company's affairs are being conducted or the powers of the company's directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the members, shareholders or holders of debentures of the company, including the applicant; or
- a company has done an act, or threatens to do an act, or the members or holders of debentures have passed some resolution, or propose to pass some resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the company's members or holders of debentures, including the applicant.

Singapore courts have wide discretion as to the relief they may grant under such application, including, among others: (i) directing or prohibiting any act or cancelling or varying any transaction or resolution; (ii) providing that the company be wound up; or (iii) authorising civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court directs.

In addition, a member of a company who is seeking relief for damage done to the company may bring a common law derivative action in certain circumstances against the persons who have done wrong to the company.

Further, Section 216A of the Singapore Companies Act prescribes a procedure to bring a statutory derivative action or arbitration in respect of a Singapore-incorporated company. The statutory procedure is available to, among others, a member of a company and any other person who, in the discretion of the court, is a proper person to make an application under Section 216A of the Singapore Companies Act.

Winding Up

A company may be wound up:

- (a) compulsorily by an order of the court,
- (b) voluntarily by, among others, a special resolution of its members or
- (c) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the court, or where the company is unable to pay its debts, or where it is, in the opinion of the court, just and equitable to do so.

Dissolution

A company may be dissolved following: (a) voluntary winding up; or (b) winding up by the court.

Where an application is made to the court for the sanctioning of a compromise or arrangement proposed between a company and its members or creditors and it is shown to the court that the compromise or arrangement has been proposed for the purpose of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme ("a transferor company") is to be transferred to another company the court, may either by the order sanctioning the compromise or arrangement or by any subsequent order make provision for, *inter alia*, the dissolution, without winding up, of any transferor company.

Where the Registrar of Companies has reasonable cause to believe that a company is not carrying on business or is not in operation, he may strike the company off the register and the company shall be dissolved. The company may be restored to the register up to 10 years after the strike off.

The winding up of a company may be done in the following ways:

- (a) members' voluntary winding up;
- (b) creditors' voluntary winding up;
- (c) court compulsory winding up; and
- (d) an order made pursuant to Section 216 of the Singapore Companies Act for the winding up of the company.

The type of winding up depends, among others, on whether the company is solvent or insolvent.

A company may be dissolved: (a) through the process of liquidation pursuant to the winding up of the company; (b) in a merger or amalgamation of two companies where the court may order the dissolution of one after its assets and liabilities have been transferred to the other; or (c) when it is struck off the register by the Registrar of Companies on the ground that it is a defunct company.

This page has been intentionally left blank.

APPENDIX F – OPINION OF THE INDEPENDENT FINANCIAL ADVISER

SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

1 Robinson Road
#21-00 AIA Tower
Singapore 048542

11 December 2020

To: The Audit and Risk Management Committee of G.H.Y Culture & Media Holding Co., Limited

Mr. Ang Chun Giap
Mr. Sng Peng Chye
Mr. Chen Mingyu

Dear Sirs

PROPOSED GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

Unless otherwise defined or the context otherwise requires, all terms defined in the prospectus dated 11 December 2020 (the “Prospectus”) shall have the same meanings herein.

1. INTRODUCTION

This letter has been prepared in relation to the proposed initial public offering and the listing and quotation of the ordinary shares (the “**Shares**”) in the capital of G.H.Y Culture & Media Holding Co., Limited (the “**Company**”) on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

It is anticipated that the Company, its subsidiaries and PRC Affiliated Entities (collectively, the “**Group**”) would, on and after the date of admission of the Company to the Official List of the SGX-ST, in the ordinary course of business, continue to enter into certain transactions with persons which are considered “*interested persons*” as defined in Chapter 9 of the Listing Manual of the SGX-ST (the “**Listing Manual**”).

Under Chapter 9 of the Listing Manual, a listed company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company’s interested persons, but not for the purchase or sale of assets, undertakings or businesses. Transactions between entities at risk and interested persons (as such terms are respectively defined in the Listing Manual) conducted under such a general mandate are not subject to Rules 905 and 906 of the Listing Manual, which require an immediate announcement to be made and/or shareholders’ approval for an interested person transaction if the value of the transaction is equal to or exceeds certain thresholds.

In view of the time-sensitive and recurrent nature of such commercial transactions with its interested persons, the directors of the Company (the “**Directors**”) are of the view that it would be advantageous for the Company to obtain a general mandate from the shareholders of the Company (the “**Shareholders**”) pursuant to Chapter 9 of the Listing Manual to enable any or all members of the Group, in the ordinary course of their business, to enter into the Mandated Transactions (as defined in paragraph 3.1 of this letter) with the Mandated Interested Persons (as defined in paragraph 3.1 of this letter) which are

necessary for its day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders (the “**IPT General Mandate**”).

Pursuant to Rule 920(2) of the Listing Manual, the Company may treat a general mandate as having been obtained from the Shareholders for it to enter into interested person transactions if the information required under Rule 920(1)(b) of the Listing Manual is included in the Prospectus issued by the Company dated 11 December 2020 in connection with the proposed listing of the Company on the Main Board of the SGX-ST. By subscribing for and/or purchasing the Offering Shares and the Cornerstone Shares (each as defined in the Prospectus), new Shareholders are deemed to have approved the IPT General Mandate.

Arising thereto and to comply with the requirements of Chapter 9 of the Listing Manual, SAC Capital Private Limited (“**SAC Capital**”) has been appointed to provide an opinion on whether the guidelines and review procedures for determining the transaction prices of the Mandated Transactions (as defined in paragraph 3.1 of this letter) with the Mandated Interested Persons (as defined in paragraph 3.1 of this letter) under the IPT General Mandate as set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions” of the Prospectus, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This letter has been prepared for the use of the audit and risk management committee of the Company (the “**Audit and Risk Management Committee**”) in connection with its consideration of the IPT General Mandate to be incorporated into the Prospectus. The statements made by the Audit and Risk Management Committee shall remain the responsibility of the Audit and Risk Management Committee.

2. TERMS OF REFERENCE

We have been appointed as the independent financial adviser to the Audit and Risk Management Committee to express an opinion, for the purposes of Chapter 9 of the Listing Manual, on whether the guidelines and review procedures for determining the transaction prices of the Mandated Transactions under the IPT General Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We are not and were not involved in any aspect of the negotiations entered into by the Company in relation to the Mandated Transactions contemplated under the IPT General Mandate, or in the deliberations leading up to the decision of the Directors to undertake the IPT General Mandate. Accordingly, we do not, by this letter, warrant the merits of the IPT General Mandate other than to express an opinion on whether the guidelines and review procedures for determining the transaction prices of the Mandated Transactions under the IPT General Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

For the purposes of arriving at our opinion in respect of the IPT General Mandate, we have considered the guidelines and review procedures for determining transaction prices of the Mandated Transactions under the IPT General Mandate but have not evaluated, and have not been requested to comment on, the strategic, legal, commercial or financial merits and/or risks of the IPT General Mandate, or the prospects or earnings potential of the Group

after the adoption of the IPT General Mandate. Such evaluation or comment, if any, is and remains the sole responsibility of the Directors.

In the course of our evaluation of the guidelines and review procedures for determining transaction prices of the Mandated Transactions under the IPT General Mandate, we have held discussions with the Directors and the management of the Company (the “**Management**”) and their professional advisers and have relied on the information and representations, whether written or verbal, collated by us as well as information provided to us by the Directors, the Management and their professional advisers contained in the Prospectus. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified such information or representations and accordingly cannot and do not warrant or accept any responsibility for the accuracy, completeness or adequacy of these information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts. We have, however, made reasonable enquiries and exercised our judgment (as we deemed necessary) in assessing the information (including the reasonable use of such information) and representations provided to us, and have found no reason to doubt the accuracy and reliability of such information or representations which we have relied on.

The Directors (including those who may have delegated detailed supervision of the Prospectus) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the IPT General Mandate have been disclosed to us and in the Prospectus, (b) such information is true and accurate in all material respects, and (c) there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Prospectus to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

Save as disclosed, we would like to highlight that all information relating to the Group that we have relied upon in arriving at our opinion has been obtained from the Prospectus, publicly available information and/or from the Directors and the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group at any time or as at 20 November 2020 (the “**Latest Practicable Date**”).

Our opinion, as set out in this letter, is based on the market, economic, industry, monetary and other applicable conditions prevailing on, and the information made available to us, as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder or specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional advisers. Shareholders should further take note of any announcements which may be released by the Company after the Latest Practicable Date which are relevant to the IPT General Mandate and other related corporate actions.

Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this letter and the Prospectus.

The Company has been separately advised by its own advisers in the preparation of the Prospectus (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Prospectus (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Prospectus (other than this letter, and the sections entitled “Corporate Information – Independent Financial Adviser” and “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions – Opinion of the Independent Financial Adviser” of the Prospectus).

3. IPT GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

Information on the IPT General Mandate is set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions” of the Prospectus. Shareholders are advised to read this section of the Prospectus carefully.

3.1 Background

The Group is an entertainment business that focuses on the production and promotion of dramas, films and concerts in the Asia-Pacific region. The Group has produced TV and web dramas and films in the PRC, Singapore and Malaysia which have been broadcasted and/or distributed on TV networks, such as CCTV, and video streaming platforms in the PRC, such as iQIYI and YOUKU. The Group has also started production of its first online short drama series in October 2020. The Group has undertaken the production of concerts for well-known international artistes in Singapore, with upcoming concerts to be held in Singapore, Malaysia and Australia. In addition, the Group also provides talent management services and costumes, props and make-up services in the PRC and Singapore. Further information on the Group’s business is set out in the section entitled “History and Business” of the Prospectus.

We note that the Group has on-going transactions with Ms. Yue Lina and Mr. Yang Zhigang, associates of Mr. Guo Jingyu, and Sure Legend, associate of Mr. Yang Jun Rong as set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions” of the Prospectus. Ms. Yue Lina and Mr. Yang Jun Rong are directors of the Company, and Mr. Guo Jingyu is a director and controlling shareholder of the Company, and are deemed to be “interested persons” under Chapter 9 of the Listing Manual. Mr. Yang Zhigang is the brother of Mr. Guo Jingyu and is therefore an associate of Mr. Guo Jingyu and an interested person. Sure Legend is 45.0% owned by Mr. Yang Jun Rong and is therefore an associate of Mr. Yang Jun Rong and an interested person. Accordingly, transactions entered into by the Group with each of Ms. Yue Lina, Mr. Yang Zhigang and Sure Legend (collectively, the “**Mandated Interested Persons**” and each a “**Mandated Interested Person**”), including with:

- (a) each of Ms. Yue Lina and Mr. Yang Zhigang, in respect of the provision of talent management services by the Group to each of Ms. Yue Lina and Mr. Yang Zhigang;
- (b) each of Ms. Yue Lina and Mr. Yang Zhigang, in respect of the provision of acting services by each of Ms. Yue Lina and Mr. Yang Zhigang to the Group; and

- (c) Sure Legend, in respect of the grant of rights by Sure Legend to the Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management),

will constitute an interested person transaction under Chapter 9 of the Listing Manual.

The Group envisages that in the ordinary course of business, the following transactions between the Group and the Mandated Interested Persons are likely to occur from time to time:

- (a) provision of talent management services by the Group to Ms. Yue Lina and Mr. Yang Zhigang;
- (b) provision of acting services by Ms. Yue Lina and Mr. Yang Zhigang to the Group; and
- (c) grant of rights by Sure Legend to the Group to undertake the production of concerts for artistes managed by Sure Legend (whether by way of Concert Organisation or Concert Management),

(collectively, the “**Mandated Transactions**”).

Pursuant to Rule 920(2) of the Listing Manual, the Company may treat a general mandate as having been obtained from its Shareholders for it to enter into the Mandated Transactions if the information required under Rule 920(1)(b) of the Listing Manual is included in the Prospectus. This would enable the Group, in its ordinary course of business, to enter into the Mandated Transactions with the Mandated Interested Persons, provided that such Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT General Mandate will apply to the Mandated Transactions with the Mandated Interested Persons in the Group’s ordinary course of business. Please refer to the sections entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions – Names of the Mandated Interested Persons” and “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions – Categories of Mandated Interested Person Transactions” of the Prospectus for further details.

3.2 The IPT General Mandate

Information on the IPT General Mandate including:

- (a) the Entities at Risk;
- (b) the names of the Mandated Interested Persons;
- (c) the categories of Mandated Transactions;
- (d) the rationale for and benefits of the IPT General Mandate; and
- (e) the guidelines and review procedures for determining transaction prices for the Mandated Transactions with the Mandated Interested Persons, the approval thresholds and the additional guidelines and review procedures,

is set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions” of the Prospectus, and Shareholders are advised to read the information carefully.

3.3 Validity Period of the IPT General Mandate

As set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions – Chapter 9 of the Listing Manual” of the Prospectus, the IPT General Mandate will be effective until the earlier of the following: (a) the conclusion of the Company’s first annual general meeting following its admission to the Official List of the SGX-ST; or (b) the first anniversary of the date of the Company’s admission to the Official List of the SGX-ST. Thereafter, the Company will seek the approval of its Shareholders for a renewal of the IPT General Mandate at each subsequent annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, subject to satisfactory review by the Audit and Risk Management Committee of its continued application to the transactions with the Mandated Interested Persons.

4. OUR OPINION

Having considered, among others, the rationale for and benefits of the IPT General Mandate, the guidelines and review procedures for determining transaction prices of the Mandated Transactions and the role of the Audit and Risk Management Committee in enforcing the IPT General Mandate, and subject to the qualifications and assumptions set out herein, we are of the opinion that the guidelines and review procedures for determining transaction prices of the Mandated Transactions under the IPT General Mandate as set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions” of the Prospectus, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is prepared to comply with Rule 920(1)(b)(v) of the Listing Manual as well as addressed to the Audit and Risk Management Committee in connection with and for the purposes of its consideration of the IPT General Mandate and for inclusion in the Prospectus.

Whilst a copy of this letter may be reproduced in the Prospectus, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose (other than for the purpose of any matter relating to the IPT General Mandate) at any time and in any manner without the prior written consent of SAC Capital.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Bernard Lim
Executive Director

Foo Siang Sheng
Senior Manager

This page has been intentionally left blank.

APPENDIX G – LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS

The list of present and past principal directorships held by our Directors and Executive Officers in the last five years preceding the Latest Practicable Date (excluding those held in our Company) is as follows:

Name	Present	Past
Directors		
Mr. Guo Jingyu	<p>Directorships</p> <p><u>Group Companies</u></p> <ul style="list-style-type: none"> – G.H.Y Culture & Media (Singapore) Pte. Ltd. – GHY Culture & Media (Malaysia) Sdn Bhd – G.H.Y Culture & Media (Australia) Pty Ltd – G.Yue Culture and Media Limited <p><u>Other Companies</u></p> <ul style="list-style-type: none"> – Kang Ru Investments Limited – G.Y Media & Entertainment Limited 	<p>Directorships</p> <p><u>Group Companies</u></p> <ul style="list-style-type: none"> – Tianjin Changxin Film & Media Co., Ltd. (天津长信影视传媒有限公司) – Beijing Changxin Film & Media Co., Ltd. (北京长信影视传媒有限公司) <p><u>Other Companies</u></p> <ul style="list-style-type: none"> – Chengde Hengyu Pawn Co. Ltd. (承德恒悦典当有限公司) – Beijing Perfect Jianxin Film & Culture Co., Ltd. (北京完美建信影视文化有限公司) – Chengde Perfect Jianxin Film & Culture Co., Ltd. (承德完美建信影视文化有限公司) – Chengde Jianxin Hanzheng Culture & Media Co., Ltd. (承德建信影瀚正文化传媒有限公司) – Chongqing Perfect Jianxin Film & Culture Co., Ltd. (重庆完美建信影视文化有限公司)
Ms. Yue Lina	<p>Directorships</p> <p><u>Group Companies</u></p> <ul style="list-style-type: none"> – G.H.Y Culture & Media (Singapore) Pte. Ltd. <p><u>Other Companies</u></p> <p>Nil</p>	<p>Directorships</p> <p><u>Group Companies</u></p> <p>Nil</p> <p><u>Other Companies</u></p> <p>Nil</p>
Ms. Wang Qing	<p>Directorships</p> <p><u>Group Companies</u></p> <p>Nil</p> <p><u>Other Companies</u></p> <p>Nil</p>	<p>Directorships</p> <p><u>Group Companies</u></p> <p>Nil</p> <p><u>Other Companies</u></p> <p>Nil</p>

Name	Present	Past
Mr. Yang Jun Rong	Directorships	Directorships
	<u>Group Companies</u> Nil	<u>Group Companies</u> – G.H.Y Culture & Media (Singapore) Pte. Ltd.
	<u>Other Companies</u> – JVR Music International Ltd – Eastern Eagle Investment Co., Limited – Sure Legend International Limited – Taiho Holding Ltd – 8 Dimension Corporation – OMusic Co., Ltd	<u>Other Companies</u> – Dream Started Limited (梦想启动有限公司)
Mr. Yeo Guat Kwang	Directorships	Directorships
	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> – SIIC Environment Holdings Ltd. – Koyo International Ltd. – Motorway Automotive Pte. Ltd. – Poh Ern Shih	<u>Other Companies</u> Nil
Mr. Ang Chun Giap	Directorships	Directorships
	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> – Acevision & Associates PAC – Acevision Blast & Coat Pte Ltd – Lian Beng Group Ltd – Acevision Management Consultants	<u>Other Companies</u> – J Wong & Associates PAC – JPL Wong & Co – Acevision Solutions Pte. Ltd.

Name	Present	Past
Mr. Sng Peng Chye	Directorships	Directorships
	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> – Chemical Industries (Far East) Limited	<u>Other Companies</u> – Level 8 (Group) Pte. Ltd.
Mr. Chen Mingyu	Directorships	Directorships
	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> – D&E (Beijing) Business Consulting Co., Ltd – Fujian Cosunter Pharmaceutical Co., Ltd.	<u>Other Companies</u> Nil
Dr. Jiang Minghua	Directorships	Directorships
	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Nil	<u>Other Companies</u> – Beijing Fund River Investment Co., Ltd. – AVIC Culture Co., Ltd
Executive Officers		
Ms. Low Hui Min	Directorships	Directorships
	<u>Group Companies</u> – G.H.Y Culture & Media (Singapore) Pte. Ltd. – GHY Culture & Media (Malaysia) Sdn Bhd – G.H.Y Culture & Media (Australia) Pty Ltd	<u>Group Companies</u> Nil
	<u>Other Companies</u> Nil	<u>Other Companies</u> Nil

Name	Present	Past
Mr. Xue Xin	<p data-bbox="526 179 973 224">Directorships</p> <p data-bbox="526 268 973 313"><u>Group Companies</u></p> <ul data-bbox="526 313 973 1008" style="list-style-type: none"> <li data-bbox="526 313 973 403">– Tianjin Changxin Film & Media Co., Ltd. (天津长信影视传媒有限公司) <li data-bbox="526 403 973 492">– Beijing Changxin Film & Media Co., Ltd. (北京长信影视传媒有限公司) <li data-bbox="526 492 973 582">– Tianjin Ruyang Film & Media Co., Ltd. (天津如阳影视传媒有限公司) <li data-bbox="526 582 973 672">– Beijing Yizhongdao Film & Media Co., Ltd. (北京易中道影视传媒有限公司) <li data-bbox="526 672 973 761">– Tianjin Xinyuan Culture & Broadcast Co., Ltd. (天津信远文化传媒有限公司) <li data-bbox="526 761 973 851">– Tianjin Xinhe Culture & Broadcast Co., Ltd. (天津信和文化传播有限公司) <li data-bbox="526 851 973 940">– Tianjin Zhengzai Vision Co., Ltd. (天津正在视觉有限公司) <p data-bbox="526 1030 973 1075"><u>Other Companies</u></p> <p data-bbox="526 1075 973 1120">Nil</p>	<p data-bbox="973 179 1394 224">Directorships</p> <p data-bbox="973 268 1394 313"><u>Group Companies</u></p> <p data-bbox="973 313 1394 358">Nil</p> <p data-bbox="973 1030 1394 1075"><u>Other Companies</u></p> <ul data-bbox="973 1075 1394 1232" style="list-style-type: none"> <li data-bbox="973 1075 1394 1164">– Chongqing Yewang Chunxin Culture & Media Co., Ltd. (重庆野望春信文化传媒有限公司) <li data-bbox="973 1164 1394 1232">– Tianjin Xinde Vision Co., Ltd. (天津新德视觉有限公司)
Ms. Chan Pui Yin	<p data-bbox="526 1232 973 1276">Directorships</p> <p data-bbox="526 1321 973 1366"><u>Group Companies</u></p> <p data-bbox="526 1366 973 1411">Nil</p> <p data-bbox="526 1433 973 1478"><u>Other Companies</u></p> <p data-bbox="526 1478 973 1523">Nil</p>	<p data-bbox="973 1232 1394 1276">Directorships</p> <p data-bbox="973 1321 1394 1366"><u>Group Companies</u></p> <p data-bbox="973 1366 1394 1411">Nil</p> <p data-bbox="973 1433 1394 1478"><u>Other Companies</u></p> <p data-bbox="973 1478 1394 1523">Nil</p>

APPENDIX H – RULES OF THE GHY PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

The Plan shall be called the “**GHY Performance Share Plan**”.

2. DEFINITIONS

2.1. In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“ Adoption Date ”	:	The date on which the Plan is adopted by the Company in general meeting
“ Associate ”	:	Shall have the meaning assigned to it in the Listing Manual, and “ Associates ” shall be construed accordingly
“ Auditors ”	:	The auditors of the Company for the time being
“ Award ”	:	A contingent award of Shares granted under Rule 5
“ Award Date ”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
“ Award Letter ”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
“ Board ”	:	The board of directors of the Company for the time being
“ CDP ”	:	The Central Depository (Pte) Limited
“ Committee ”	:	The Remuneration Committee of the Company, duly authorised and appointed by the Board to administer the Plan
“ Companies Law ”	:	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented, consolidated, revised or otherwise modified from time to time
“ Company ”	:	G.H.Y Culture & Media Holding Co., Limited
“ Control ”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“ Controlling Shareholder ”	:	Shall have the meaning assigned to it in the Listing Manual, and “ Controlling Shareholders ” shall be construed accordingly

“Group”	:	The Company, its subsidiaries and PRC Affiliated Entities
“Group Employee”	:	Any employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries and PRC Affiliated Entities, as the case may be, who performs an executive function
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Non-Executive Director”	:	A director of the Company and/or any of its subsidiaries and PRC Affiliated Entities, as the case may be, other than one who performs an executive function
“Participant”	:	The holder of an Award (including, where applicable, the executor or personal representative of such holder)
“Performance Condition”	:	In relation to an Award, the condition specified on the Award Date in relation to that Award
“Performance Period”	:	The period as may be determined by the Committee at its discretion, during which the Performance Condition(s) is (are) to be satisfied
“Plan” or “PSP”	:	The GHY Performance Share Plan, as the same may be modified or altered from time to time
“PRC Affiliated Entities”	:	The affiliated entities in the PRC of the Group, from time to time, by virtue of the Contractual Arrangements entered into between the Group and such affiliated entities, which confer operational control and substantially all the economic rights over such affiliated entities to the Group
“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares

“Release”	:	In relation to an Award, the release of all or some of the Shares to which that Award relates in accordance with the Plan and, to the extent that any Shares which are the subject of the Award are not released pursuant to the Plan, the Award in relation to those Shares shall lapse accordingly and “Released” shall be construed accordingly
“Release Schedule”	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period
“Released Award”	:	An Award which has been Released in full or in part in accordance with Rule 7
“Retention Period”	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
“Securities Account”	:	The securities account maintained by a Depositor with CDP
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“S\$”	:	Singapore dollar
“Shareholders”	:	The registered holders for the time being of the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Singapore Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or otherwise modified from time to time
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the date as determined by the Committee and notified to the relevant Participant on which those Shares are to be Vested pursuant to Rule 7

- 2.2. The terms “**associated company**” and “**subsidiary**” shall have the same meanings ascribed to them respectively in the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 and the Singapore Companies Act, as the case may be.
- 2.3. The term “**Depositor**” and “**Depository Agent**” shall have the meaning ascribed to them respectively in Section 81SF of the SFA.
- 2.4. Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.5. Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.6. Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Law or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Companies Law or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE PLAN

- 3.1. The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and directors of the Group who have contributed to the growth of the Group.
- 3.2. The Plan has been proposed in order to:
 - (a) foster an ownership culture within the Group which aligns the interests of Group Employees with the interests of Shareholders;
 - (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units;
 - (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company’s ambition to become a world-class company; and
 - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Subject to Rule 4.2, the only persons who shall be eligible to participate in the Plan, at the absolute discretion of the Committee:
 - (a) Group Employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least 12 months (or in the case of any Group Executive Director, such shorter period as the Committee may determine);
 - (b) Non-Executive Directors (including independent Directors) who, as of the Award Date, have attained the age of 21 years; and

(c) Associates of Controlling Shareholders who satisfy the criteria set out in paragraph (a) above.

4.2. Associates of Controlling Shareholders who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Plan provided that:

(a) their participation; and

(b) the actual or maximum number of Shares and terms of any Awards to be granted to them,

have been approved by independent Shareholders at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation; and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders for the participation in the Plan of an Associate of Controlling Shareholders who is, at the relevant time, already a Participant.

4.3. Subject to the Companies Law and any requirements of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

5.1. Subject to Rule 4, the Committee may grant Awards to eligible Group Employees, Non-Executive Directors and/or Associates of Controlling Shareholders (who are eligible to participate under Rule 4.1), and in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

5.2. The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall, subject to Rule 4.2 and Rule 8, be determined at the absolute discretion of the Committee, which shall take into account criteria as it considers fit, including (but not limited to) his rank, job performance during the Performance Period, years of service, potential for future development, his future contribution to the success and development of the Group and the extent of effort and difficulty with which the Performance Condition may be achieved within the Performance Period.

5.3. In relation to an Award to a Participant, the Committee shall determine:

(a) the Participant;

(b) the Award Date;

(c) the Performance Period;

(d) the number of Shares which are the subject of the Award (subject to Rule 4.2 and Rule 8);

(e) the Performance Condition(s);

(f) the Release Schedule;

(g) the Vesting Date; and

(h) any other condition which the Committee may determine in relation to that Award.

- 5.4. As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (i) the Award Date;
 - (ii) the number of Shares which are the subject of the Award;
 - (iii) the Performance Condition(s);
 - (iv) the Performance Period;
 - (v) the Release Schedule;
 - (vi) the Vesting Date; and
 - (vii) any other condition which the Committee may determine in relation to that Award.
- 5.5. Participants are not required to pay for the grant of Awards.
- 5.6. The Committee may amend or waive the Performance Period, the Performance Condition(s) and/or the Release Schedule in respect of any Award and shall notify the Participants of such change or waiver:
- (a) in the event of a take-over offer being made for the Shares or if under any applicable laws, a court sanctions, a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company;
 - (b) in the event that the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie); or
 - (c) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of the performance of a Participant, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition(s) should be waived, for any other reason.
- 5.7. An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.
- 5.8. In determining the number of Shares which are the subject of an Award, the value of each such Share shall in no event (including on adjustment pursuant to the provisions of the Plan) be less than the nominal or par value of a Share.

- 5.9. Every Award shall be subject to the condition that no Shares shall be issued or transferred pursuant to an Award if such issue or transfer would be contrary to any rules or regulations of the SGX-ST or any law or enactment for the time being in force in the Cayman Islands, Singapore or any other relevant jurisdiction.

6. EVENTS PRIOR TO THE VESTING DATE

- 6.1. An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
 - (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group, for any reason whatsoever; or
 - (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purposes of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

- 6.2. In any of the following events:
- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
 - (b) where the Participant ceases at any time to be in the employment of the Group, as the case may be, by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
 - (vi) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (vii) any other event approved by the Committee;
 - (c) the death of the Participant; or
 - (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition(s) has (have) been satisfied.

6.3. Without prejudice to the provisions of Rule 5.6, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional; or
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders and/or sanctioned by the court under any applicable laws,

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period(s) which has (have) elapsed and the extent to which the Performance Condition(s) has (have) been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment and issue or transfer to each Participant of the number of Shares so determined in accordance with Rule 7.

6.4. If before the Vesting Date, a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction), the Company shall on the same date or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 6.4) and thereupon, the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period(s) which has (have) elapsed and the extent to which the Performance Condition(s) has (have) been satisfied. Where Awards are Released, the Company shall as soon as possible and, in any event, no later than the Market Day immediately prior to the date of the proposed general meeting referred to above, allot and issue, or transfer, the relevant Shares to the Participant credited as fully paid, provided that all Awards which are not Released prior to the commencement of the voluntary winding-up of the Company shall, upon the commencement of such winding-up, lapse and be null and void.

6.5. If an order of court is made for the winding-up of the Company, an Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company.

7. REVIEW OF PERFORMANCE CONDITION(S), VESTING OF AWARDS AND RELEASE OF AWARDS

7.1. Review of Performance Condition(s)

7.1.1. As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition(s) specified in respect of each Award and determine at its discretion:

- (a) whether the Performance Conditions has been satisfied and, if so, the extent to which it has been satisfied;
- (b) whether any other condition applicable to such Award has been satisfied; and
- (c) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant,

and (subject to Rules 6 and 7.1.2) provided that the relevant Participant has continued to be an eligible person under Rule 4.1 from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

7.1.2. If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

7.1.3. The Committee shall have the full discretion to determine whether any Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group (as the case may be), to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further (but without prejudice to the provisions of Rule 5.6) the right to amend any Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.4. Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment and issue or transfer to each Participant of the number of Shares so determined.

7.1.5. Where new Shares are allotted and issued upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment and issue, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

7.1.6. Shares issued pursuant to an Award shall, subject to the terms of the Plan, be subscribed or purchased (as the case may be) by a Participant for such consideration, paid for at such times, by such methods and in such forms, including such Participant's services or other consideration, as the Committee may determine at its discretion.

7.1.7. In determining the number of Shares which are the subject of a Released Award, the value of each such Share shall in no event (including on adjustment pursuant to the provisions of the Plan) be less than the nominal or par value of a Share.

7.2. Release of Award

Shares which are allotted (as an issue of new Shares) or transferred (as a transfer of Shares then held by the Company as treasury Shares) on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the Securities Account of that Participant or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

7.3. Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the Release of an Award shall:

- (a) be subject to all the provisions of the Memorandum and Articles of Association of the Company; and
- (b) rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the later of (i) the relevant Vesting Date; and (ii) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

7.4. Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATION ON THE SIZE OF THE PLAN

8.1. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the GHY Performance Share Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the GHY Employee Share Option Scheme; and
- (c) the total number of Shares over which options and awards are granted under any other share option schemes or share schemes of the Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury Shares and subsidiary holdings from time to time, if any) on the date preceding the grant of the relevant new Award.

- 8.2. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan to Participants who are Associates of Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the Plan.
- 8.3. The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is an Associate of a Controlling Shareholder shall not exceed 10.0% of the total number of Shares available under the Plan.
- 8.4. Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

- 9.1. If a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, or (without prejudice to the provisions of Rule 5.6) if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie) then the Committee may, in its sole discretion, determine whether:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted to give such participant the same proportion of the equity capital of the Company as that to which he was previously entitled, in such manner as the Committee may, at its discretion, determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

- 9.2. Unless the Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Plan; or (d) any issue of Shares arising from the exercise of any options or warrants or the conversion of any loan stock or any securities convertible into Shares issued by the Company, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3. Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4. Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives, where applicable) in writing and deliver to him (or his duly appointed personal representatives, where applicable) a statement setting forth the class and/or number of Shares which are the subject of the adjusted Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

10. ADMINISTRATION OF THE PLAN

- 10.1. The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 10.2. The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan or any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3. Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4. Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 10.5. The Committee shall ensure that the rules of the Plan are in compliance with the Companies Law and the applicable laws and regulations in Singapore, including but not limited to, the Listing Manual.

11. NOTICES

- 11.1. Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.
- 11.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to the Participant by hand or sent to the Participant at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.
- 11.3. Any notice or other communication from a Participant to the Company shall be irrevocable and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by the Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

12.1. Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Condition(s) relating to their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
- (b) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a) and (b), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award or which would be to the advantage of the Participants (as the case may be) shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any provision of the Plan to amend or adjust any Award.

12.2. Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by a resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Law) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3. Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

14.1. The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

- 14.2. The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, or by ordinary resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3. The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

- 16.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) or, as the case may be, share transfer form(s) with CDP, the Participant's Securities Account, or the Participant's securities sub-account with a Depository Agent.
- 16.2. Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee, the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1.5.

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below for the following Participants of the Plan:
 - (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and

- (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan and/or Options under the GHY Employee Share Option Scheme which, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the GHY Performance Share Plan and the GHY Employee Share Option Scheme, collectively;

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have been allotted and/or transferred pursuant to the Vesting of Awards since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review
----------------------------	--	--	--	---

- (c) the names of and number and terms of Shares comprised in Awards granted to each director and employee of the Company or the Group who receives 5.0% or more of the total number of Awards available to all directors and employees of the Company and the Group under the Plan during the financial year under review;
- (d) the aggregate number of Shares comprised in Awards granted to the directors and employees of the Company and the Group for the financial year under review, and since the commencement of the Plan to the end of the financial year under review; and
- (e) the number and proportion of Shares comprised in Awards granted at a discount during the financial year under review in respect of every 10.0% discount range, up to the maximum quantum of discount granted; and
- (f) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan must abstain from voting on any Shareholders' resolution relating to the Plan, including any Shareholders' resolution relating to the implementation of the Plan, or the participation by and Awards granted to, Associates of Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

APPENDIX I – RULES OF THE GHY EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme shall be called the “**GHY Employee Share Option Scheme**”.

2. DEFINITIONS

2.1. In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“ Adoption Date ”	:	The date on which the Scheme is adopted by the Company in general meeting
“ Aggregate Subscription Cost ”	:	The total amount payable for Shares which may be acquired on the exercise of an Option
“ Associate ”	:	Shall have the meaning ascribed to it in the Listing Manual, and “ Associates ” shall be construed accordingly
“ Auditors ”	:	The auditors of the Company for the time being
“ Board ”	:	The board of directors of the Company for the time being
“ CDP ”	:	The Central Depository (Pte) Limited
“ Committee ”	:	The Remuneration Committee of the Company, duly authorised and appointed by the Board to administer the Scheme
“ Companies Law ”	:	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented, consolidated, revised or otherwise modified from time to time
“ Company ”	:	G.H.Y Culture & Media Holding Co., Limited
“ Control ”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“ Controlling Shareholder ”	:	Shall have the meaning assigned to it in the Listing Manual, and “ Controlling Shareholders ” shall be construed accordingly
“ Date of Grant ”	:	In relation to an Option, the date on which an Option is granted pursuant to Rule 5

“Exercise Period”	:	The period for the exercise of an Option, being a period commencing: <ul style="list-style-type: none"> (a) after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant in the case of a Market Price Option; and (b) after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant in the case of an Incentive Option
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 6, as adjusted in accordance with Rule 12
“Grantee”	:	The person to whom an offer of an Option is made
“Group”	:	The Company, its subsidiaries and PRC Affiliated Entities
“Group Employee”	:	Any employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Scheme) selected by the Committee to participate in the Scheme in accordance with Rule 4
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries and its PRC Affiliated Entities, as the case may be, who performs an executive function
“Incentive Option”	:	An Option granted with the Exercise Price set at a discount to the Market Price
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five consecutive Market Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	An Option granted with the Exercise Price set at the Market Price

“Non-Executive Director”	:	A director of the Company and/or any of its subsidiaries and PRC Affiliated Entities, as the case may be, other than one who performs an executive function
“Option”	:	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Scheme and for the time being subsisting
“Participant”	:	The holder of an Option (including, where applicable, the executor or personal representative of such holder)
“PRC Affiliated Entities”	:	The affiliated entities in the PRC of the Group, from time to time, by virtue of the contractual arrangements entered into between the Group and such affiliated entities, which confers operational control and economic rights over such affiliated entities to the Group
“Record Date”	:	the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
“Scheme” or “ESOS”	:	The GHY Employee Share Option Scheme, as the same may be modified or altered from time to time
“Securities Account”	:	The securities account maintained by a Depositor with CDP
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders for the time being of the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Singapore Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or otherwise modified from time to time
“S\$”	:	Singapore dollar

2.2. The terms **“associated company”** and **“subsidiary”** shall have the same meanings ascribed to them respectively in the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 and the Singapore Companies Act, as the case may be.

- 2.3. The terms “**Depositor**” and “**Depository Agent**” shall have the meaning ascribed to them respectively in Section 81SF of the SFA.
- 2.4. Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.5. Any reference to a time of a day in the Scheme is a reference to Singapore time.
- 2.6. Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Law or any statutory modification thereof and not otherwise defined in the Scheme and used in the Scheme shall have the meaning assigned to it under the Companies Law or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE SCHEME

- 3.1. The Scheme is a share incentive scheme. The Scheme is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees who have contributed to the growth of the Group.
- 3.2. The Scheme has been proposed in order to:
 - (a) foster an ownership culture within the Group which aligns the interests of Group Employees with the interests of Shareholders;
 - (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units;
 - (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company’s ambition to become a world-class company; and
 - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Subject to Rule 4.2, the only persons who shall be eligible to participate in the Scheme, at the absolute discretion of the Committee:
 - (a) Group Employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who have, as of the Date of Grant, been in full time employment of the Group for a period of at least 12 months (or in the case of any Group Executive Director, such shorter period as the Committee may determine);
 - (b) Non-Executive Directors (including independent Directors) who, as of the Award Date, have attained the age of 21 years; and
 - (c) Associates of Controlling Shareholders who satisfy the criteria set out in paragraph (a) above.

- 4.2. Associates of Controlling Shareholders who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Scheme provided that:
- (a) their participation; and
 - (b) the actual or maximum number of Shares and terms of any Options to be granted to them,

have been approved by independent shareholders at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation; and (ii) the actual or maximum number of Shares and terms of any Options to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders for the participation in the Scheme of an Associate of Controlling Shareholders who is, at the relevant time, already a Participant.

- 4.3. Subject to the Companies Law and any requirements of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.
- 4.4. The number of Shares comprised in Options to be offered to a Participant in accordance with the Scheme shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, years of service, potential for future development and his contribution to the success and development of the Group.

5. GRANT AND ACCEPTANCE OF OPTIONS

- 5.1. Save as provided in Rule 11, the Committee may grant Options to Group Employees, Non-Executive Directors and/or Associates of Controlling Shareholders (who are eligible to participate under Rule 4.1), in each case, as the Committee may select, in its absolute discretion, at any time and from time to time during the period when the Scheme is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offer of Options may only be made on or after the second Market Day from the date on which such announcement is released.
- 5.2. The Letter of Offer to grant the Option shall be in, or substantially in, the form set out in Schedule A-1, subject to such modification as the Committee may from time to time determine. An Option may be granted subject to such conditions as may be determined by the Committee, in its absolute discretion, on the Date of Grant of that Option.
- 5.3. An Option shall be personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Option without the prior approval of the Committee, that Option shall immediately lapse.
- 5.4. The grant of an Option under this Rule 5 shall be accepted by the Grantee within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the thirtieth day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in Schedule B-1, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration.

5.5. If a grant of an Option is not accepted in the manner as provided in Rule 5.4, such offer shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect.

5.6. In the event that the grant of an Option results in a contravention of any applicable law, subsidiary legislation or other regulation, such grant shall be null, void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

6. EXERCISE PRICE

6.1. Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

(a) in respect of Market Price Options, a price equal to the Market Price; or

(b) in respect of Incentive Options, a price which is set at a discount to the Market Price, provided that:

(i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and

(ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

6.2. The Exercise Price shall in no event be less than the par value of a Share. When the Exercise Price as determined above is less than the par value of a Share, the Exercise Price shall be the par value.

7. RIGHTS TO EXERCISE OPTIONS

7.1. Subject as provided in Rule 8 and Rule 9 and any other conditions as may be introduced by the Committee from time to time, a Market Price Option or an Incentive Option, as the case may be, shall be exercisable, in whole or in part, as follows:

(a) in the case of a Market Price Option, during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee); and

(b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).

In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.

8. EVENTS PRIOR TO EXERCISE OF OPTION

8.1. An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 8.2, upon the Participant ceasing to be in the employment of the Group, for any reason whatsoever;
- (c) in the event of an order being made or resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purposes of Rule 8.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

8.2. In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Option;
- (b) where the Participant ceases at any time to be in the employment of the Group, as the case may be, by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
 - (vi) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (vii) any other event approved by the Committee; or
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

he (or, if a Participant dies, a duly appointed legal personal representative of the Participant) may, exercise any unexercised Option within the relevant Option Period and such unexercised Option shall continue to be exercisable by the Participant in the manner provided in the Scheme (unless otherwise decided by the Committee, in its absolute discretion), and upon the expiry of such period, the Option shall immediately lapse and become null and void.

9. TAKE-OVER AND WINDING UP OF THE COMPANY

- 9.1. Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee, the SGX-ST and/or such other relevant regulatory authority, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
 - (b) the date of expiry of the Exercise Period relating thereto, whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of any relevant regulatory provision or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the offeror's rights of acquisition or obligations to acquire the Shares shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 8, remain exercisable until the expiry of the Exercise Period relating thereto.

- 9.2. If: (a) under any applicable laws, the court sanctions and/or the Shareholders approve a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, or (b) there is a change of Control of the Company (other than pursuant to a take-over), each Participant shall be entitled (subject to Rule 9.5), to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, during the period: (i) in the case of scenario (a) above, commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, or (ii) in the case of scenario (b) above, commencing on the date upon which the change of Control becomes effective and ending on the expiry of 60 days thereafter (but in either case, not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.
- 9.3. If an order of court is made for the winding-up of the Company on the basis of its insolvency or otherwise, all Options, to the extent unexercised, shall lapse and become null and void.
- 9.4. In the event that a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his legal personal representative) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company,

accompanied by a remittance for the full amount of the Aggregate Subscription Cost for the Shares in respect of which notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Participant credited as fully paid.

- 9.5. If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6. To the extent that an Option is not exercised within any period referred to in this Rule 9, it shall lapse and become null and void.

10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 10.1. Subject to Rule 7.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in, or substantially in, the form set out in Schedule C-1, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the full amount of the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the full amount of the Aggregate Subscription Cost as aforesaid. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 10.2. Subject to the Listing Manual and prevailing legislation, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:
- (a) allotment and issue of new Shares; and/or
 - (b) transfer of existing Shares, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury Shares.

In determining whether to issue new Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to):

- (i) the prevailing Market Price of the Shares;
- (ii) the prevailing Market Price of the Shares relative to the financial performance of the Company;
- (iii) the cash position of the Company;
- (iv) the projected cash needs of the Company;
- (v) the dilution impact (if any);

- (vi) the cost to the Company of either issuing new Shares or purchasing existing Shares; and
 - (vii) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact the Market Price of the Shares.
- 10.3. Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Scheme and the Memorandum and Articles of Association of the Company, the Company shall, within 10 Market Days after the exercise of an Option, allot and issue and/or transfer or procure the transfer (as the case may be) of the relevant Shares in respect of which such Option has been exercised by the Participant and within five Market Days from the date of such allotment or transfer (as the case may be), despatch to CDP the relevant share certificate(s) or, as the case may be, share transfer form(s) by ordinary post or such other mode as the Committee may deem fit.
- 10.4. Where new Shares are allotted and issued upon the exercise of an Option, the Company shall, as soon as practicable after such allotment and issue, apply to the SGX for permission to deal in and for quotation of such Shares.
- 10.5. Shares which are allotted (as an issue of new Shares) or transferred (as a transfer of Shares then held by the Company as treasury Shares) to a Participant on the exercise of an Option by that Participant shall be issued in the name of, or transferred to, CDP to the credit of the Securities Account of that Participant or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.
- 10.6. Shares arising from the exercise of Options shall:
- (a) be subject to all the provisions of the Companies Law and the Memorandum and Articles of Association of the Company; and
 - (b) rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the later of (i) the relevant date upon which such exercise occurred; and (ii) the date of issue of the Shares, and shall in all respects rank *pari passu* with other existing Shares then in issue.
- 10.7. Subject to the Companies Law and the rules of the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:
- (a) an allotment and issue of new Shares; and/or
 - (b) the transfer of existing Shares, including any Shares held by the Company as treasury Shares.
- 10.8. Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any rules or regulations of the SGX-ST or any law or enactment for the time being in force in the Cayman Islands, Singapore or any other relevant jurisdiction.

11. LIMITATION ON THE SIZE OF THE SCHEME

11.1. The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the Scheme on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the GHY Employee Share Option Scheme;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to awards already granted under the GHY Performance Share Plan; and
- (c) the total number of Shares subject over which options and awards are granted under any other share option or share schemes of the Company,

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury Shares and subsidiary holdings from time to time, if any) on the date.

11.2. The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the Scheme to Participants who are Associates of Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the Scheme preceding the grant of the relevant new Option.

11.3. The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the Scheme to each Participant who is an Associate of a Controlling Shareholder shall not exceed 10.0% of the total number of Shares available under the Scheme.

11.4. Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Committee under the Scheme.

12. ADJUSTMENT EVENTS

12.1. If a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether:

- (a) the Exercise Price of the Options, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares in respect of which Options may be granted under the Scheme,

shall be adjusted in such manner as the Committee may, at its discretion, determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

12.2. Unless the Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in

force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Scheme; or (d) any issue of Shares arising from the exercise of options or any warrants or the conversion of any loan stock or any securities convertible into Shares by the Company, shall not normally be regarded as a circumstance requiring adjustment.

- 12.3. Notwithstanding the provisions of Rule 12.1, any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 12.4. Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives, where applicable) in writing and deliver to him (or his duly appointed personal representatives, where applicable) a statement setting forth the Exercise Price thereafter in effect and the class and/or number of Shares thereafter to be issued or transferred on the exercise of the adjusted Option. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.
- 12.5. In no event (including on any adjustment pursuant to the provisions of the Scheme) shall the Exercise Price be less than the par value of a Share. Where the Exercise Price is less than the par value of a Share, the Exercise Price shall be the par value.

13. ADMINISTRATION OF THE SCHEME

- 13.1. The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.
- 13.2. The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme, to give effect to the provisions of the Scheme and/or to enhance the benefit of the Options to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Committee.
- 13.3. Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.
- 13.4. Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

- 13.5. The Committee shall ensure that the rules of the Scheme are in compliance with the Companies Law and the applicable laws and regulations in Singapore, including but not limited to, the Listing Manual.

14. NOTICES

- 14.1. Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.
- 14.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to the Participant by hand or sent to the Participant at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.
- 14.3. Any notice or other communication from a Participant to the Company shall be irrevocable and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by the Participant, when left at the address specified in Rule 14.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

15. MODIFICATIONS TO THE SCHEME

- 15.1. Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall adversely affect the rights attached to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be issued or transferred upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme, such as the repricing of the Exercise Price of the Options and the replacement of existing Options, shall be subject to the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 15.1(a) and (b), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Option or which would be to the advantage of Participants (as the case may be) shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 15.1 shall affect the right of the Committee under any provision of the Scheme to amend or adjust any Option.

- 15.2. Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by a resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Scheme to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Law) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 15.3. Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

16. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

17. DURATION OF THE SCHEME

- 17.1. The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 17.2. The Scheme may be terminated at any time by the Committee or, at the discretion of the Committee, by ordinary resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 17.3. The expiry or termination of the Scheme shall not affect Options which have been granted prior to such expiry or termination, whether such Options have been exercised (whether fully or partially) or not.

18. TAXES

All taxes (including income tax) arising from the grant or exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

19. COSTS AND EXPENSES

- 19.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP or, as the case may be, share transfer form(s), the Participant's Securities Account, or the Participant's securities sub-account with a Depository Agent.
- 19.2. Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the exercise of any Option shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee, the Company and the Company’s directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company’s delay in issuing the Shares or procuring the transfer of or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 10.4.

21. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Scheme continues in operation:

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information required in the table below for the following Participants of the Scheme:
 - (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have been granted Options under the GHY Employee Share Option Scheme and/or received Shares pursuant to the release of awards granted under the GHY Performance Share Plan which, in aggregate, represent 5.0% or more of the total number of Shares available under the GHY Employee Share Option Scheme and the GHY Performance Share Plan, collectively;

Name of Participant	Aggregate Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to the end of the financial year under review	Aggregate Options exercised since commencement of Scheme to the end of the financial year under review	Aggregate Options outstanding as at the end of the financial year under review
----------------------------	---	---	---	---

- (c) the names of and number and terms of Options granted to each director and employee of the Company or the Group who receives 5.0% or more of the total number of Options available to all directors and employees of the Company and the Group under the Scheme during the financial year under review;
- (d) the aggregate number of Options granted to the directors and employees of the Company and the Group for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review; and

- (e) the number and proportion of Options granted at a discount during the financial year under review:
 - (i) at a discount of 10.0% or less of the Market Price in respect of the relevant Option; and
 - (ii) at a discount of more than 10.0% of the Market Price in respect of the relevant Option; and
- (f) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

22. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme must abstain from voting on any Shareholders' resolution relating to the Scheme, including any Shareholders' resolution relating to the implementation of the Scheme, or the making of offers and grants of options under the Scheme at a discount not exceeding the maximum discount, or the participation by, and options granted to, Controlling Shareholders and their Associates and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

24. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Scheme or any Option by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

GHY EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

To: **[Name]**
[Designation]

[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the GHY Employee Share Option Scheme (the “**Employee Share Option Scheme**”), you have been nominated to participate in the Employee Share Option Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of G.H.Y Culture & Media Holding Co., Limited (the “**Company**”) to administer the Employee Share Option Scheme. Terms as defined in the Employee Share Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each **Share**. This represents a discount of _____% to the Market Price.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Employee Share Option Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of
GHY Culture & Media Holding Co., Limited

Name:
Designation:

GHY EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: _____

Date: _____

To: The Committee,
GHY Employee Share Option Scheme

Closing Date for Acceptance of Offer: _____

Number of Shares Offered: _____

Exercise Price for each Share: S\$ _____

I have read your Letter of Offer dated _____ ("**Letter of Offer**") and agree to be bound by the terms of the Letter of Offer and the Employee Share Option Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$ _____ for each Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

Please print in block letters

Name in full : _____
Designation : _____
Address : _____
Nationality : _____
***NRIC/Passport No.** : _____
Signature : _____
Date : _____

Note:

* Delete accordingly

GHY EMPLOYEE SHARE OPTION SCHEME

FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the “**Shares**”) offered at S\$_____ for each Share (the “**Exercise Price**”) under the GHY Employee Share Option Scheme on _____ (Date of grant) : _____

Number of Shares previously allotted thereunder : _____

Outstanding balance of Shares to be allotted : _____

Number of Shares now to be subscribed : _____

To: The Committee,
GHY Employee Share Option Scheme

1. Pursuant to your Letter of Offer dated _____ (“**Letter of Offer**”) and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in G.H.Y Culture & Media Holding Co., Limited (the “**Company**”) at S\$ _____ for each Share.
2. I enclose a *cheque/cashier’s order/banker’s draft/postal order no. _____ for S\$_____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the GHY Employee Share Option Scheme and the Memorandum and Articles of Association of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue or, as the case may be, procure the transfer of the Shares (including, where desired, Shares held by the Company as treasury Shares) in the name of The Central Depository (Pte) Limited (“**CDP**”) and (where required) to deliver to CDP the certificate(s) for the Shares for credit to my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP and any stamp duty payable in respect thereof.

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment : _____

Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

Note:

* Delete accordingly



**Independent Market Research on Video Content
Market and Concert Market in China, Singapore and
Malaysia**

December 2020

Contents

1. Introduction	7
1.1 Background	7
1.2 Methodology and Assumption	7
1.3 Market Coverage	7
1.4 Research Coverage	7
1.5 Disclaimer	7
2. Overview of China and Southeast Asia Macro Economy	9
2.1 Macro-Economy Overview (China)	9
2.2 Macro-Economy Overview (Selected Countries in Southeast Asia)	11
3. Overview of Drama Series Market	14
3.1 Definitions and Segmentation of Drama Series Market	14
3.2 Analysis on Value Chain of Drama Series Market	15
3.3 Analysis on Business Operation Process of Drama Series	15
3.4 Market Size Growth of Drama Series Market	16
3.5 TV Series Market	19
3.5.1 Analysis on dynamics of TV Series Market	19
3.5.2 Market Size Growth of TV Series Market.....	22
3.6 Web Series Market	24
3.6.1 Analysis on dynamics of Web Series Market.....	24
3.6.2 Market Size Growth of Web Series Market	27
3.7 Internet Film Market	28
3.8 Overview of Drama Series Market in Selected Country	28
3.8.1 Overview of Drama Series Market in U.S.A.....	28
3.8.2 Overview of Drama Series Market in Malaysia	30
3.8.3 Overview of Drama Series Market in Singapore.....	32
3.9 Market Drivers of Drama Series Market	33
3.10 Entry Barriers of Drama Series Market	34
3.11 Future Trends of Drama Series Market	34

4. Overview of Other Drama Series-Related Markets	35
4.1 Post-production & Visual Effect Market	35
4.1.1 Definition and segmentation.....	35
4.1.2 Industry Outlook and Prospects.....	36
4.2 Talent Management Market	37
4.2.1 Definition and segmentation.....	37
4.2.2 Industry Outlook and Prospects.....	38
4.3 Stage Costume, Makeup and Property Market	39
4.3.1 Definition and segmentation.....	39
4.3.2 Industry Outlook and Prospects.....	40
5. Overview of China/Southeast Asia Concert Market	40
5.1 Definition and Segmentation.....	40
5.2 Industry Value Chain Analysis	41
5.3 Industry Outlook and Prospects	42
6. Competitive Landscape.....	45
6.1 Ranking of Leading Market Player in China Drama Series Market	45
6.2 Strengths, Weakness, Opportunities, and Threats (SWOT) Analysis of Video Entertainment Market	48
6.3 COVID-19 Impact and US-China Trade War Analysis	49
6.4 G.H.Y's Competitive Advantages	49

List of Table

Table 2-1 Nominal GDP (China), 2015-2024E.....	9
Table 2-2 Per Capita Nominal GDP (China), 2015-2024E	10
Table 2-3 Number of Internet Users (China), 2015-2024E.....	10
Table 2-4 Nominal GDP (Selected Countries in Southeast Asia), 2015-2024E	11
Table 2-5 Per Capita Nominal GDP (Selected Countries in Southeast Asia), 2015-2024E.....	12
Table 2-6 Number of Internet Users (Selected Countries in Southeast Asia), 2015-2024E.....	13
Table 3-1 Definition and Segmentation of Drama Series.....	14
Table 3-2 Value Chain of Drama Series.....	15
Table 3-3 Business Operation Process of Drama Series	16
Table 3-4 Market Size of Drama Series Market (China), 2015-2024E.....	17
Table 3-5 Market Size Breakdown of Drama Series Market by Category (China), 2015-2024E.....	17
Table 3-6 Market Size Breakdown of Drama Series Market by Channel (China), 2015-2024E	18
Table 3-7 Market Size Breakdown of TV Series Market by Channel (China), 2014-2024E.....	22
Table 3-8 Licensing and Distribution Revenue of TV Series Market, China, 2015-2024E.....	23
Table 3-9 The Number of Online Video Users, China, 2015-2024E	24
Table 3-10 Comparison of TV Channels and Online Video Platforms on Drama Series Investment (China), 2015-2024E.....	25
Table 3-11 Market Size of Web Series Market (China), 2015-2024E	27
Table 3-12 Market Size of Internet Film Market (China), 2015-2024E.....	28
Table 3-13 Market Size of Drama Series Market (U.S.A.), 2015-2024E.....	29
Table 3-14 Media Consumption of Audience (Malaysia), 2015-2019.....	30
Table 3-15 Market Size of TV and Video Market (Malaysia), 2015-2024E.....	31
Table 3-16 Market Size of TV and Video Market (Singapore), 2015-2024E	32
Table 4-1 Market Size of Post-production & Visual Effect (China), 2015-2024E	36

Table 4-2 Market Size of Visual Effect (China), 2015-2024E.....	37
Table 4-3 Market Size of Talent Management (China), 2015-2024E.....	39
Table 4-4 Market Size of Stage Costume, Makeup and Property (China), 2015-2024E	40
Table 5-1 Industry Value Chain Analysis	41
Table 5-2 Number of Concerts (China), 2015-2024E.....	42
Table 5-3 Market Size of Concert Market (China), 2015-2024E.....	43
Table 5-4 Number of Concerts (Southeast Asia), 2015-2024E.....	44
Table 5-5 Market Size of Concert Market (Southeast Asia), 2015-2024E.....	44
Table 6-1 Ranking of the Leading Drama Series Production and Distribution Companies by Revenue (China), 2019	46
Table 6-2 Ranking of the Leading Drama Series Production and Distribution Companies with Overseas Drama Series Business by Revenue (China), 2019	47

The market research process for this study has been undertaken through secondary / desktop research as well as primary research, which involves discussing the status of the industry with leading participants and experts. The research methodology used is the Expert Opinion Consensus Methodology. Quantitative market information was sourced from interviews by way of primary research, and therefore, the information is subject to fluctuations due to possible changes in the business and industry climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Forecasts, estimates, predictions and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions or such statements.

This study has been prepared for inclusion in the Prospectus of G.H.Y Culture & Media Holding Co., Limited (the "Company") in relation to an initial public offering in connection with its listing on the Singapore Stock Exchange (the "Listing").

Save for the inclusion of this study in the Prospectus issued by the Company and in such presentation materials prepared by or on behalf of the Company (reviewed by Frost & Sullivan) in relation to the Listing, no part of it may be otherwise given, lent, resold or disclosed to non-customers without our written permission. Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without our permission.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the video content market and concert market in China, Singapore and Malaysia, within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective, and it may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered because of reliance on the information contained in this study. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise.

Authorised Signatory

[signature]

Yves Wang
Managing Director, China
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
1018, Tower B, 500 Yunjin Road, Shanghai, 200232, China

1. Introduction

1.1 Background

This market research report has been prepared by Frost & Sullivan, an independent market research and consulting company, without any influence from interested parties. This independent market research report includes data and analysis on the video content market and concert market in China, Singapore and Malaysia. The independent market research was completed on July 2020.

This independent market research report took 2019 as the base year for analysis and provided forecasts for years 2020-2024. However, as some of the figures of 2019 may not have been publicly available at the time of this report, Frost & Sullivan will use the latest information available (e.g. 2019) or make projections based on historical trends.

1.2 Methodology and Assumption

Frost & Sullivan conducted detailed primary research inclusive of, but not limited to the discussion with regards to the status of the industry with leading industry participants. These interviews with industry experts and market players were conducted on a best-effort basis to collect information for in-depth analysis in this report. Frost & Sullivan also conducted rigorous secondary research inclusive of, but not limited to, the reviewing of the company's annual report, public independent research reports and data based on Frost & Sullivan's internal data base.

The market projections in the independent market research report prepared by Frost & Sullivan are based on the following key assumptions: (i) the global socioeconomic and political environment is likely to remain stable in the forecast period; (ii) purchasing power is expected to continue to rise rapidly in emerging regions and to grow steadily in developed regions; (iii) related industry key drivers are likely to continue driving the market in the forecast period.

1.3 Market Coverage

- Drama Series Market (TV Series Market/Web Series Market)
- Internet Film Market
- Short-form Video Content Market
- Concert Market
- Video Content-related Service Market

1.4 Research Coverage

- China
- Singapore
- Malaysia

1.5 Disclaimer

Frost & Sullivan has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report represents a true and fair view of

the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. We note that the opinions expressed are opinions of human sources and caution the subjective nature of such information.

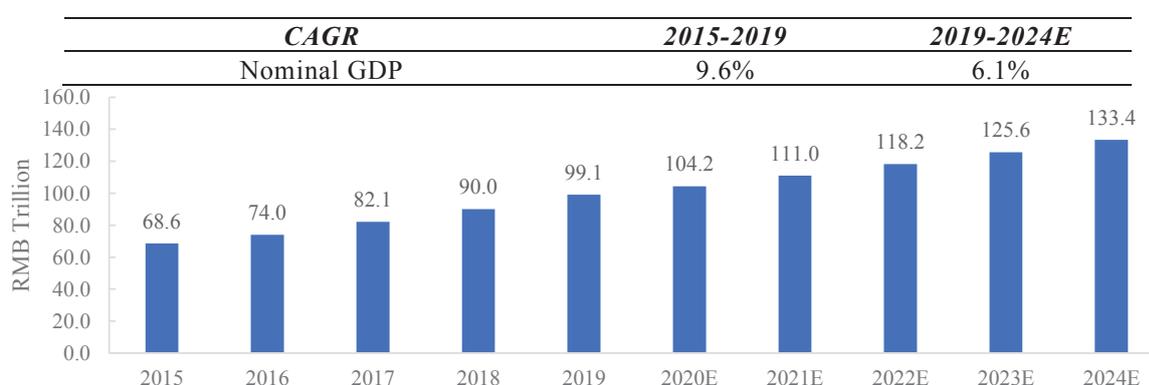
Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training. Its consulting team consistently tracks the latest market trends in entertainment and media, automotive and transportation, chemicals, materials and food, commercial aviation, consumer products, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecommunications.

2. Overview of China and Southeast Asia Macro Economy

2.1 Macro-Economy Overview (China)

China is the world's second largest economy by nominal GDP, which has increased from approximately RMB68.6 trillion in 2015 to approximately RMB99.1 trillion in 2019 at a CAGR of 9.6%. This economic growth was driven by various economic stimulus issued by central government such as the "Belt and Road Initiative" and the "Twelfth and Thirteenth Five-Year Plan". In addition, China's economy has reached a "new norm": increased consumption of households as a result of a higher disposable income level and stronger consumption willingness. However, the slowdown in the manufacturing sector and global trade is expected to affect the Chinese economy, resulting in a forecasted slower economic growth rate of approximately 6.1% from 2019 to 2024 while the nominal GDP is estimated to reach approximately RMB133.4 trillion by 2024.

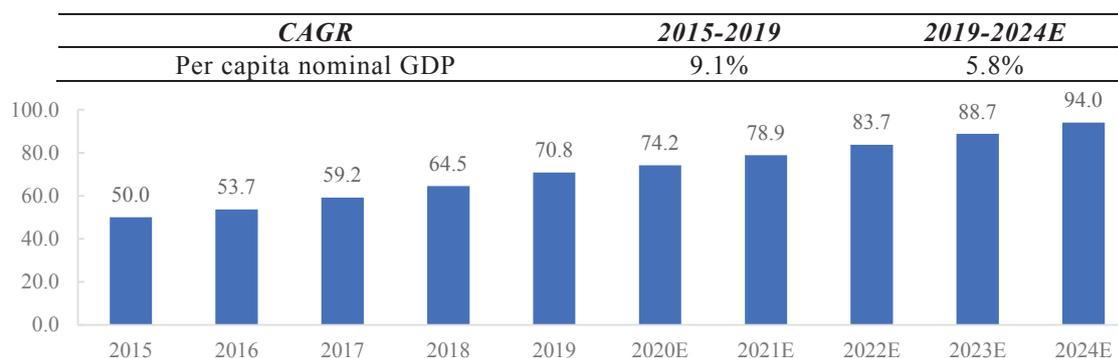
Table 2-1 Nominal GDP (China), 2015-2024E



Source : Historical data for the years between 2015 and 2019 is from National Bureau of Statistics of China found in (<http://www.stats.gov.cn/>) as extracted on 22th June 2020. Forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan

Note: National Bureau of Statistics of China has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

In line with the strong growth of macro economy, the per capita nominal GDP in China was approximately RMB70.8 thousand in 2019, recording stable growth at a CAGR of approximately 9.1% between 2015 and 2019. Driven by a series of economic stimulus policies and the "new norm" of China's economy, the per capital nominal GDP in China is expected to continue to grow at a CAGR of approximately 5.8% from 2019 to 2024, estimated to reach a per capita nominal GDP of approximately RMB94.0 thousand by 2024.

Table 2-2 Per Capita Nominal GDP (China), 2015-2024E

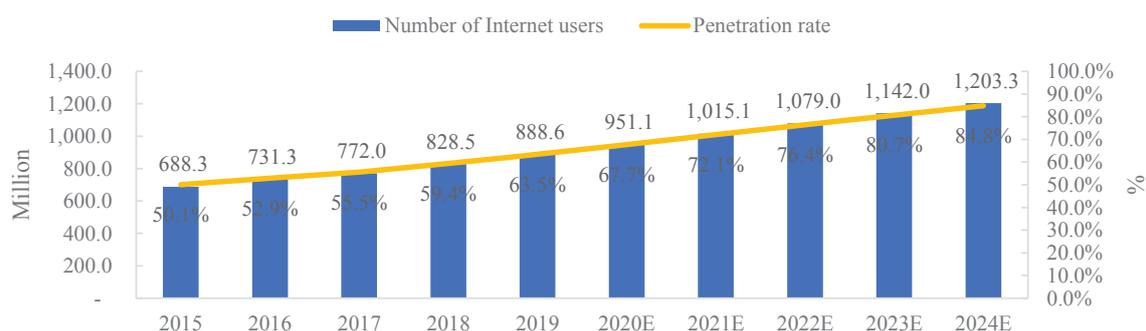
Source : Historical data for the years between 2015 and 2019 is from National Bureau of Statistics of China found in (<http://www.stats.gov.cn/>) as extracted on 22th June 2020. Forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan

Note: National Bureau of Statistics of China has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Driven by the robust economic development and Internet technology innovation in China, the number of Internet users has grown in a stable growth manner over the past years, increasing from approximately 688.3 million users in 2015 to approximately 888.6 million users in 2019, at a CAGR of 6.6%. In addition, the penetration rate of Internet users in the total population increased from approximately 50.1% to approximately 63.5% in the same period, accounting for over half of the population in China as of 2015. By 2024, the number of Internet users is expected to reach approximately 1,203.3 million users with a penetration rate of approximately 84.8%.

Table 2-3 Number of Internet Users (China), 2015-2024E

	CAGR	2015-2019	2019-2024E
Number of Internet users		6.6%	6.3%



Source : Historical data for the years between 2015 and 2019 is from China Internet Network Information Center, The 45th China Statistical Report on Internet Development dated April 2020 and found in (<http://www.cnnic.net.cn/>) as extracted on 22th June 2020,; Forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan

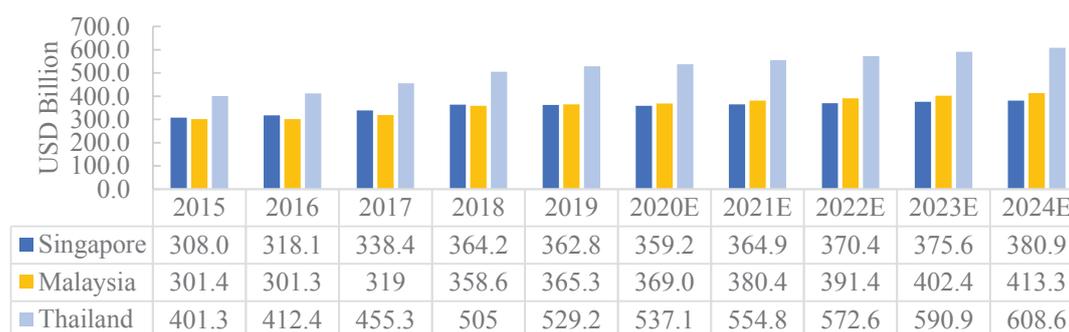
Note: China Internet Network Information Center has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

2.2 Macro-Economy Overview (Selected Countries in Southeast Asia)

Singapore, Malaysia, and Thailand's macroeconomic conditions witnessed stable growth over the last few decades mainly attributable to their pro-business environment, social and economic development, and steady foreign direct investment. Between 2015 and 2019, the nominal GDP of Singapore increased from approximately USD308.0 billion to approximately USD362.8 billion, while that of Malaysia and Thailand increased from approximately USD301.4 billion to approximately USD365.3 billion, and from approximately USD401.3 billion to approximately USD529.2 billion, respectively. By 2024, the nominal GDP of Singapore, Malaysia, and Thailand is estimated to grow at CAGRs of 1.0%, 2.5% and 2.8%, and expected to reach approximately USD380.9 billion, USD413.3 billion and USD608.6 billion respectively.

Table 2-4 Nominal GDP (Selected Countries in Southeast Asia), 2015-2024E

<i>CAGR</i>	<i>2015-2019</i>	<i>2019-2024E</i>
Nominal GDP (Singapore)	4.2%	1.0%
Nominal GDP (Malaysia)	4.9%	2.5%
Nominal GDP (Thailand)	7.2%	2.8%



Source: The historical data for the years between 2015 and 2019 for Singapore, Malaysia and Thailand is from Singapore Department of Statistics found in (<https://www.singstat.gov.sg/>) as extracted on 22th June 2020, Department of Statistics Malaysia found in (<https://www.dosm.gov.my/v1/index.php>) as extracted on 22th June 2020, and National Statistical Office of Thailand found in (<http://www.nso.go.th/sites/2014en>) as extracted on 22th June respectively. Forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan

Note: Singapore Department of Statistics, Department of Statistics Malaysia and National Statistical Office of Thailand have not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

In parallel, the per capita nominal GDP of Singapore, Malaysia, and Thailand experienced steady growth between 2015 and 2019, increasing from approximately USD56.0 thousand to approximately USD63.6 thousand, from approximately USD9.9 thousand to approximately USD11.2 thousand, from approximately USD5.8 thousand to approximately USD7.6 thousand, representing CAGRs of 3.2%, 3.1%, and 7.0%, respectively. In the future, the per capita nominal GDP of Singapore, Malaysia, and Thailand is expected to maintain a steady upward trend, estimated to reach approximately USD64.6 thousand, USD11.8 thousand, and USD8.6 thousand respectively by 2024.

Table 2-5 Per Capita Nominal GDP (Selected Countries in Southeast Asia), 2015-2024E

	CAGR	2015-2019	2019-2024E
Per capita nominal GDP (Singapore)		3.2%	0.3%
Per capita nominal GDP (Malaysia)		3.1%	1.0%
Per capita nominal GDP (Thailand)		7.0%	2.5%



Source: The historical data for the years between 2015 and 2019 for Singapore, Malaysia and Thailand is from Singapore Department of Statistics found in (<https://www.singstat.gov.sg/>) as extracted on 22th June 2020, Department of Statistics Malaysia found in (<https://www.dosm.gov.my/v1/index.php>) as extracted on 22th June 2020, and National Statistical Office of Thailand found in (<http://www.nso.go.th/sites/2014en>) as extracted on 22th June 2020 respectively. Forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan

Note: Singapore Department of Statistics, Department of Statistics Malaysia and National Statistical Office of Thailand have not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information

Driven by continuous Internet technology innovation in the past years as well as the prevalence of the Internet plus economy in Southeast Asia, the number of Internet users in Singapore, Malaysia and Thailand has also experienced stable growth in the past years. By 2024, the number of Internet users in Singapore, Malaysia and Thailand is expected to reach approximately 5.9 million, 30.4 million, and 60.1 million users, respectively.

Table 2-6 Number of Internet Users (Selected Countries in Southeast Asia), 2015-2024E

	CAGR	
	2015-2019	2019-2024E
Number of Internet users (Singapore)	3.1%	2.6%
Number of Internet users (Malaysia)	5.7%	2.6%
Number of Internet users (Thailand)	13.0%	6.1%

	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	2024E
■ Singapore	4.6	4.7	4.9	5.0	5.2	5.4	5.4	5.7	5.7	5.9
■ Malaysia	21.5	24.2	24.9	25.6	26.8	27.6	28.3	29	29.7	30.4
■ Thailand	27.4	29.1	36.5	40.7	44.7	48.4	51.8	54.8	57.4	60.1

Source: The historical data for the years between 2015 and 2019 for Singapore, Malaysia and Thailand is from Singapore Department of Statistics found in (<https://www.singstat.gov.sg/>) as extracted on 22th June 2020, Department of Statistics Malaysia found in (<https://www.dosm.gov.my/v1/index.php>) as extracted on 22th June and National Statistical Office of Thailand found in (<http://www.nso.go.th/sites/2014/en>) as extracted on 22th June respectively. Forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan

Note: Singapore Department of Statistics, Department of Statistics Malaysia and National Statistical Office of Thailand have not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information

3. Overview of Drama Series Market

3.1 Definitions and Segmentation of Drama Series Market

The types of drama series analyzed in this report could be divided into two sub-segments based on their nature, namely TV series and web series. Alternatively, the drama series could also be classified based on their broadcasting channels, namely TV channel and online video platform. The following table illustrates the definition and segmentation of drama series.

TV series is a type of drama series for which the distribution license is issued by the SARFT. and can be distributed and broadcasted on both TV channels and online video platforms. Web series, on the other hand, is filed and reviewed by SARFT and can only be broadcasted on online video platforms.

Table 3-1 Definition and Segmentation of Drama Series

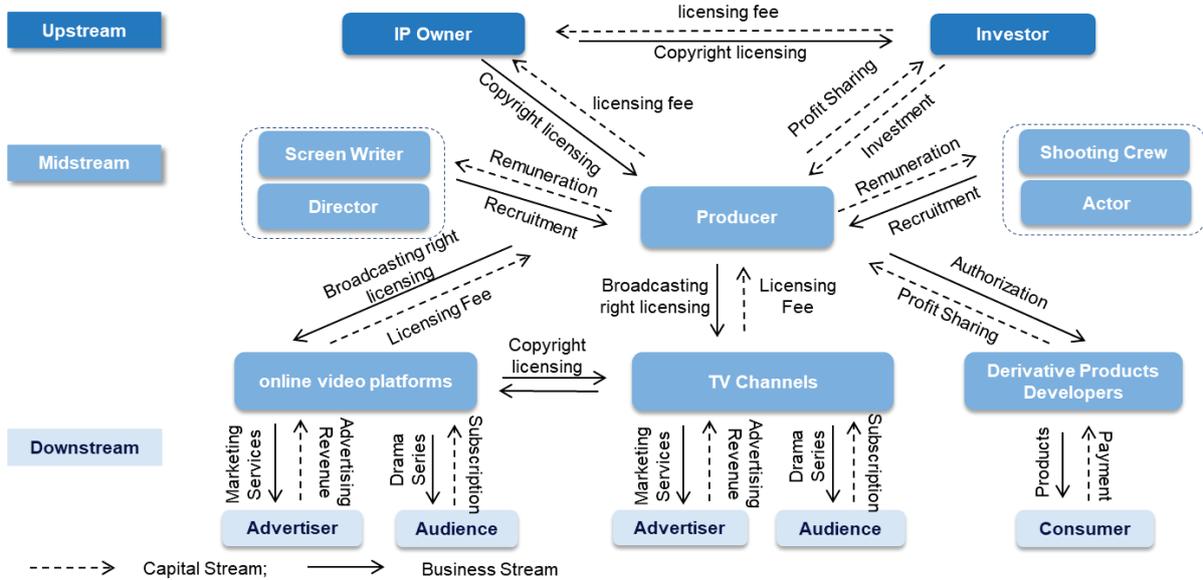
Drama Series Market	By Category	TV Series	➤ TV series is defined as the type of drama series with distribution license issued by State Administration Radio, Film and Television of the PRC (SARFT).
		Web Series	➤ Web series is defined as another type of drama series that is only broadcasted on online video platforms, which need to be filed and reviewed by State Administration Radio, Film and Television of the PRC (SARFT).
	By Channel	TV Channel	➤ Only the TV series that have obtained the broadcasting licenses issued by State Administration Radio, Film and Television of the PRC (SARFT) could be broadcasted on TV channels
		Online Video Platforms	➤ The TV series with broadcasting licenses could be broadcasted on online video platforms when the platforms are licensed. ➤ The web series could be only broadcasted on online video platforms

Source: Frost & Sullivan Analysis

3.2 Analysis on Value Chain of Drama Series Market

The value chain of the drama series market in the PRC is divided into (i) upstream – investments, including IP transaction and incubation and production capital preparation; (ii) midstream – production and distribution; and (iii) downstream – broadcasting. The following table illustrates the value chain of the drama series market.

Table 3-2 Value Chain of Drama Series



Source: Frost & Sullivan Analysis

Initiated by the producers or investors who own the copyrights of the stories or IPs, drama series production starts with IP transaction and incubation, as well as project fund-raising. Producers play a crucial role in the coordination and liaison with multiple parties, including the filming crew, directors, actors, and various potential distribution channels. Large drama series production companies usually have their own distribution teams who have built long-term relationships with TV channels and online video platforms to ensure that their drama series can be distributed to the audience via these channels.

3.3 Analysis on Business Operation Process of Drama Series

The business operation process of a drama series typically comprises investment, production, distribution and broadcasting. The following table illustrates the business operation process of a drama series in detail.

Table 3-3 Business Operation Process of Drama Series

Investment	Production	Distribution	Broadcasting
<ul style="list-style-type: none"> ✓ Project development The investors regularly conduct: <ul style="list-style-type: none"> • Market research to keep track of the evolving market, including trends for drama series, viewership and the appropriate broadcasting channel • Script planning based on the market research ✓ Capital funding <ul style="list-style-type: none"> • Funding sources range from commercial banks to drama series companies • Increasing number of broadcasting channels are collaborating with drama series production companies to invest in drama series 	<ul style="list-style-type: none"> ✓ The producers will take charge of the whole drama series production process, which mainly includes recruitment of directors, selection of actors , budget planning, shooting and post-production works, etc. ✓ The flexible and efficient cooperation between producers and different parties positively contribute to the quality of drama series and also help to ensure the production of drama series will be finished within the predetermined time table in cost-effective manner. 	<ul style="list-style-type: none"> ✓ This refers to the licensing of its broadcasting rights to broadcasting channels, so that the drama series could be aired to end audience ✓ The professional distribution companies or the in-house distribution departments of drama series companies will play significant role at this stage. They usually establish long-term business relationship with different broadcasting channels and understand the demands and budget of these broadcasting channels. Meanwhile, solid market research regarding to the preferences of the audience lead to the formulation of customized marketing and distribution plan. ✓ In some cases, the producers of the drama series will commission the third-party companies/agencies to distribute their drama series for higher profits or distributing the drama series to the platforms whom the producers have not establish business relationship yet 	<ul style="list-style-type: none"> ✓ The drama series are normally broadcasted on TV channels and online video platforms. The increasing popularity of online video platforms like YOUKU, iQIYI and Tencent Video helps provide diversification benefits in terms of increased broadcasting channel options and encourage production of drama series content to cater to the consumer demand on these platforms. ✓ Meanwhile, along with the further development of Internet technologies, the viewing of drama series become increasingly interactive and engaging by bullet screen and multi-screen interaction as well.

Source: Frost & Sullivan Analysis

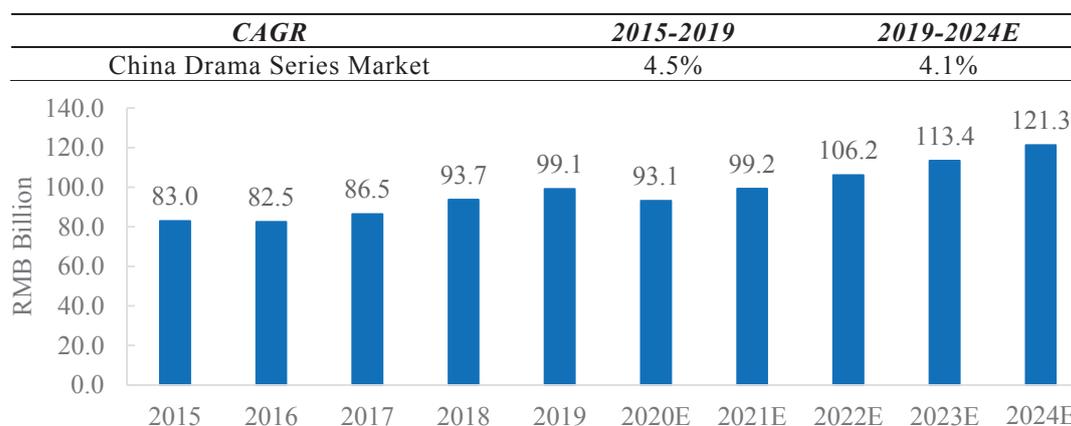
3.4 Market Size Growth of Drama Series Market

The market size of the drama series market is measured by the revenue generated by drama series companies and broadcasting channels.

For drama series companies, revenue is mainly generated from (i) the licensing of broadcasting rights of self-produced or outright-purchased drama series to broadcasting channels such as traditional TV channels and online video platforms, (ii) the sales of drama series copyright, in which the ownership of the drama series is transferred to another party, and (iii) the distribution of drama series, in which the drama series company serves as an distribution agent of the broadcasting rights of drama series.

TV channels and online video platforms mainly serve as the broadcasting channels in the drama series market, with the bulk of their revenue generated from advertising. Innovative advertising formats, such as native advertising and social advertising, flexibly and skillfully incorporate the advertising information into the content of the drama series. The application of big data analysis also allows the advertisements to be delivered to the target consumers in a more accurate manner.

The following table illustrates the market size of China drama series market from 2015 to 2024:

Table 3-4 Market Size of Drama Series Market (China), 2015-2024E

Note: The market size refers to the revenue generated by drama series companies and drama series broadcasting channels

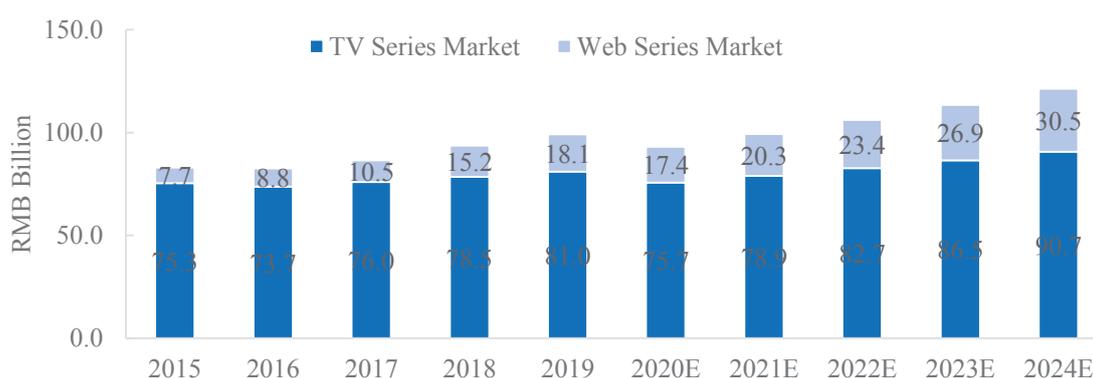
Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

Drama series, which flexibly incorporates comprehensive artistic factors to achieve the purpose of narratives through both TV and web series, have become a popular form of entertainment. The market size of the drama series market in the PRC, as measured by licensing revenue, distribution revenue and advertising revenue, has grown rapidly from approximately RMB83.0 billion to approximately RMB99.1 billion from 2015 to 2019, at a CAGR of approximately 4.5%. Along with the increasing Internet penetration, particularly through mobile, combined with the favorable nature of the Internet including unlimited geography coverage, inclusivity and promptness, broadcasting channels of drama series have effectively diversified, allowing audiences to enjoy the freedom to engage with drama series contents in their spare time. The fast growth in online video platforms supported by technological developments and increased penetration continues to drive demand for content, and together with TV channels, the market size of China drama series market is expected to reach over RMB 100 billion within the next 5 years. As such, the market size of drama series is forecasted to reach approximately RMB121.3 billion in 2024, attaining an estimated CAGR of approximately 4.1% between 2019 and 2024.

The following table illustrates the market size breakdown of China drama series market by category from 2015 to 2024:

Table 3-5 Market Size Breakdown of Drama Series Market by Category (China), 2015-2024E

	<i>CAGR</i>	<i>2015-2019</i>	<i>2019-2024E</i>
China TV Series Market		1.8%	2.3%
China Web Series Market		23.9%	11.1%



Note: The market size refers to the revenue generated by drama series companies and drama series broadcasting channels from TV series and web series.

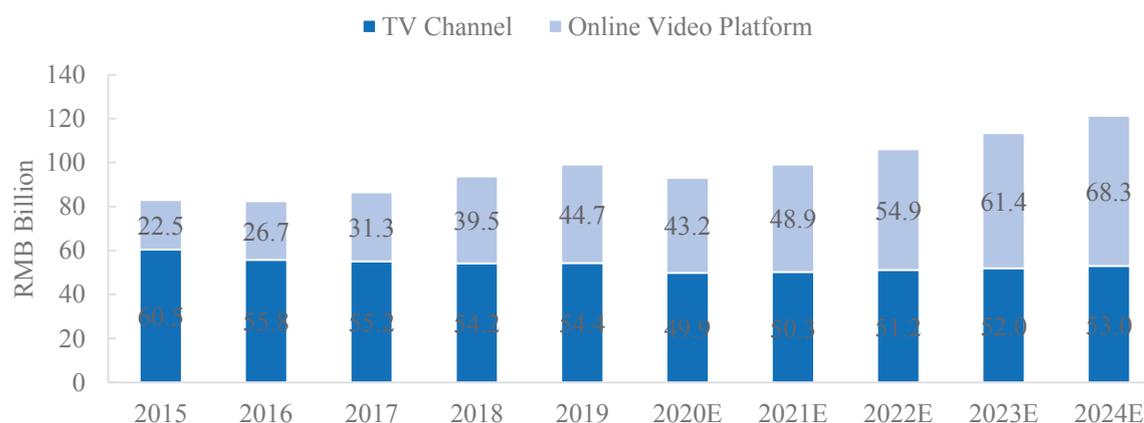
Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

Given the abundant industry experience and the stable audience base associated with TV channels, TV channels have served as the major channel for the distribution and broadcasting of TV series in the past decades. With the introduction of new regulation by the National Radio and Television Administration, PRC in 2015, in which (i) the same TV series should be broadcasted on no more than two satellite TV channels each night during prime time, and (ii) each channel can broadcast at most two episodes per night, the landscape of the drama series market has changed. Although this policy has increased the number of TV series that could be broadcasted through TV channels, it intensified competition among companies focusing on production and distribution of TV series. On the other hand, in line with the wave of Internet proliferation, online video platforms such as Tencent Video, iQIYI and Youku have rapidly attracted a massive user base with tremendous user engagement, and generated significant monetization opportunities in the past years. As a result, the web series market witnessed rapid growth between 2015 and 2019 at a CAGR of approximately 23.9%, reaching approximately RMB18.1 billion in 2019. The fast growth of the web series market is forecasted to continue in the following years, at an estimated CAGR of approximately 11.1% between 2019 and 2024. In contrast, the TV series market has increased from approximately RMB75.3 billion in 2015 to approximately RMB81.0 billion in 2019 at a CAGR of approximately 1.8%. The TV series market is expected to grow at an estimated CAGR of approximately 2.3% between 2019 and 2024, estimated to reach approximately RMB90.7 billion in 2024.

The following table illustrates the market size breakdown of China drama series market by channel from 2015 to 2024:

Table 3-6 Market Size Breakdown of Drama Series Market by Channel (China), 2015-2024E

CAGR	2015-2019	2019-2024E
TV Channel	-2.6%	-0.5%
Online Video Platform	18.7%	8.9%



Note: The market size refers to the revenue generated by drama series companies and drama series broadcasting channels through TV channels and online video platforms

Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

Although the revenue of drama series generated from TV channels still makes up a major portion of the total market size at approximately 54.9% in 2019, the decrease in advertising revenue collected by TV channels in recent years has limited its capacity to purchase new TV series at competitive prices. Hence many TV channels turned to purchasing second/third-run TV series at a relatively lower price. As a result, the revenue of drama series generated from TV channels recorded a slight decrease between 2015 and 2019, from approximately RMB60.5 billion to approximately RMB54.4 billion. On the other hand, online video platforms are placing increasing emphasis on web series in the past few years through continuous investment in self-produced web series or made-to-order web series, which led to the rapid growth of revenue of drama series generated from online video platforms, increasing from approximately RMB22.5 billion in 2015 to approximately RMB44.7 billion in 2019 at a CAGR of approximately 18.7%. The revenue from drama series on online video platforms is expected to grow as an estimated CAGR of approximately 8.9% from 2019 to 2024, and expected to reach approximately RMB68.3 billion in 2024.

3.5 TV Series Market

3.5.1 Analysis on dynamics of TV Series Market

The competition in the China drama series market has been intensified by a fast-growing number of market players and overproduction of drama series

Pursuant to the Administrative Provisions on the Production and Operation of Radio and Television Programs (《廣播電視節目製作經營管理規定》) promulgated by the State Administration of Radio, Film and Television (中華人民共和國國家廣播電影電視總局) which became effective on August 20, 2004, drama series companies are required to obtain the Radio and Television Program Production and Operation Permit (the “Permit”) (《廣播電視

節目創作經營許可證》) in order to produce and distribute drama series legally in China. The number of “Permits” issued increased at a rapid CAGR of 26.8% between 2014 and 2018, increasing from 7,248 to 18,728¹. In 2017 in particular, the year-on-year growth of “Permits” issued reached approximately 40.6%, higher than that in 2016 at approximately 19.5%.

TV series were also overproduced in the PRC in the past five years. In 2019, the number of TV series filed was 905² which is 21.3% less than that in 2015. However, the number of TV series that obtained distribution licenses in the same year was 254³, and only accounted for approximately 28.1% of the number of TV series being filed, implying an overproduction in the PRC drama series market. On the demand side, the number of first-run TV series⁴ that could be broadcasted on TV channels is limited. In fact, the demand for the first-run TV series available in the market has been restricted by two main factors, (i) the TV channels’ broadcasting capacity, since their prime-time slots are relatively limited as well as (ii) marketers’ gradually decreasing advertising expenditures due to their deteriorated operating status. As a result, leading broadcasting channels such as China Central Television (CCTV), the top 5 TV channels⁵ and top 3 online video platforms⁶ have become more selective and are likely to select high

¹ The historical data for the number of Radio and Television Program Production and Operation Permit is from National Radio and Television Administration found in (<http://www.nrta.gov.cn/>) as extracted on 22th June 2020. CAGR is calculated by Frost & Sullivan. National Radio and Television Administration has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

² The historical data for the number of filed TV series is from National Radio and Television Administration found in (<http://www.nrta.gov.cn/>) as extracted on 22th June 2020. National Radio and Television Administration has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

³ The historical data for the number of TV that obtained distribution licenses is from National Radio and Television Administration found in (<http://www.nrta.gov.cn/>) as extracted on 22th June 2020. National Radio and Television Administration has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

⁴ First-run TV series refers to the TV series that is broadcasted on TV channels for the first time.

⁵ Top 5 TV channels refer to Zhejiang TV Channel, Jiangsu TV Channel, Beijing TV Channel, Dragon TV Channel and Hunan TV Channel.

⁶ Top 3 online video platforms refer to iQIYI, Tencent Video and YOUKU.

quality productions from drama series production companies that have an experienced production team with track record of excellent performance in previous works.

The leading broadcasting channels are more likely to purchase the TV series produced by the drama series companies with strong production capabilities and proven track record

In 2019, there were approximately 74⁷ TV series being broadcasted on China Central Television (CCTV) and the top five TV channels, accounting for approximately 88.1% of total first-run TV series market in 2019. In the same year, the number of first-run web series broadcasted on the top three online video platforms was approximately 95, accounting for approximately 76.0% of the total first-run web series market. In 2018, the market share of CCTV was approximately 30.3%, ranking first among provincial satellite TV channels, provincial non-satellite TV channels, municipal channels and other channels. As such, CCTV, the top five TV channels and top three online video platforms are viewed as the leading broadcasting channels in the China drama series market due to their high popularity and sizable budget for drama series purchases. However, due to the limited number of first-run TV series that can be broadcasted on CCTV and the top five TV channels in a year, as well as the slight decrease in advertising revenue of these platforms in recent years, these leading TV channels have become even more selective of TV series purchases. Therefore, leading drama series companies with a strong competitive edge in TV series production and distribution and proven track record are more likely to be able to cooperate with or distribute through these leading broadcasting channels, which ensures sustainability of their business development.

Compared with TV channels, online video platforms with sufficient capital could pay higher for high-quality TV series content

The implementation of the “One TV Series, Two Satellite TV Channels”⁸ policy intensified competition among the TV channels for superior TV series, directly drove up the per episode licensing revenue of new TV series on TV channels, increasing from approximately RMB1.6⁹ million in 2015 to approximately RMB2.0 million in 2019, with a CAGR of approximately 5.1%. The per episode licensing revenue of new TV Series on TV channels is estimated to further increase at an estimated CAGR of 2.1% between 2019 and 2024, reaching approximately RMB2.2 million in 2024. Meanwhile, the proliferation of Internet and development of mobile related intelligent devices has expanded the broadcasting channels for TV series. Favorable characteristics of the Internet, including its unlimited geography coverage, inclusivity and promptness allow it to be the critical traffic source for TV series to maximize its commercial value. Under such conditions, the licensing fee for online video platforms paid for per episode of TV series witnessed rapid growth between 2015 and 2019, increasing from approximately RMB1.8 million to approximately RMB2.4 million and yielded a CAGR of approximately 7.6% between 2015 and 2019. This figure is estimated to increase to approximately RMB2.8 million by 2024.

⁷ The historical data for the number of first-run TV series is from primary research conducted by Frost & Sullivan.

⁸ “One TV Series, Two Satellite TV Channels” refers to the policy where (i) the same TV series should be broadcasted on no more than two satellite TV channels each night during prime time, and (ii) each channel can broadcast at most two episodes per night.

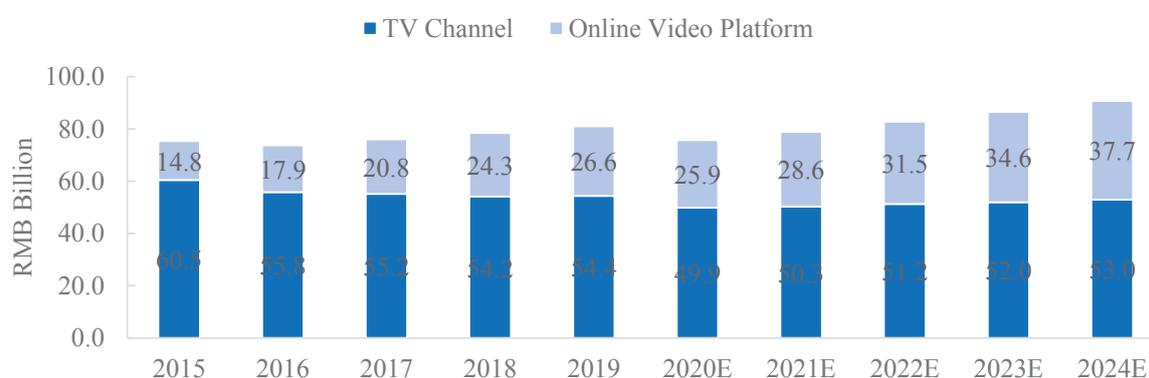
⁹ The historical data for per episode licensing fee of TV series paid by TV channels and online video platforms is from primary research conducted by Frost & Sullivan.

3.5.2 Market Size Growth of TV Series Market

Since TV series can be broadcasted on TV channels and online video platforms, the market size for TV series can be broken down by channels. Generally, faced with the competition from online video platforms, the revenue of TV series generated from TV channels is forecasted to remain stable. Meanwhile, online video platforms help expand the distribution channels for TV series with great development potential. The following table illustrates the market size breakdown of China TV series market by channel from 2015 to 2024:

Table 3-7 Market Size Breakdown of TV Series Market by Channel (China), 2014-2024E

<i>CAGR</i>	<i>2015-2019</i>	<i>2019-2024E</i>
TV Channel	-2.6%	-0.5%
Online Video Platform	15.7%	7.2%



Note: The market size refers to the revenue generated by drama series companies and drama series broadcasting channels from TV series through TV channels and online video platforms

Source: The historical data for the year between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

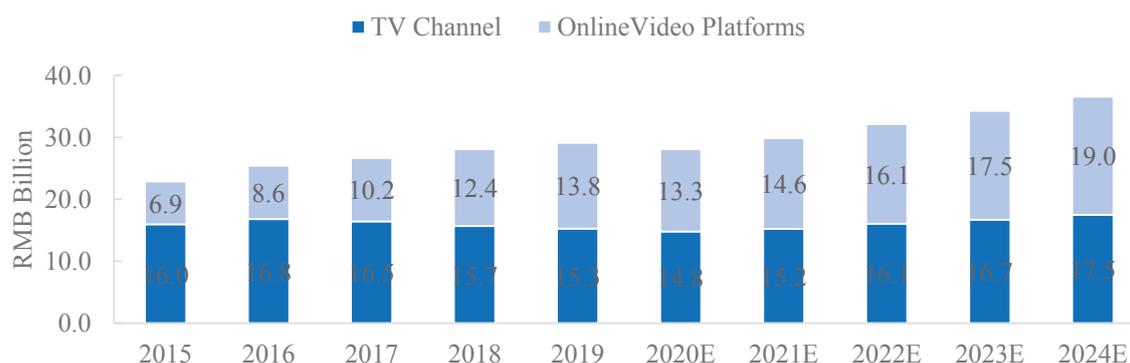
In 2019, the revenue generated from TV series on TV channels including licensing revenue, distribution revenue and advertising revenue reached approximately RMB54.4 billion, and yielded a negative CAGR of approximately 2.6% between 2015 and 2019. The figure is forecasted to reach approximately RMB53.0 billion by 2024.

In line with the wave of the Internet economy, online video platforms with large user bases such as iQIYI, Tencent Video and YOUKU, have become popular broadcasting channels for TV series. From 2015 to 2019, the revenue generated from TV series on online channels increased at an impressive CAGR of approximately 15.7%, growing from approximately RMB14.8 billion to approximately RMB26.6 billion. The figure is projected to reach approximately RMB37.7 billion by 2024, and expected to have a CAGR of approximately 7.2% between 2019 and 2024.

Licensing and distribution revenue of TV series generated by drama series production and distribution companies are the major components of the TV series market. The following table illustrates the licensing and distribution revenue of China TV series market by channel from 2015 to 2024:

Table 3-8 Licensing and Distribution Revenue of TV Series Market, China, 2015-2024E

<i>CAGR</i>	<i>2015-2019</i>	<i>2019-2024E</i>
TV Channel	-1.1%	2.8%
Online Video Platform	19.2%	6.6%



Note: The market size refers to the revenue generated by drama series companies from distributing or licensing TV series to TV channels and online video platforms.

Source: The historical data for the year between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

As a result of the improvement in the quality of TV series together with the increasing investment in the PRC TV series, the licensing revenue of TV series increased from approximated RMB22.9 billion to approximately RMB29.1 billion, and witnessed a moderate growth with a CAGR of approximately 6.3% between 2015 and 2019, accounting for approximately 35.9% of the total TV series market in 2019. Since the TV series can be distributed through both TV channels and online video platforms, the licensing revenue from TV series could be further broken down by channels. Over the past few years, the decrease in advertising revenue of TV channels limited its capacity to purchase new TV series at competitive prices and led to negative growth of licensing revenue of TV series from TV channels. The licensing revenue of first-run TV series generated from TV channels reached approximately RMB12.9 billion in 2019, accounting for approximately 84.6% of the total licensing revenue of TV series from TV channels. The emergence and fast growth of online video platforms along with the proliferation of the Internet, particularly on mobile devices, effectively diversified the broadcasting channels for TV series. Between 2015 and 2019, the licensing revenue generated from online video platforms increased from approximately RMB6.9 billion in 2015 to approximately RMB13.8 billion in 2019, and recorded a CAGR of approximately 19.2%. This figure is forecasted to reach approximately RMB19.0 billion in 2024.

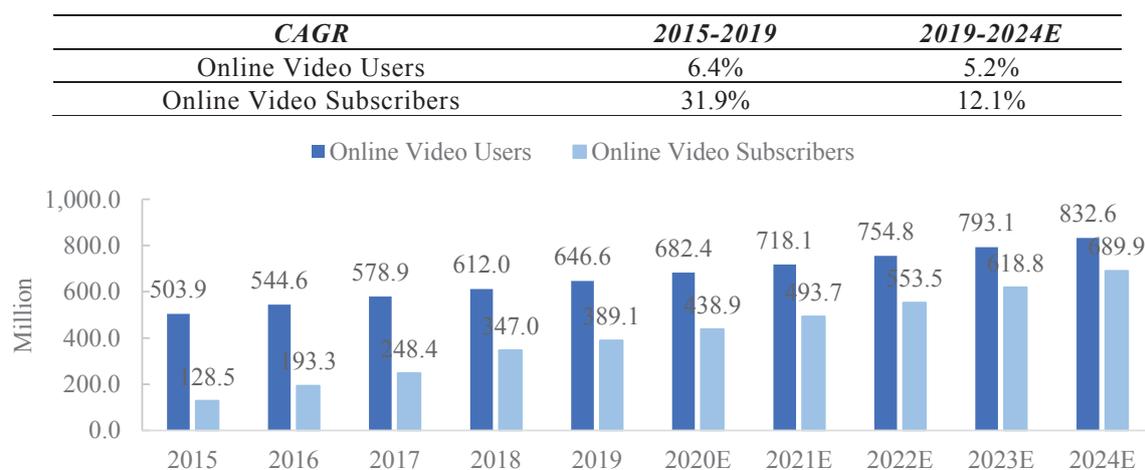
3.6 Web Series Market

3.6.1 Analysis on dynamics of Web Series Market

Online video platforms are increasingly functioning as key aggregators and distributors of video content, effectively competing for a greater share of users’ leisure time

The popularity of online video platforms has increased a lot over the past few years due to diversity and interactivity. Video is the leading online entertainment format in the PRC. In 2019, the number of online video users reached approximately 646.6¹⁰ million, accounting for 73.8% of Internet users.

Table 3-9 The Number of Online Video Users, China, 2015-2024E



Source: The historical data for the year between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

Online video platforms provide a broad range of content that caters to different users and increasingly function as key aggregators of video content, to effectively compete for a greater share of users’ leisure time. Professionally produced and rich video content creates monetization opportunities for these platforms. These monetization opportunities include membership services and advertising services. The number of online video subscribers witnessed an impressive increase at a CAGR of 31.9% between 2015 and 2019, expanding from approximately 128.5 million in 2015 to approximately 389.1 million in 2019, and comprised 60.2% of the total online video users. Along with the shift of the business model of online video platforms from a heavy reliance on online advertising revenue to a more balanced and diversified combination of advertising and membership services, the number of

¹⁰ The historical data for the number of online video user is from primary research conducted by Frost & Sullivan. CAGR is calculated by Frost & Sullivan.

online video subscribers is forecasted to reach approximately 689.9¹¹ million in 2024 and its percentage is projected to reach 82.9% of total online video users by 2024.

The competitive landscape of the online video market is highly concentrated, with iQIYI, Tencent Video and YOUKU accounting for approximately 83.6% of total market size in terms of the revenue in 2019. The market share of iQIYI and YOUKU is approximately 51.7% in terms of the revenues in 2019. iQIYI, a leading online streaming service provider, has attracted a massive user base with tremendous user engagement through curated premium content. In 2019, the average mobile MAUs¹² were 476.0¹³ million and average DAUs¹⁴ were 139.9 million. On average, the users of iQIYI spent 9.6 billion hours per month watching video content on the platform through all devices and spent an average of 1.6 hours per day per user watching video content on the mobile apps in 2019. In March 2020, the average mobile MAUs of TikTok, Kwai, iQIYI, Tencent Video and YOUKU were 470 million, 270 million, 300 million, 250 million and 110 million, respectively.

Compared with TV channels, online video platforms have wider commercialization opportunities, translating to increased revenue and budget to invest in producing more premium drama series content

In the drama series market, traditional TV channels and online video platforms compete for the audience's time through high-quality drama series content. In recent years, the advertising revenue from TV channels, which is the major revenue source for the TV channels' procurement budget, experienced a slight decrease as more advertisers shifted to online advertising.

Table 3-10 Comparison of TV Channels and Online Video Platforms on Drama Series Investment (China), 2015-2024E

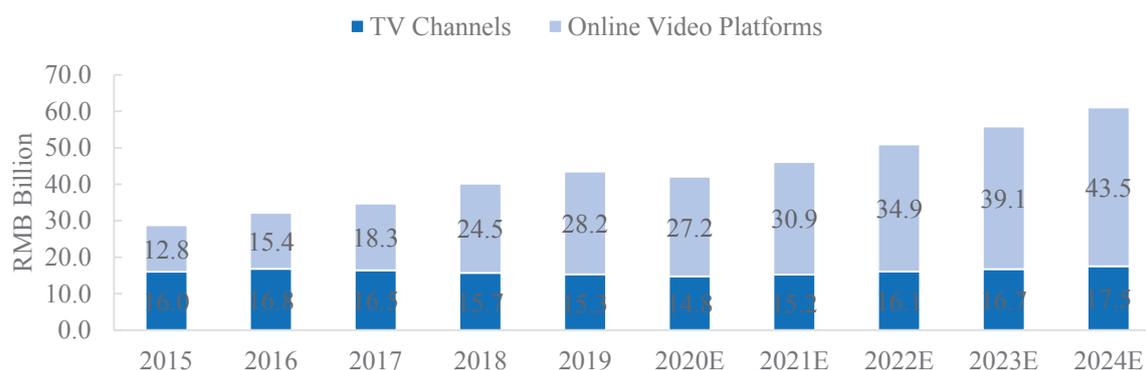
<i>CAGR</i>	<i>2015-2019</i>	<i>2019-2024E</i>
TV Channel	-1.1%	2.8%
Online Video Platform	21.8%	9.1%

¹¹ The historical data for the number of online video subscribers is from primary research conducted by Frost & Sullivan. CAGR is calculated by Frost & Sullivan.

¹² MAU refers to monthly active user.

¹³ The historical data for iQIYI is from its annual report for the year of 2019. iQIYI has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

¹⁴ DAU refers daily active user.



Note: The drama series purchased by TV channels is measured by the licensing or distribution fee of TV series paid by TV channels and the drama series purchased by online video platforms is measured by the licensing or distribution fee of TV series paid by online video platforms and investment on web series by online video platforms.

Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

The reduction in advertising revenue has negatively affected the TV channels' capacity to pay competitive prices for new and high-quality TV series. In 2019, the TV channels paid approximately RMB15.3 billion for licensed TV series. On the other hand, the investment in licensed TV series and web series by online video platforms reached approximately RMB28.2 billion in 2019, almost 1.8 times than that of TV channels. This indicates that online video platforms have higher procurement budget for drama series compared to TV channels.

Online video platforms continue to innovate by introducing new initiatives such as interactive dramas and short-form videos such as vertical screen dramas

Online video platforms have developed a diversified monetization model to capture multiple opportunities arising from the rapid growth of the online entertainment industry in China. Online video platforms produce, aggregate and distribute a wide variety of professionally produced content, or PPC, as well as a broad spectrum of other video content in a variety of formats. To cater to the evolving needs and preferences of viewers and to further increase their competitive advantage, online media platforms continue to innovate by introducing new initiatives such as interactive dramas and short-form videos such as vertical screen dramas.

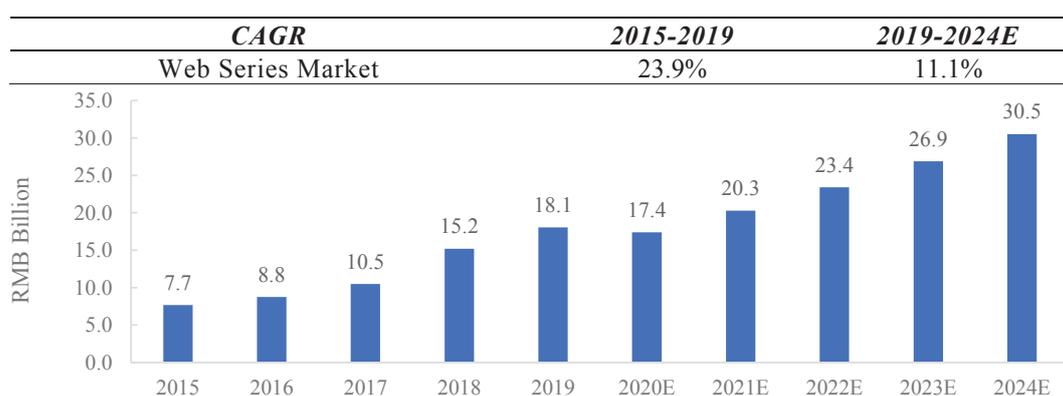
Interactive dramas refer to web series where the audience participate in person through action simulation and Quick Time Event (QTE) to trigger plot development. As compared to traditional web series, interactive dramas break the traditional mode of passive viewing; the audience has the ability to determine the direction of the plot and obtain an immersive experience from the first-person point of view. "The Lost Caverns: The Last King of Banshan Taoist", which was released on Tencent Video on April 2020, is viewed as a milestone in the development of China interactive drama. This interactive format was also applied in the 13th episode of "Love Apartment 5", in which approximately 97.4% of the audience actively participated in the interaction. Based on a 2019 study conducted by China Netcasting Service Association (CNSA), a national organization in the field of online audiovisual, 82.1% of respondents were optimistic about the future development of interactive drama.

In 2019, the short-form video market in China reached approximately RMB54.5 billion in terms of advertising revenues and on-demand services, and yielded an impressive CAGR of approximately 159.6% between 2015 and 2019. The number of short-form video users reached approximately 820.0 million in 2019. With the success of the short-form videos, where the length of each episode is less than 5 minutes, the production of short-form drama series increased. The short-form video drama format distinguishes itself from the existing content format in the market with features such as tight-knit plots and sophisticated production, and has become a new trend in the drama series market. According to the 2019 study conducted by CNSA, 56.8% of respondents believe that there is strong potential demand for vertical screen drama in the future because it caters to the viewers' preferences.

3.6.2 Market Size Growth of Web Series Market

Along with the rapid growth of online video platforms, the role of online video platforms is more than just a broadcasting channel. In order to enhance its competitive advantage and gain more traction in drama series market, online video platforms expanded into the drama series production business segment. As a result, the number of broadcasted web series increased from 85 in 2015 to 125 in 2019 at a CAGR of approximately 10.1%. In addition, these online video platforms have accumulated massive end user data, which could be utilized to analyze viewing data and audiences' preferences in order to craft its investment strategy in web series.

Table 3-11 Market Size of Web Series Market (China), 2015-2024E



Note: The market size refers to the revenue generated by drama series companies from licensing or distributing the web series or producing made-to-order web series and the advertising revenue generated by online video platforms from broadcasting web series

Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

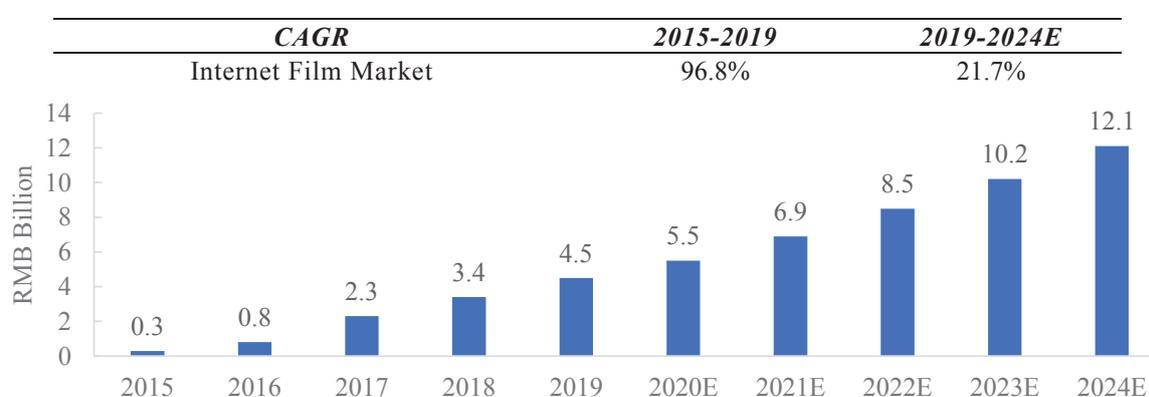
Riding the wave of online video platforms, the market size of web series experienced dramatic growth with a CAGR of approximately 23.9% between 2015 and 2019, increasing from approximately RMB7.7 billion to approximately RMB18.1 billion in 2019. It also accounted for approximately 19.4% of the total drama series market in 2019. In recent years, an increasing number of third-party professional drama series production companies has focused on the production of high-quality web series content and generated revenue from its distribution to online video platforms. To increase competitiveness, online video platforms have also expanded their business to the upstream of the value chain by entering the production of original web series or collaborating with third-party drama series

production companies in the production of web series. In this case, the market size of web series is forecasted to reach approximately RMB30.5 billion by 2024, at a CAGR of approximately 11.1% between 2019 and 2024.

3.7 Internet Film Market

The concept of the Internet film was introduced by iQIYI in 2014. While the Internet film market size is relatively small compared to other categories, the Internet film market has experienced rapid growth. With low production cost, hundreds of Internet film were launched online in 2015 and approximately RMB0.3 billion in revenue was generated. At a CAGR of approximately 96.8% between 2015 and 2019, the market size of Internet film market was approximately RMB4.5 billion in 2019. Driven by increasing investment in this market, a substantial number of Internet film production companies were established. Over the next five years, the production of Internet films is expected to focus on premium content with relatively low labor cost. As the revenue generated by each Internet film is forecasted to continue to grow, the market size is forecasted to reach approximately RMB12.1 billion in 2024, with a CAGR of approximately 21.7% between 2019 and 2024.

Table 3-12 Market Size of Internet Film Market (China), 2015-2024E



Note: The market size refers to the sum of revenue generated from Internet film, which is largely made up of subscription fees and advertising revenue on online video platforms

Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

3.8 Overview of Drama Series Market in Selected Country

3.8.1 Overview of Drama Series Market in U.S.A

From a global perspective, on average, each user spent approximately 8 hours a day on viewing video content in 2019. In addition, on average, each user spent approximately 2 hours 40 minutes on surfing Internet in 2019. In parallel, on average, each user spent approximately 2 hours 53 minutes on watching TV and approximately 53 minutes on listening radio in 2019.

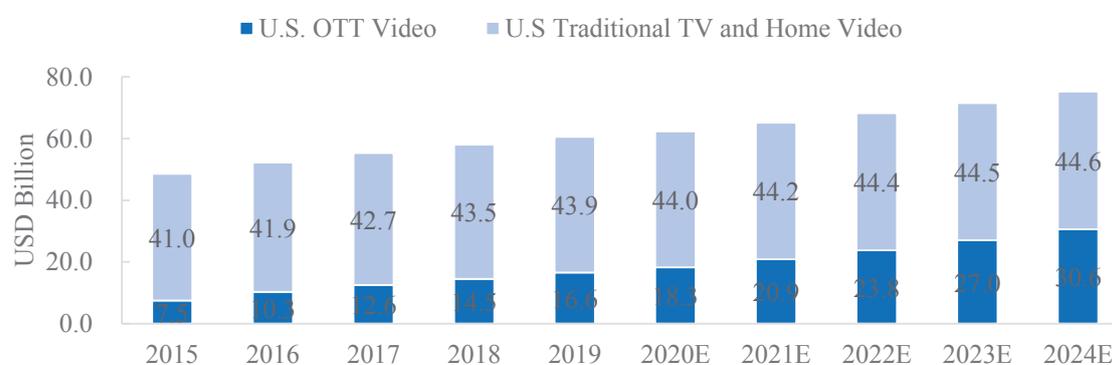
The growth in the time spent on surfing Internet was driven particularly by the growth of the mobile platform. As a result, from a global perspective, the mobile Internet penetration grew to approximately 61.2% in 2019. The growth in smartphone users coupled with the growth in internet speeds have resulted in the increase in time spent on viewing video content. Hence, service providers offering new services can reduce customer churn and expand their market presence.

In the long run, the gap between the time spent on Internet and on TV is expected to narrow further. Note that the Internet time spent comprises all online activities such as browsing websites, watching TV series and video content. Audience today can consume video content over linear TV as well as through the Internet via multiple devices such as desktop, smartphone and connected TV.

The United States pay-TV market still remains the world's largest by some distance, accounting for approximately 46.8% of the global revenue in 2019 with a total market size of approximately USD43.9 billion. Between 2015 and 2019, the growth rate of U.S. traditional TV and home video market has recorded slight increase at a CAGR of approximately 1.7%. The challenges from over-the-top operators like Netflix have compelled traditional pay-TV providers to continue to transform their business models and implement strategies to help customer minimize churn. Example of such strategies include offering value-added products and packages to drive loyalty from core customers, and launching slimmer or "skinny" bundles to appeal to the cost-conscious. The U.S. pay-TV market is forecasted to grow at a CAGR of approximately 0.3% between 2019 and 2024 and reach approximately USD44.6 billion in market size by 2024.

Table 3-13 Market Size of Drama Series Market (U.S.A.), 2015-2024E

<i>CAGR</i>	<i>2015-2019</i>	<i>2019-2024E</i>
Total	5.6%	4.5%
OTT Video	21.8%	13.0%
Traditional TV and Video	1.7%	0.3%



Note: The market size of traditional TV and home video market refers to the total consumer spending on basic and premium pay-TV subscription, consumer spending on public licenses fees where applicable, physical home video revenue and on-demand video services via a TV subscription provider. The market size of over-the-top (OTT) video market refers to the total consumer spending on video accessed via an over-the-top/streaming service (such as Netflix).

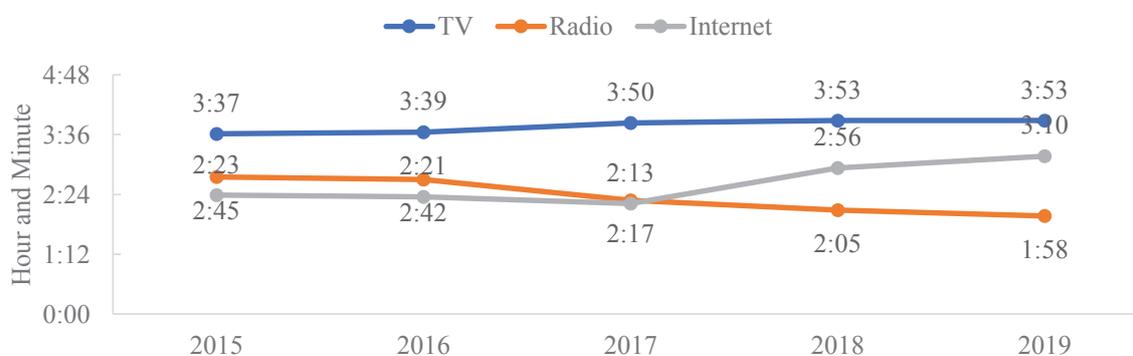
Source: PWC, Global Entertainment & Media Outlook 2019-2023 found in (<https://www.pwc.com/us/en/industries/tmt/library/global-entertainment-media-outlook.html>) as extracted on 22th June 2020. PWC has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Over-the-top (OTT) media services refer to streaming media services offered directly to viewers via the Internet. OTT bypasses cable, broadcast, and satellite television platforms, which are the companies that traditionally act as a controller or distributor of such content. Increasing disruptive digital technologies, high-speed Internet, mobile numbers, numerous applications and cost attracts customers to OTT. In 2019, the market size of U.S. OTT video market reached approximately USD16.6 billion, yielding a CAGR of approximately 21.8% between 2015 and 2019. This increase in competition means the market players will have to work to differentiate themselves from mainstream subscription video-on-demand players in order to attract subscribers. One way to do this is through content—particularly exclusive and original commissions, which have proven to be the crucial determinant in the battle to attract subscribers to streaming services. The level of content spending being poured into the market by both new and existing players is prodigious and shows no signs of lessening any time soon.

3.8.2 Overview of Drama Series Market in Malaysia

Time spent on viewing video content for Malaysia, selected ASEAN, developed nations and globally, show an overall increase in Internet consumption. Specifically, in Malaysia, Internet consumption has increased at a faster pace over the last three years as compared with TV consumption. It is expected that Internet consumption will surpass TV consumption in the next few years.

Table 3-14 Media Consumption of Audience (Malaysia), 2015-2019



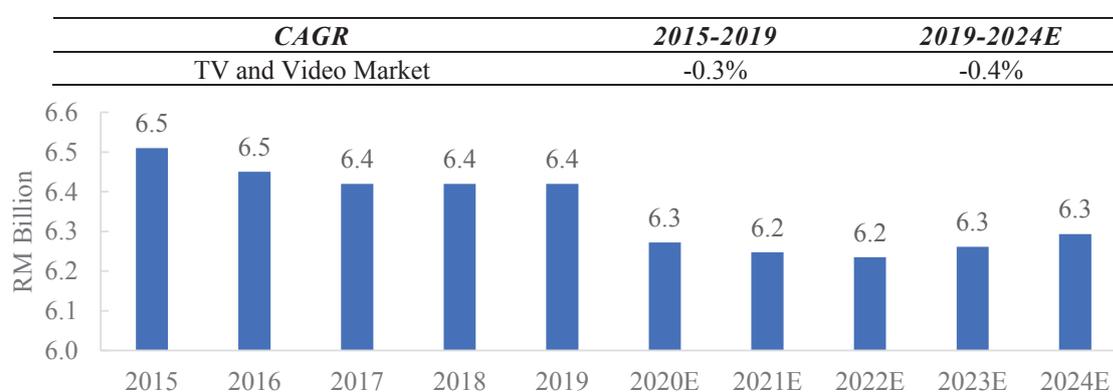
Source: Key to Digital Transformation, Industry Performance Report 2018, Malaysia Communication and Multimedia Commission

Note: Malaysia Communication and Multimedia Commission has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the

Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

In 2019, the market size of TV and Video market in Malaysia is approximately RM6.4 billion. Similar to the other parts of the world, this sector continues to face competition from OTT video. With lower broadband prices and higher Internet speeds, competition from OTT video is expected to continue. This is in addition to local broadcasters earning weak advertising income as advertisers shift budgets to digital media. In the past, broadcasters generated revenue mainly from advertising or subscription business models. Today, major broadcasters are distributing their content via dedicated access network as well as OTT services. These developments widen audience reach and offer greater operating efficiencies.

Table 3-15 Market Size of TV and Video Market (Malaysia), 2015-2024E



Source: The historical data for the years between 2015 and 2019 is from Key to Digital Transformation, Industry Performance Report 2018, Malaysia Communication and Multimedia Commission; The forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

Note: Malaysia Communication and Multimedia Commission has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Broadcasters are known for their strength of managing traditional TV business, generating revenue mainly from advertising or subscription business models. However, today, there is a need to optimize content value by offering content across different platforms to achieve greater operating efficiencies. Therefore, a well-positioned broadcaster needs to strategize its business by enhancing operational efficiency and reducing operating expenses. Local TV broadcasters, comprising both Free-to-Air (FTA) and Pay TV service providers, offering services beyond their traditional content business. They constantly diversify and maximize their physical assets and capabilities around

content, such as through intensifying home shopping. Aside from selling content to overseas markets and service providers such as telcos, they also reach out to SMEs for their advertising content. For instance, in December 2018, ASTRO announced that Netflix, a global OTT player, has acquired worldwide rights for its Hong Kong drama series namely *Demon's Path*. Produced in partnership with a Hong Kong production company, the drama was available to Netflix subscribers globally from 22 December 2018.

3.8.3 Overview of Drama Series Market in Singapore

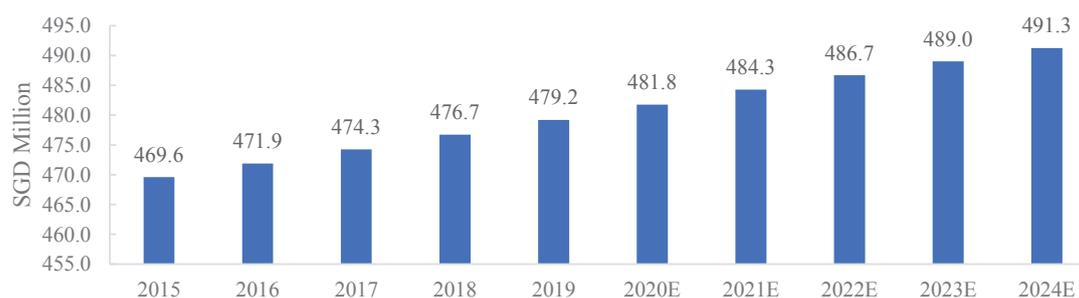
While Singapore is already a traditional TV hub, the Infocomm Media Development Authority (IMDA) has aggressively positioned the city state as the gateway to Asia for the tech and streaming industries with financial incentives and other attractive policies. Several global streamers, broadcasters and tech companies have set up their regional headquarters in Singapore, including Netflix, Warner Media, Discovery, Facebook, Apple, YouTube and Google. On the production front, Singapore has moved away from its “Made in Singapore” mantra to its new strategy of “Made with Singapore”, which recognizes the development role it can play across the fast-growing but less developed markets of Southeast Asia.

From the perspective of the audience¹⁵, viewers in Singapore spent an average of approximately 7.6 hours per week watching online videos in 2019, much higher than that of the global average of approximately 6.9 hours in 2019. In comparison, the viewers in Singapore spent an average of approximately 5.7 hours per week watching traditional broadcast television in 2019, indicating that the viewing preferences of audiences in Singapore are gradually shifting from traditional broadcasting channels to digital platforms. Among various types of online video content including movies, TV shows, news and sports, TV shows is the second most commonly watched content in Singapore and approximately 1.99 hours was spent per day watching TV shows in 2019.

Table 3-16 Market Size of TV and Video Market (Singapore), 2015-2024E

<i>CAGR</i>	<i>2015-2019</i>	<i>2019-2024E</i>
TV and Video Market	0.5%	0.5%

¹⁵ The data for the audience behavior in Singapore is from *The State of Online Video 2019* published by Limelight Networks. Limelight Network has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.



Source: Frost & Sullivan Proprietary Database found in (<https://size.frostsullivan.cn/#/>) as extracted on 22th June 2020.

3.9 Market Drivers of Drama Series Market

Sustainable growth of demands for premium video content

China has stepped into a new era of growth under the “new norm”, in which the economic growth model has begun to shift from an investment-driven model towards a consumption-driven model. In addition, the cumulative effect of decades of rising disposable income and improving living standards has caused significant changes in the general consumption patterns in China. Chinese consumers start to seek high-quality entertainment and leisure products, beyond basic living necessities” instead. Such favorable macro circumstances and sustainable growth of entertainment demands provide massive opportunities for the development of the video entertainment industry. Gradually, watching video programs, such as TV series, Web series, and films, have become popular daily entertainment activities.

The prevalence of Internet and mobile Internet

Riding the wave of the “Internet plus” concept advocated for by the central government, 2016 was the golden year for the flourishing of the Internet and mobile Internet. The characteristics of Internet, including its unlimited geography coverage, inclusivity and promptness allow it to be the major traffic source for many business activities, including that of the video entertainment industry. The majority of TV Series are broadcasted on Internet platforms in order to expand channels and reach out to greater audiences. Many Internet platforms also invest or produce drama series to attract users and Internet traffic. Given the interactivity and mobility of the Internet, online video platforms have gradually overtaken TV channels’ leading status in broadcasting and has become the preferred choice for audiences. Considering the huge opportunities provided by the Internet and mobile Internet, the development of the China video entertainment market is expected to accelerate.

Innovation in drama series

To better fulfill audience’ rising expectations on the quality of drama series, such as script writing, cinematography, post-production quality, and the performance of actors, drama series producers and online video platforms have intensively devoted their efforts into innovation. Some have established an in-house research team focusing on content authoring, audience behaviors analysis and so forth, to enhance the quality of the drama series so that the audience ratings will improve in such a competitive market. Besides, technological innovation is viewed as one of the key success factors. For example, new special effects technology enhances visual appreciation. In addition,

33 | 53

technologies such as big data analytics have been widely utilized in the process of content designing, marketing, and distributing. These relentless efforts made by various market players have stimulated the further development of the market as a whole.

3.10 Entry Barriers of Drama Series Market

The lack of sufficient budget and resources is likely to pose challenges to new entrants.

Typically, a drama series business involves a great amount of working capital for overhead expenditures across the whole process, such as remunerations for actors and creators, post-production costs, and marketing and distribution expenses. High capital investment positively correlates with quality and considerable profit income. Apart from direct investment, some producers may utilize financial leverage through bank loans, funds or Internet financing, which requires strong communication skills in negotiating with various platforms. The lack of sufficient budget and resource is likely to pose challenges to new entrants.

Existing market players with abundant industry expertise pose entry barriers for new entrants

Industry expertise and experience, including the capability to coordinate with all parties effectively, the ability to keep abreast of the latest market trends and satisfy the audiences' ever-changing preferences, as well as the experience in managing regulatory bodies are extremely critical for drama series producers to distinguish themselves from other competitors. In addition, experienced production companies generally have a well-recognized image, which is more likely for them to gain access to talented script writers, directors and cast for the production of a drama series.

The lack of strong distribution capabilities and partnerships with broadcasting channels may pose challenges to new entrants

Typically, drama series are distributed through TV channels and online video platforms. Drama series distributors are required to keep track of market trends, including trends of drama series and ratings. In addition, distributors thoroughly understand the target audience of different broadcasting channels and their viewing preferences. Under such conditions, a high-quality drama series could be distributed through appropriate channels within suitable timing. It is also important to maintain a stable business relationship with the different distribution channels. It is acknowledged that new entrants will face difficulties in establishing strong collaborative partnerships with major distribution channels.

3.11 Future Trends of Drama Series Market

Export of China drama series will be accelerated

There has been an increase in Chinese culture influence around the world and improving production levels of drama series. In recent years, the overseas distribution channels of China drama series have expanded in terms of the quantity of products and transaction value. TV channels and Internet media have jointly shaped the landscape of the exports of drama series export. The penetration of Chinese drama series has improved remarkably on many overseas Internet platforms, leading to profit generation through copyright sales and on-demand services.

Considering the improvement of drama series production technology and innovation on drama series export with the establishment of overseas localized China TV channels, the export of China drama series is likely to accelerate.

Diversification of drama series content and business models

Rapid development of the drama series market attracts a wide range of players to participate in this business. Online literature, Internet gaming, and comics are the major sources of drama series content. In addition, accumulated experiences about content operation and audience analysis of Internet media allow these players to produce quality drama series to directly target audiences in order to satisfy their ever-changing preferences. Advertisement is a major profit stream, particularly for media companies. Traditional media has adopted new advertising modes, such as flexible advertisement placement, multi-screen interaction and data-based marketing solution, to diversify revenue streams. Apart from advertising income, Internet media companies are able to generate profit from subscription fees and on-demand cuts with gradually enhanced intellectual property protection.

Integration and interaction of online and offline broadcasting channels

In the past years, TV stations have become major distribution channels for drama series. However, the number of the drama series which can be broadcasted through TV channels is limited due to policy restrictions. With the increasing Internet penetration rate particularly on mobile platforms and given the accessibility and convenience of Internet, Internet platforms have gradually become competitive in content distribution. In addition, the broadcasting schedule of drama series on Internet platform is almost synchronized with the TV channels. Generally, both distribution channels have their own advantages. In the future, TV channels and online video platforms are likely to form strategic cooperation in resources sharing and ultimately improve efficiency and effectiveness.

4. Overview of Other Drama Series-Related Markets

4.1 Post-production & Visual Effect Market

4.1.1 Definition and segmentation

Post-production refers to all stages of video production, filmmaking, radio production and photography that occur after shooting or recording individual program segments and before the release of the final works. Video post-production includes many different processes grouped under one name. Typical processes include data processing by spot digital imaging technician, video editing, visual effects production, sound design and production and digital intermediate.

Data Processing by the Spot Digital Imaging Technician refers to the workflow that manages camera settings, data storage and backups and image manipulation to achieve the highest image quality in the digital realm.

Visual Effects Production refers to the creation and manipulation of illusions or visual tricks used in films, TV series and web series to stimulate the imagined events in a story or virtual world. Visual effects primarily could be divided into two groups, (i) special effects that covers visual effects taking place in live action such as on set explosion and (ii) digital effects which covers various processes by which imagery is created or manipulated with or from photographic assets. Typical processes include visual effects technology research and development, visual effects design, spot visual effects shooting and visual effects production. A well-established visual effects

production company is usually involved in all processes and output services as a package, covering the design, spot shooting and production processes.

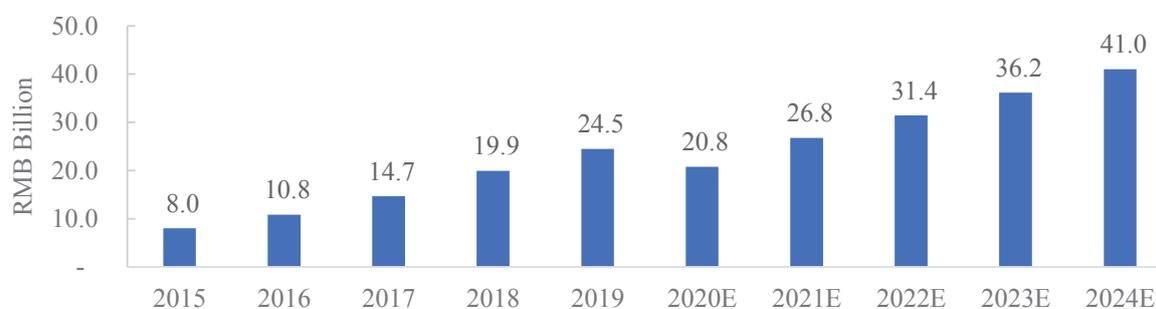
Digital Intermediate refers to the finishing process of video production, involving the digitalization of a motion picture and manipulation of color and other image characteristics.

4.1.2 Industry Outlook and Prospects

Currently, the post-production market in China is still at an underdeveloped stage with a relatively short development history and relies heavily on technologies and equipment procured from overseas. However, China's post-production market witnessed rapid growth in the past years attributable to the robust growth of pan-entertainment industry and there has been shown to be a growing number of Chinese post-production companies that are able to comprehensively manage multiple processes and master major technologies. In addition, the success of many top films that are mainly produced by Chinese post-production companies has brought confidence for the audience, capital market and Chinese post-production market. Between 2015 and 2019, the spending on post-production process demonstrated remarkable growth, increasing from approximately RMB8.0 billion to approximately RMB24.5 billion with a CAGR of 32.1%. In 2020, as the COVID-19 outbreak disrupted the shooting and production process of film and TV drama series, many shooting crews, especially film shooting crews either cut their budget in post-production or halt their post-production process to save budget for future use, thus resulting in the decrease in market size to approximately RMB20.8 billion. Starting in 2021, as most business activities are expected to resume, including the post-production process of new films and TV drama series, the market size is expected to recover gradually and return to its previous level. By 2024, the market size is expected to continue to grow, reaching approximately RMB41.0 billion with a CAGR of 10.9% between 2019 and 2024.

Table 4-1 Market Size of Post-production & Visual Effect (China), 2015-2024E

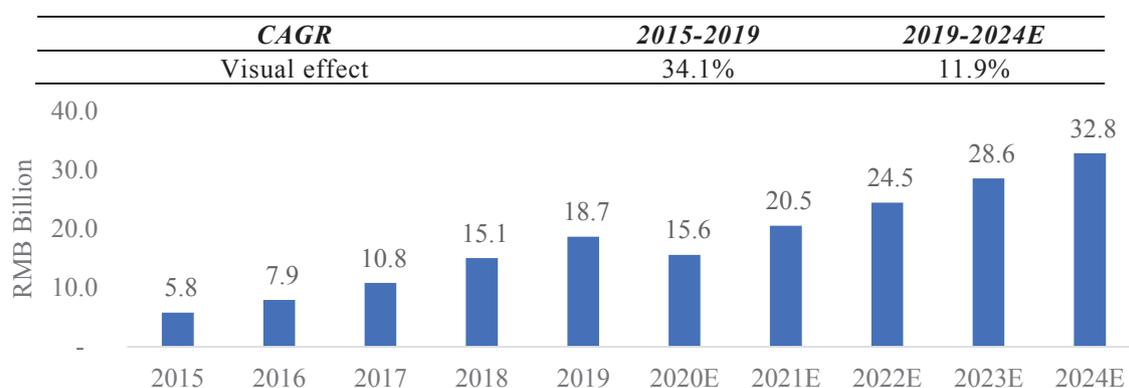
<i>CAGR</i>	<i>2015-2019</i>	<i>2019-2024E</i>
Post-production	32.1%	10.9%



Source: The historical data for the year between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

During the video post-production process, visual effects represents the most significant component of the total cost, and plays an important role in deciding the production quality of a film. As blockbuster films in the themes of action, fantasy and science fiction have become increasingly prevalent among Chinese audience, many of these works have shown relatively higher box office performance and investment return compared to small-budget films. As a result, many domestic films have increased their budget on visual effects production in order to achieve decent market performance. Between 2015 and 2019, the market size of the visual effects production market in terms of revenue generated by post-production and visual effects companies in China experienced dramatic growth, increasing from approximately RMB5.8 billion in 2015 to approximately RMB18.7 billion in 2019 with a CAGR of approximately 34.1%. In 2020, the shooting and post-production process as well as the visual effect activities were temporarily halted by the COVID-19 pandemic and the market size is estimated to decrease to approximately RMB15.6 billion by the end of the year. Starting from 2021, the market is expected to regain its growing momentum. In the future, as the market performance of video contents with high-quality visual effects are expected to prevail, and many Chinese visual effects companies continue to strengthen their competitive advantages to offer high-quality and advanced services, the market size is projected to grow further, reaching approximately RMB32.8 billion by 2024 with a CAGR of 11.9% between 2019 and 2024.

Table 4-2 Market Size of Visual Effect (China), 2015-2024E



Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the year between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

4.2 Talent Management Market

4.2.1 Definition and segmentation

Talent management business refers to a type of professional service offered by experienced artiste management companies to assist artiste across many aspects of career path, training course, marketing campaigns as well as financial and legal consulting, with the aim to maximize the talents' commercial values. The revenue generated by artiste management companies are proportional to the talents' income. The participants in the industry value chain of talent agency market mainly include the artiste management companies, agents, artistes, the companies in charge of related entertainment activity and the audience. In general, traditional art education institutions are still the major channels for artiste management companies to discover potential talents. Meanwhile, along with the increasing

penetration rate of the Internet, particularly on mobile platforms, the Internet entertainment platforms including but not limited to short video platforms and live-broadcasting platforms help the companies to diversify their talent searching channels. Normally, artiste management companies conduct thorough assessment of the talents before entering into a contract with the selected candidates. Within the contract period, the companies are expected to provide integrative services to help the artistes improve their professional skills, popularity, personal image as well as maximize their commercial values. In addition, the revenue generated from the provision of management service is predetermined as per contract terms in relation to artiste' incomes obtained from various entertainment activities on a percentage basis. Yet, the percentage may vary due to a combination of factors. In general, talent agency can be segmented to four major types:

New stars talent agency is defined as a talent agency that focuses on scouting individuals with the potential to become actors or singers. There are professional talent agencies that focus on scouting people with the potential to become artistes, as well as film directors selecting actors or actresses with little experience from art schools for their films and sign them to be managed under their own studios.

Actors talent agency is defined as a talent agency that mainly offers talent management services to actors. It is responsible for securing new films, TV series and programs for actors. Actors talent agencies not only manage their signed actors and actresses, but also continuously search for premium IP resources such as online literature for their talents. In addition, actor talent agencies compete intensively for the starring headcount of popular video contents for their talents in order to maintain high media exposure rate for them.

Singers talent agency is defined as a talent agency that mainly offers talent management services to singers. It is responsible for the initiation of new albums, securing contracts for commercial performances etc. Once signed by talent agencies, singers will often be assigned to a manager, who will be responsible for the singer's performances, marketing schemes and publicity schedules. Singers talent agencies usually cooperate with record companies for the specific recording and production of albums.

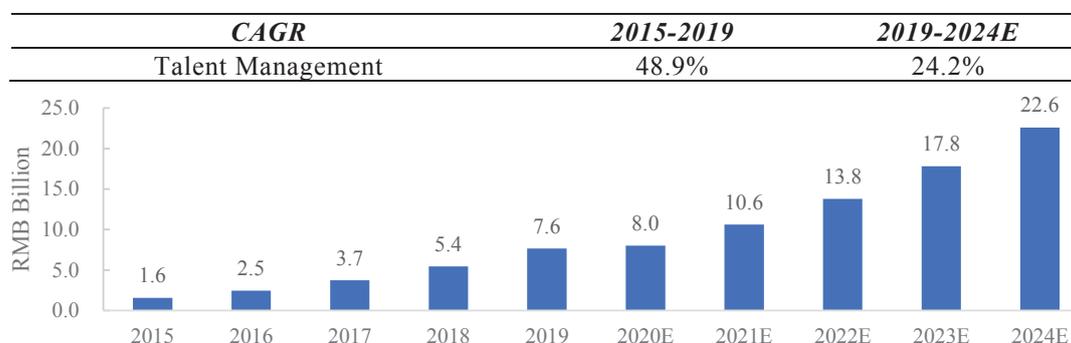
Internet celebrity talent agency is a specialized type of talent agency that focuses on managing Internet celebrities including but not limited to key opinion leaders. These agencies are also known as multi-channel network (MCN) institutions that organize special crews that engage in marketing, promotion, and monetization activities for their talents. In addition, Internet celebrity talent agencies are responsible for searching appropriate platforms for talents to broadcast and increase exposure, and generate revenue on a commission basis.

4.2.2 Industry Outlook and Prospects

Talent agency provides comprehensive and professional talent management services including but not limited to career planning, professional training, marketing, legal affairs, and business development. After nearly twenty years of development, this market has stepped into the third development stage where professional companies start to establish deep cooperation with artistes and compete with competitors for better business resources. The rapid expansion of drama series market and film market in China consistently contribute to the increase in artiste' income level. In parallel, the market size of the talent management market in terms of revenue generated from artiste management businesses recorded rapid growth between 2015 and 2019, increasing from approximately RMB1.6 billion to approximately RMB7.6 billion and yielding a CAGR of approximately 48.9%. Along with the emergence of assembly-line star-training mode proposed by and increasing number of artiste management companies, high-

quality talents with professional expertise, rich experience as well as a large fan base will become the core resource for the service providers. By 2024, the market size is projected to reach approximately RMB22.6 billion.

Table 4-3 Market Size of Talent Management (China), 2015-2024E



Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

4.3 Stage Costume, Makeup and Property Market

4.3.1 Definition and segmentation

Stage costume, makeup, and property refer to the design, production and use of various costumes/outfits, makeups, and properties for actors to visually support their characters and for the actors to bring fictional characters in the screenplay to life. Depending on the genre of the films and TV drama series, the cost of stage costume, makeup and property may vary significantly. For drama series, as stage costume and property play a critical role in immersing audience into the setting and the plot, shooting crews usually pay special attention and spend considerable amount of budget on the stage costume.

Stage costume is defined as outfits specially designed for the scenario settings of the shooting, creating a look that conveys the film or television program's themes, setting, and moods. Nowadays, as audience hold relatively high expectation not only for the contents but also for the stage effects, the budget on stage costume has increased substantially in the past years. For instance, many shooting crews, especially the ones that produce costume drama series, have started to utilize high-quality silk costume with traditional Chinese craftsmanship to enhance stage effect.

Stage makeup is defined as makeup and hairstyle designed for actors that combines their individual traits and the setting of the shooting, which will help audiences believe that what they see on the screen is real. Besides ordinary makeup, films and TV drama series demand special makeup such as wounds and aging effects, done by special makeup techniques, which add vividness to the characters.

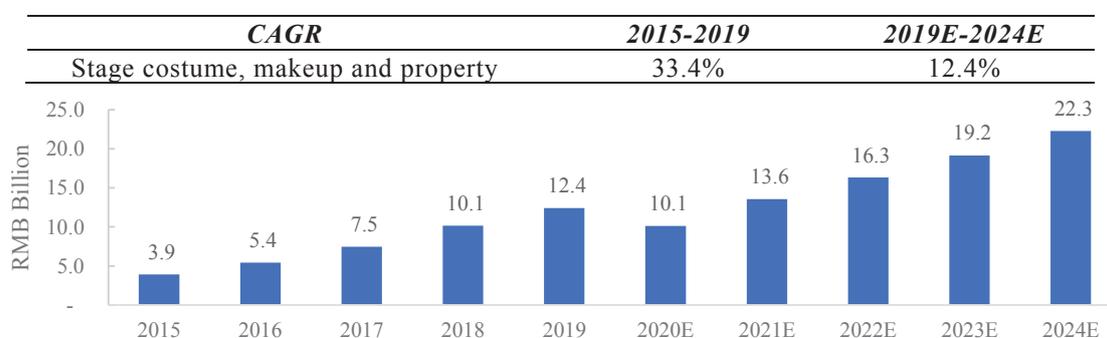
Stage property (props) is defined as objects used during shooting by crews to further enhance action effect, including but not limited to weapons, stunts, prop money. Realistic props can enhance the credibility of video

contents. For video content, props not only serve as subjects that convey the information regarding the time and location of the story, but also serve as key evidence or clues that link the whole storyline together.

4.3.2 Industry Outlook and Prospects

Apart from high-quality contents, stage costume, makeup and props also play an essential role to the success of video programs in conveying key messages about the characters to the audience, enhancing the settings in the plot. In the past years, there is a growing trend in the investment on stage costume, makeup and property of video contents in China. Between 2015 and 2019, the market size in terms of spending on stage costume, makeup and property experienced substantial growth, increasing from approximately RMB3.9 billion to approximately RMB12.4 billion, representing a CAGR of approximately 33.4% during the period. In the future, this growing upward trend on the spending of stage costume, makeup and property is expected to continue, with the market size expected to reach approximately RMB22.3 billion by 2024.

Table 4-4 Market Size of Stage Costume, Makeup and Property (China), 2015-2024E



Source: The historical data for the years between 2015 and 2019 is calculated based on primary research conducted by Frost & Sullivan. The forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan

5. Overview of China/Southeast Asia Concert Market

5.1 Definition and Segmentation

Concert refers to a live performance in front of an audience and are often held in a wide variety and size of settings, from private houses to large sports stadiums. Performers play their songs on stage with pre-recorded accompaniment, back-up dancers and elaborate stage lighting. As an important sector of the entertainment industry, concerts have become widely popular among audiences around the globe. For singers and artistes, annual concert tours also contribute to a large source of their revenue each year. During the COVID-19 outbreak, many artistes have postponed their concerts, and some switched to online concerts instead. As an integral part of the industry value chain, the midstream service providers such as concert producers and promoters mainly offer services including but not limited to securing the artiste's performance schedule, reserving the performing venue, organizing various content generation, promotion, marketing of the concerts, and attracting concert sponsors. These service providers face relatively less fierce competition since the segment is relatively concentrated with a few large-sized companies

that have established long-term and steady partnerships with prominent artists and possess strong competitive edges. By category, concert can be segmented into four major types:

Solo/Group concert is defined as a solo artist or a singing group that provides their vocal performance throughout the entire concert performance. Artists who host solo concerts usually own significant market presence and influence, and are able to contribute to a considerable amount of audience and box office receipts. Jay Chou, a famous artist from Taiwan, possesses a large fan base and is the top performer of the industry. From 2017 to 2019, Jay Chou ranked first in terms of cumulated ticket sales, showing strong market influence.

Group artists concert is defined as a concert performance that invites various artists and groups, each of them performing one or many pieces of their music works. Compared to the artists who host solo concerts, these artists are typically associated with few popular songs and may not have strong popularity as compared to the solo artist. Yet, group artists concerts that feature various artists and settings can sometimes draw a lot of attention due to their diversification.

Concerts can be categorized into two major types:

For-profit concerts refer to concerts that generate revenue through selling tickets and bringing in sponsorships. In general, majority of the concerts are for-profit concerts, as the sponsors will pay for the venues, and subsequently split the revenue generated through ticket sales and product sales with other related parties.

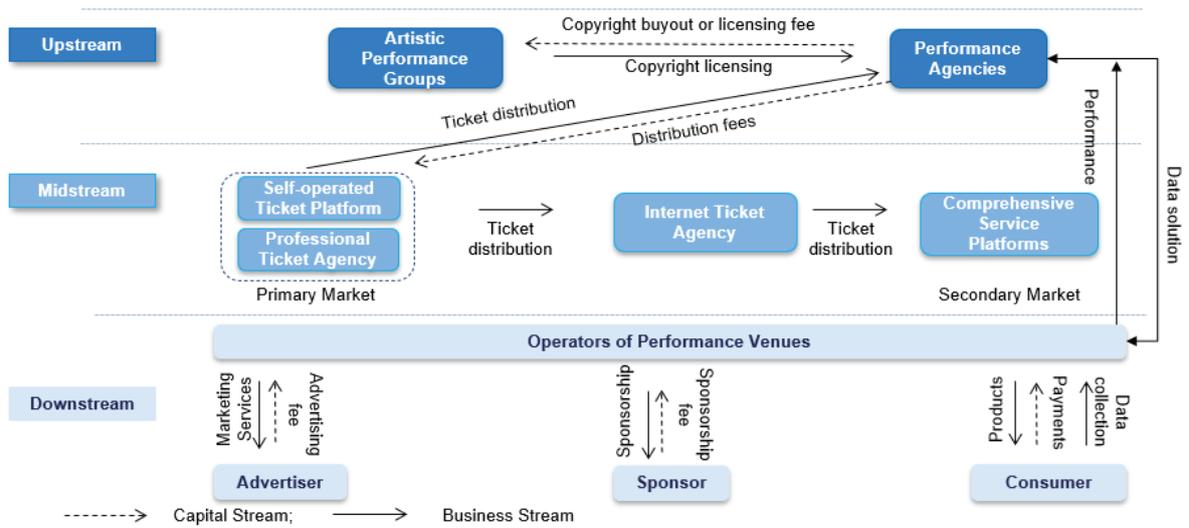
Charity concerts refer to concerts that are held for a public cause with themes including but not limited to fighting poverty and disaster relief with the intent to draw the public's attention to a particular issue, instead of generating revenue. During the COVID-19 outbreak in 2020, foreign singer Lady Gaga organized an online charity concert "One World: Together at Home" broadcasted through online video channels that drew global attention.

5.2 Industry Value Chain Analysis

The following diagram summarizes the concert industry value chain. The main market participants include artistic performance groups, performance agencies, ticket service platforms and venue operators.

Artistic performance groups focus on the artistic content creation and performance for the audience in different types of venues. These groups usually distribute the tickets through their own or third-party ticket service platforms. Meanwhile, these ticket service platforms also provide data solutions with regards to audience profile and market trends for the artistic performance groups in order to carry out precise marketing campaigns. Performance operators also play a significant role in the value chain. They not only supervise and organize performance venues, but also help cultivate in-house artistic performance groups to diversify their business operation.

Table 5-1 Industry Value Chain Analysis

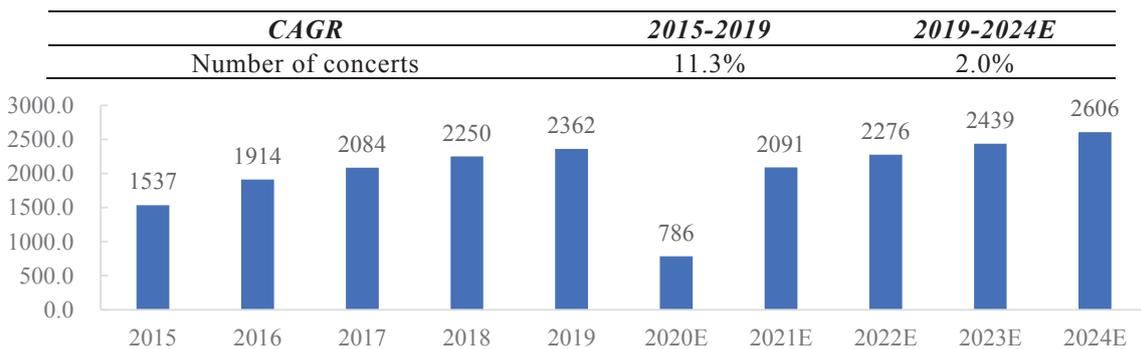


Source : Frost & Sullivan Analysis and Estimates

5.3 Industry Outlook and Prospects

Driven by the robust macro-economic growth as well as favorable government policy aiming to stimulate recreation and culture sector, the live performance segment enjoyed fast growth in the past years in China. Overall, the market is largely driven by a selected pool of popular artistes, such as Jay Chou, Jacky Cheung, Mayday, as their annual tours contribute to a large percentage in terms of the number of concerts. From 2015 to 2019, the number of concerts held in China grew from approximately 1,537 to approximately 2,362, representing a CAGR of approximately 11.3%. Due to the COVID-19 outbreak, the concert industry experienced massive cancellation and rescheduling of events especially during the first half of 2020. As a result, the number of concerts in 2020 is expected to witness a sharp decrease as the end of the year. In the future, the market will gradually return to normal, reaching approximately 2,606 by 2024.

Table 5-2 Number of Concerts (China), 2015-2024E

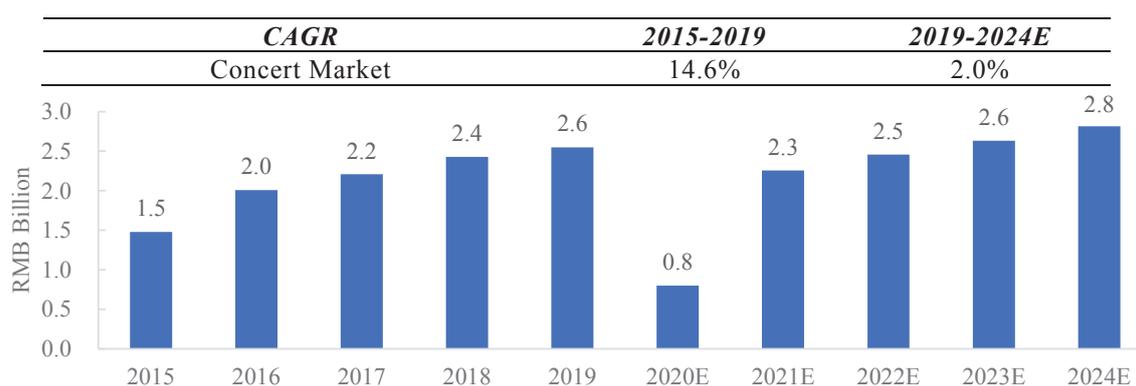


Source: Historical data for the years between 2015 and 2017 is from Magnate Holding, "Market Research on China Concert Market of 2017" dated August 2019; The historical data for the years of 2018 and 2019 is estimated by Frost & Sullivan. The forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan.

Note: Magnate Holding has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunner have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Due to the rapid growth of disposable income level of Chinese residents and improvement in the live performance infrastructure, the market size of the concert market in terms of total box office receipts increased significantly from approximately RMB1.5 billion in 2015 to approximately RMB2.6 billion in 2019, representing a CAGR of 14.6%. Although some artistes have switched to online concerts as a result of the COVID-19 pandemic in China, they still suffered considerable loss in terms of ticket sales and sponsorships. Accompanied by large number of concert postponement and rescheduling, the concert market suffered a great loss during the first half of 2020, as the market size is estimated to dip tremendously to approximately RMB0.8 billion as the end of the year. From 2021, the concert market is expected to recover gradually and reach to approximately RMB2.8 billion in terms of total box office receipts by 2024.

Table 5-3 Market Size of Concert Market (China), 2015-2024E

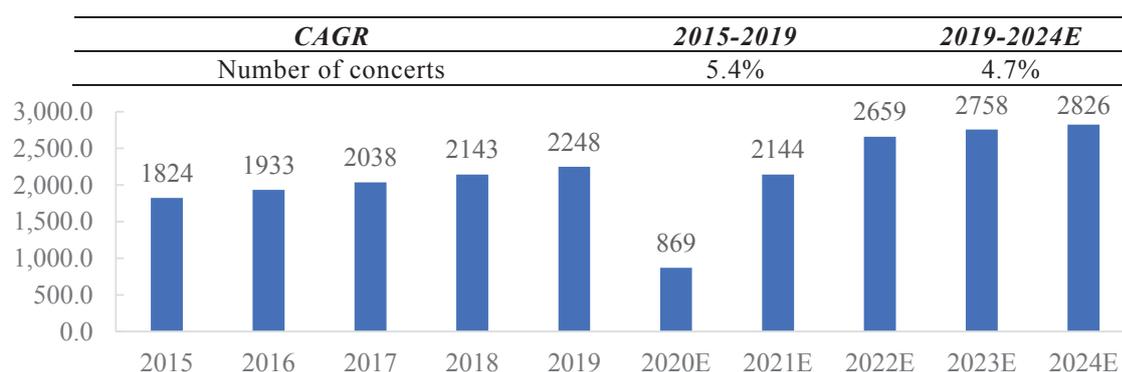


Source: The historical data for the years between 2015 and 2019 is from Chinese Musicians Association, "Development Report of China Music Industry", Year 2015-2019, as extracted on 03 July, 2020; The forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan

Note: Chinese Musicians Association has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

In recent years, Southeast Asia's robust economic growth and great potential in the culture and entertainment industry have attracted many western artistes to include the region as part of their global tour destinations. From 2015 to 2019, the number of concerts in Southeast Asia increased from approximately 1,824 to approximately 2,248, indicating a CAGR of approximately 5.4%. Due to the COVID-19 pandemic, many artistes who consider Southeast Asia as their global touring destinations were forced to stay home and reschedule or cancel their tours, resulting in a contracted market in 2020 with the impact forecasted to last for approximately 6-9 months. In 2021, the market is expected to resume to normal, picking up its previously growing momentum and reach to approximately 2,144 concerts by the end of the year, with a further increase to approximately 2,826 in 2024.

Table 5-4 Number of Concerts (Southeast Asia), 2015-2024E



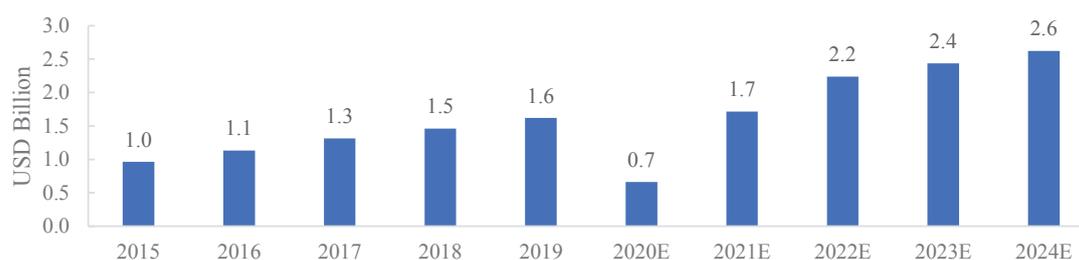
Source: The historical data for the years between 2015 and 2019 is from Statista.com, "Music Events in Southeast Asia" found in (<https://www.statista.com/outlook/273/643/music-events/southeast-asia#market-users>) as extracted on 03 July 2020; The forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan; CAGRs are calculated by Frost & Sullivan.

Note: The Statista.com has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information

As a result of the residents' increasing disposable income level and more Western and Asian artistes set to debut in Southeast Asia, the market size of the concert market in terms of total box office receipts grew from approximately USD1.0 billion in 2015 to approximately USD1.6 billion in 2019, representing a CAGR of 13.9%. Despite a hindered market in 2020, the audience attendance rate and number of concerts are expected to return to normal in 2021 with further increases to approximately USD2.6 billion by 2024.

Table 5-5 Market Size of Concert Market (Southeast Asia), 2015-2024E

	CAGR	
	2015-2019	2019-2024E
Concert Market	13.9%	10.1%



Source: The historical data for the years between 2015 and 2019 is from Statista.com, “Music Events in Southeast Asia” found in (<https://www.statista.com/outlook/273/643/music-events/southeast-asia#market-users>) as extracted on 03 July 2020; The forecasted data for the years between 2020 and 2024 is estimated by Frost & Sullivan. CAGRs are calculated by Frost & Sullivan.

Note: The Statista.com has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

The fandom economy refers to the economic income-generating behavior by the relationship between fans and the followed people including stars, idols, and industry celebrities. The prosperity of the fandom economy is accompanied by the sustainable growth of demands for diversified entertainment activities which is driven by the increasing urbanization rate and rising disposable income. In Asian countries, especially China, Japan and South Korea, the target audience of the fandom economy is young generations, which is characterized as a group of people with strong purchasing willingness and power for their favorite and devoted stars or idols. Besides, the tech-savvy young generations are more willing to share their feelings and experience through social media, which forges stronger emotional connections between the fans and stars. The fandom economy has been widely used in Asia entertainment industry, selling products and providing services. As a way to have face-to-face interaction with favorite stars or idols, concert serves as one of the most important and mature monetization methods in fandom economy with proven record. The concert operation and management business could benefit from the rising and prosperity of fandom economy, which represents the great bridge connecting customer emotion to businesses.

6. Competitive Landscape

6.1 Ranking of Leading Market Player in China Drama Series Market

China drama series market is highly competitive with more than 18,000 market players with differentiated background and capabilities. Although there are plenty of market players in this market, the leading drama series production and distribution companies have obtained superior industry resources and established long-term cooperation business relationship with leading broadcasting channels such as the top five TV channels and top three online video platforms. Therefore, the top 10 market players accounted for approximately 24.8% of total licensing and distribution revenue of total drama series market with total revenue of approximately RMB10.8 billion in 2019.

There are different types of market players in China drama series market with different business focus. Some market players have comprehensive business coverage and breadth, spanning from IP development, to content production and content distribution, covering all industry value chain segments ranging from upstream mid-stream, and downstream. This type of market players normally possesses integrated capabilities and have access to high-class industry resources including but not limited to superior drama series content, an experienced executive team and cooperation with leading broadcasting channels. This type of market players is considered comparable competitors of GHY. On the other hand, other types of market players such as those primarily engaging in the business of licensing the broadcasting rights of outright-purchased drama series are also present. In addition, broadcasting channels including TV channels and online video platforms also engage in the market.

Table 6-1 Ranking of the Leading Drama Series Production and Distribution Companies by Revenue (China), 2019

Ranking	Company	Revenue (RMB Million)	Market Share
1	Company A	1,981.0	4.6%
2	Company B	1,500.0	3.4%
3	Company C	1,400.0	3.2%
4	Company D	1,210.0	2.8%
5	Company E	1,060.0	2.4%
6	Company F	765.1	1.8%
7	Company G	730.5	1.7%
8	Company H	720.0	1.7%
9	Company I	715.0	1.6%
10	Company J	689.0	1.6%
11	Company K	650.0	1.5%
12	Company L	638.1	1.5%
13	Company M	582.0	1.3%
14	Company N	488.6	1.1%
15	Company O	435.5	1.0%

16	Company P	418.0	1.0%
17	Company Q	400.0	0.9%
18	Company R	391.0	0.9%
19	Company S	329.3	0.8%
20	G.H.Y Culture & Media	319.9	0.7%
Total	N/A	15,422.9	35.5%

Note: 1. The revenue of the market players refers to the revenue generated from the production, distribution and licensing of drama series in 2019. 2. In 2019, total market size of China drama series market is approximately RMB93.7 billion, of which licensing and distribution revenue is approximately RMB43.5 billion and advertising revenue is approximately RMB55.6 billion. 3. The market share refers to the percentage of each market player's revenue in total licensing and distribution revenue of drama series market

Source: Public annual report of listed companies, primary research conducted by Frost & Sullivan

Table 6-2 Ranking of the Leading Drama Series Production and Distribution Companies with Overseas Drama Series Business by Revenue (China), 2019

Ranking	Company	Revenue (RMB Million)	Market Share
1	Company A	1,981.0	4.6%
2	Company D	1,210.0	2.8%
3	Company E	1,060.0	2.4%
4	Company G	730.5	1.7%
5	Company H	720.0	1.7%
6	Company I	715.0	1.6%
7	Company L	638.1	1.5%
8	G.H.Y Culture & Media	319.9	0.7%
9	Company S	307.3	0.7%
10	Company T	120.7	0.3%
Total	N/A	7,802.5	18.0%

Note: 1. The revenue of the market players refers to the revenue generated from the production, distribution and licensing of drama series in 2019. 2. In 2019, total market size of China drama series market is approximately RMB93.7 billion, of which licensing and distribution revenue is approximately RMB43.5 billion and advertising revenue is approximately RMB55.6 billion. 3. The market share refers to the percentage of each market player's revenue in total licensing and distribution revenue of drama series market

Source: Public annual reports of listed companies, primary research conducted by Frost & Sullivan

6.2 Strengths, Weakness, Opportunities, and Threats (SWOT) Analysis of Video Entertainment Market

Strength: China's video entertainment industry has experienced exponential growth but has not yet reached its full potential. On the demand side, as the consumers' disposable income level increases and the economy transits from an investment-led model to a consumption-led model, people are spending more on satisfying their entertainment needs, expecting more from high-quality video contents in their leisure time. On the supply side, the less competent and less well-funded companies are gradually being eliminated from the market, giving rise to few players and in particular top service providers who are capable of offering premium contents. In addition, as China is enriched with its cultural background and content resources for movie and television elements, the industry is expected to experience an upward trajectory in the future.

Weakness: Compared to other foreign countries, in China, copyright infringements are rampant in video entertainment industry, as China has not devoted enough resources and strict enforcement of copyright protection, therefore hindering the revenue generation of the industry. In addition, due to the absence of regulatory enforcement and official viewership rating system, the fairness of market presence and performance of many video contents have been impacted.

Opportunity: Given the wide applications of 3D technology and advanced audio equipment, audiences are able to enjoy video content with enhanced visual and audio features at an affordable price. As such, the demand is expected to continuously increase at a considerable level. The COVID-19 outbreak reveals the weakness of movie production and distribution's dependence on audience, but also inspired industry participants to be innovative, seeking new operation models such as releasing video contents through online platforms. Moreover, as many movie theaters are expanding to lower-tier cities, the total number of movie screens is expected to increase, giving more people the opportunity to enjoy ultimate audio-visual experience in movie theaters. As for TV drama series, the industry needs continuous endeavors in relation to providing high-quality scripts, actors with sophisticated acting skills and innovative production technology to attract and retain viewers.

Threat: Video content, especially movies imported from overseas, take up a considerable percentage of total box office receipts and often pose a strong competition to domestic movies in China. Despite favorable policies and protectionist measures implemented by the central government, domestic movies still lack premium quality with respect to their scripts and production. As more video contents production companies strive to strengthen their competitive edges in aspects such as IP development, production, and publishing, there is still a big gap between domestic companies and well-established global participants.

6.3 COVID-19 Impact and US-China Trade War Analysis

The outbreak of COVID-19 has affected economic development across the world as a result of the suspension of business activities in various industries. In addition, in order to prevent the further outbreak of COVID-19, a number of provinces in the PRC have adopted strict measures to limit access to public spaces, negatively affecting consumption behavior in various offline entertainment venues, thus impacting the growth of related markets in short-term.

The negative impact of COVID-19 on the drama series market has already been reflected in various aspects. Firstly, the filming of multiple drama series as well as staff recruitment have been halted temporarily, and the completion of the production is expected to be delayed. Secondly, distribution licenses of TV series cannot be obtained as planned, and as such, the revenue generated from TV series production and distribution is expected to decrease in 2020.

The production of drama series has gradually recovered and returned to previous levels from the start of the second quarter of 2020, which to some degree ensures the supply of drama series for TV channels and online video platforms, as well as the licensing revenue of the drama series production companies during the forecast period. However, considering the delay in obtaining distribution licenses and limited budget for the purchase of drama series, combined with the downward trend of revenue generated from advertising services, the growth rate of the drama series market is expected to slow down during the forecast period.

Since 2017, the Trump administration have implemented a series of tariffs on consumer products and a wide net encompassing raw material from the US's partners in North America and Europe. These tariffs have had an outsized effect on various consumer goods. Many categories have been hit as result of the increase in price of input materials, and have been forced to pass those costs along to consumers. Although the video entertainment market has not been heavily impacted, the market may still face potential risks if tariffs are imposed on exported video contents. As a result, this poses a risk to market participants being affected by the rising production cost, which may force participants to decelerate oversea expansion.

6.4 G.H.Y's Competitive Advantages

Leveraging the abundant industry experience, professional business insights and rich market resources, G.H.Y Culture & Media, a fast-growing drama series service provider, actively keeps track of the frontier technologies with the intention to cater to the sustainable growth in demands for premium video contents. G.H.Y Culture & Media proactively expands its business boundaries to include the offering of film and television production and distribution in China, Singapore and Malaysia, concerts and performances, and talent management. The comprehensive range of products and service capabilities enables G.H.Y Culture & Media to be differentiated from other competitors in a highly competitive market.

Comprehensive and diversified businesses model

G.H.Y Culture & Media proactively engages in the production and distribution of drama series content, post-production and visual effect services, overseas sales and distribution of drama series content, as well as concerts and event management. The practical experience from managing different projects enriches G.H.Y Culture & Media's content library and subsequently enhances its capabilities to delivery unique and comprehensive products

and services. “Perfect Village (最美的乡村)” which was released for broadcast in China Central Television in June 2020, ranked first across the full series of 30 episodes among other TV series broadcasted during the same time slot, with a viewership rating of approximately 1.665%¹⁶. In addition, “The Little Nyonya (小娘惹)”, another high-quality TV series produced by G.H.Y, premiered on China Central Television, iQIYI and Youku on 28 June 2020. The average viewership rating of episode 1 to episode 17 of “The Little Nyonya (小娘惹)” was 1.103%¹⁶, ranked third in viewership, while the average viewership for episode 18 to episode 37 and episode 38 to episode 45 was 1.562%¹⁶ and 1.861%¹⁶ respectively, both ranking first in viewership among all TV series broadcasted on TV channel during the same time slot. Besides, “The Frontliners (最美逆行者)” was released for broadcast in China Central Television in September 2020. The average viewership rating of episode 1 to episode 4, episode 5 to episode 13 and episode 14 of The Frontliners was 1.270%¹⁶, 1.228%¹⁶ and 0.890%¹⁶, respectively, and ranked the second, first and third place among other TV series broadcasted during the same time slot. Generally, profound market insights allow G.H.Y Culture & Media to accurately identify their target audience for entertainment contents, laying solid foundation for further rapid growth.

Strong relationships with industry-leading distribution channels and platforms

G.H.Y Culture & Media has established strong and sound partnerships with satellite channels in Singapore, CCTV as well as online video platforms such as iQIYI. In particular, G.H.Y Culture & Media’s production “Perfect Village (最美的乡村)” was broadcasted on CCTV-1 in China, a public and state-owned television channel that enjoys millions of viewers per day. G.H.Y Culture & Media’s latest release, “The Little Nyonya (小娘惹)”, is broadcasted on CCTV as well as iQIYI, a leading online video platform and industry pioneer with over millions of monthly active users, seizing the opportunities arising from the massive user base in such platforms. Strong and solid partnerships with these distribution channels and platforms form a basis for solid viewership and insightful discussion and communication about the productions of drama series and industry trends.

Ownership of exclusive and premium resources

As Jay Chou’s exclusive partner for his concerts in mainland China, G.H.Y Culture & Media manages one of the most famous and popular stars in Asia. The multi-level and multi-dimensional networks built for the long-term effectively helps G.H.Y Culture & Media to expand business in a cost-effective manner, positively contributing to its sustainable business operation, professional skills, rich market resources and renowned reputation. This would allow G.H.Y Culture & Media to establish long-term and stable cooperative relationships with other digital content production parties as well as famous brands.

¹⁶ The data for viewership rating is from CVB found in (<http://www.cavbd.cn/>). CVB has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

As a leading content provider in the Southeast Asia region, G.H.Y Culture & Media is capable of producing high-quality video content with a rich cultural background by integrating and making use of the resources that they possess. Echoing the national initiative of “Going Global”, G.H.Y Culture & Media adapts to and leads the globalization trend, actively exploring and engaging in overseas television production and distribution, promoting high-quality drama series to gain overseas attention and improve China’s culture impact.

Collaborate with top-tier artistes and industry-recognized directors/ screenwriter

For concert management business, G.H.Y Culture & Media has worked as a pivotal organizer for a several artistes.

Jay Chou, a prominent singer in Asia who made his debut in 2000, appeared on the cover story of Time (Asia version) in 2003, as an acknowledgement of his influence on pop music. He has held six world tours to date, performing to more than 10 million concert goers in many cities worldwide. From 2017 to 2019, Jay Chou held 41 concerts globally¹⁷ and ranked first among all other singers¹⁷ in terms of accumulated ticket sales for the concerts held in China. In addition, Jay Chou also has a huge influence on the music market in Southeast Asia.

Li Ronghao, a Chinese singer-songwriter, has released five studio albums and three EPs¹⁸ so far. His first studio album “Model” which was released in 2013, won him the “Best New Singer Award” at the 25th Golden Melody Awards. After which he has held three concert tours and became the first singer from mainland China to hold a concert at Hong Kong Coliseum and Taipei Arena, both of which are large venues, indicative of his high popularity. As of December 31, 2019, Li Ronghao has held 53 concerts since his debut in 2013¹⁹, not only in mainland China, but also in other countries such as Singapore, Canada, and England.

As for the drama series business, G.H.Y Culture & Media has established in-depth collaboration with industry-recognized experts such as Guo Jing Yu and Xiao Ji Xiang Tian.

¹⁷ The data for the number of concert held globally by Jay Chou from 2017 to 2019 is from Wikipedia, “List of Jay Chou concert tours” found in (https://en.wikipedia.org/wiki/List_of_Jay_Chou_concert_tours) as extracted on 03 July, 2020. Wikipedia has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

¹⁸ EP refers to extended play record, which is a musical recording that contains more tracks than a single.

¹⁹ The data for the number of concert held by Li Ronghao as of December 31, 2019 is from Wikipedia, “Li Ronghao” found in (<https://zh.wikipedia.org/wiki/%E6%9D%8E%E6%A6%AE%E6%B5%A9>) as extracted on 03 July, 2020. Wikipedia has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Guo Jing Yu is a prolific, industry-recognized, and award-winning television director, screenwriter and producer with extensive experiences and knowledge of the legendary drama genre. He has directed and produced many high-quality TV series, such as “Mother’s Life (娘道)”, “Perfect Village (最美的乡村)”, and “Tie Li Hua (铁梨花)”, earning him 17 nominations and 13 wins of the “China Television Director Committee Awards⁴”. He also won the “Best Screenplay” in 2019 “Wen Rong TV Award” in Hengdian Film Festival of China, “Outstanding Producer” in the 2018’s China Television Drama Production Industry Association Awards and the “Best Director” in the 2014 Chinese American Film Festival. His market presence and renowned reputation has won him the title “King of Legendary Drama”. After over 20 years in TV drama series industry, Guo’s vision of “inheritance and revival of traditional culture²⁰” inspires him to continue his efforts in directing and producing TV drama series that reflect the culture and incredible stories across Southeast Asia. In the second half of 2019, his Chinese martial arts drama “Huo Yuan Jia (霍元甲)” aired in Beijing Satellite TV, his legendary anti-war drama “Brave Heart 2 (勇敢的心 2)” was aired in Zhejiang Satellite TV and Oriental TV, and “The Little Nyonya (小娘惹)”, a drama series about the legendary women of Southeast Asia, is currently broadcasting on CCTV.

Xiao Ji Xiang Tian is a renowned Chinese screenwriter, who drew the public’s attention through his web series, “Soul Ferry (灵魂摆渡)”, which was broadcasted on online video platform iQIYI. He began his screenwriting in 2014 and wrote the first season of the “Soul Ferry (灵魂摆渡)”. In the following two years, he wrote the script for the subsequent two seasons of the “Soul Ferry (灵魂摆渡)” and the movie spin-off “Soul Ferry-Huang Quan (灵魂摆渡.黄泉)” in 2018. All three seasons of the “Soul Ferry (灵魂摆渡)” have been spoken highly of by the viewers, and the movie spin-off has won him the “Annual Notable Screenwriter”, “Screenwriter Carnival” and “China’s Top 10 Young TV Drama Series Screenwriters Award” in 2018²¹. In the ranking of Chinese Web Series Top 100 Screenwriters, Xiao Ji Xiang Tian ranked third for his works and market influence²².

²⁰ The data is from Lulu M, “Guo Jingyu: Inspiration at the heart & soul of his culture”, 11 June 2019, found in (<https://www.asiatvforum.com/en-us/news-and-media/insights-magazine/iNSIGHTS-articles/GUO-JINGYU-INSPIRATION-AT-THE-HEART--SOUL-OF-HIS-CULTURE.html>) as extracted on 03 July, 2020. Asian TV Forum & Market has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

²¹ The data for these awards is from Baidu, “Xiao Ji Xiang Tian” found in (<https://baike.baidu.com/item/%E5%B0%8F%E5%90%89%E7%A5%A5%E5%A4%A9>) as extracted on 03 July, 2020. Baidu has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

²² The data for Chinese Web Series Top 100 Screenwriters is from 36kr.com’s media release dated 16 February 2020 and entitled “Exclusive interview with Xiao Ji Xiang Tian”. 36Kr has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the

information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendors, the Industry Consultant, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

This page has been intentionally left blank.

APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE OFFERING SHARES IN SINGAPORE

Applications are invited for the subscription for the Offering Shares at the Offering Price on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of this Prospectus (the “**Application Forms**”) or, as the case may be, the Electronic Applications (as defined herein).

Investors applying for the Offering Shares by way of Application Forms or Electronic Applications are required to pay, in Singapore dollars, the Offering Price, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom, at the applicant’s own risk and without any right or claim against us, the Joint Issue Managers and Global Coordinators, or Joint Underwriters and Bookrunners) where (i) an application is rejected or accepted in part only; or (ii) if the Offering does not proceed for any reason.

- (1) The minimum initial subscription is for 1,000 Offering Shares. You may subscribe for a larger number of Offering Shares in integral multiples of 100. Your application for any other number of Offering Shares will be rejected.
- (2) You may apply for the Offering Shares only during the period commencing at 9.00 p.m. on 11 December 2020 and expiring at 12.00 noon on 16 December 2020. The Offering period may be extended or shortened to such date and/or time as we and the Vendors may agree with the Joint Issue Managers and Global Coordinators, subject to all applicable laws and regulations and the rules of the SGX-ST.
- (3) Your application for:–
 - (a) Public Offer Shares may be made by way of the printed WHITE Application Forms for Public Offer Shares or by way of Automated Teller Machines (“**ATM**”) belonging to the Participating Banks (“**ATM Electronic Applications**”) or the Internet Banking (“**IB**”) website of the relevant Participating Banks, where available, (“**Internet Electronic Applications**”), or through the mobile banking interface of DBS Bank (“**mBanking Applications**”), which together with the ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “**Electronic Applications**”); and
 - (b) Placement Shares may be made by way of the printed BLUE Application Forms for Placement Shares (or in such other manner as the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners may in their absolute discretion deem appropriate).

UNLESS PERMISSIBLE IN SUCH OTHER JURISDICTION, YOU MUST BE IN SINGAPORE AT THE TIME OF THE MAKING OF THE APPLICATION FOR THE OFFERING SHARES. YOU MAY NOT USE YOUR CENTRAL PROVIDENT FUND (“CPF”) OR CPF INVESTIBLE SAVINGS TO APPLY FOR THE OFFERING SHARES.

- (4) **Only one application may be made for the benefit of one person for the Public Offer Shares in his own name. Multiple applications for the Public Offer Shares will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

You may not submit multiple applications for the Public Offer Shares whether by way of an Application Form for Public Offer Shares or an Electronic Application. A person who is submitting an application for the Public Offer Shares by way of an Application Form for Public Offer Shares may not submit another application for the Public Offer Shares by way of an Electronic Application and vice versa.

A person, other than an approved nominee company, who is submitting an application for the Public Offer Shares in his own name should not submit any other applications for the Public Offer Shares, whether by way of an Application Form for Public Offer Shares or an Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Shares shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Shares may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore, and the SFA, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at our discretion.

- (5) **Multiple applications may be made in the case of applications by any person for (i) the Placement Shares only (by way of Application Forms for Placement Shares or such other form of application as the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners may in their absolute discretion deem appropriate) or (ii) the Placement Shares together with a single application for the Public Offer Shares whether by way of an Application Form for Public Offer Shares or an Electronic Application.**
- (6) Applications from any person under the age of eighteen (18) years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies will be rejected. Applications from any joint Securities Account holders of CDP in respect of the Public Offer will be rejected. Applications may be made by any joint Securities Account holders of CDP in respect of the Placement.
- (7) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of the application.
- (8) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 10 below.
- (9) **Nominee applications may only be made by approved nominee companies.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

- (10) **If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application.** If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account but fail to provide your CDP Securities Account number or provide an incorrect Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.
- (11) Subject to paragraphs 13 to 16 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card (“**NRIC**”) number or passport number or company registration number, nationality or permanent residence status, and Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
- (12) **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address that was last registered with CDP.**
- (13) This Prospectus and its accompanying documents (including the Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying documents (including the Application Forms) may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Without limiting the generality of the foregoing, neither this Prospectus and its accompanying documents (including the Application Forms) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in part in or into the United States of America (the “**United States**” or “**U.S.**”) or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale or a solicitation of an offer to buy any securities in the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Offering Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities law of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S of the Securities Act (“**Regulation S**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. The Offering Shares are being offered and sold outside the United States (including institutional and other investors in Singapore) in reliance on Regulation S. There will be no public offer of Offering Shares in the United States. Any failure to comply with this restriction may constitute a violation of securities laws in the United States and in other jurisdictions.

Our Company reserves the right to reject any application for the Offering Shares where our Company believes or has reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying documents (including the Application Forms) may treat the same as an offer or invitation to subscribe for any Offering Shares unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

- (14) Our Company reserves the right to reject any application which does not conform strictly to the instructions or with the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, in the ATMs and IB websites of the relevant Participating Banks and the mobile banking interface (“**mBanking Interface**”) of DBS Bank) or, in the case of an application by way of an Application Form, the contents of which are illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up, or improper form of remittance or a remittance which is not honoured upon its first presentation.
- (15) Our Company further reserves the right to treat as invalid any applications not completed or submitted or effected in all respects in accordance with the instructions and terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof. Without prejudice to the rights of our Company, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, as agents of our Company, has been authorised to accept, for and on behalf of our Company, such other forms of application as the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners may deem appropriate.
- (16) Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application without assigning any reason therefor, and none of our Company, the Joint Issue Managers and Global Coordinators, nor the Joint Underwriters and Bookrunners will entertain any enquiry and/or correspondence on the decision of our Company. This right applies to applications made by way of Application Forms of Electronic Applications and by such other forms of application as the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners may, in consultation with our Company, deem appropriate. In deciding the basis of allocation, our Company, in consultation with the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, will give due consideration to the desirability of allocating the Offering Shares to a reasonable number of applicants with a view to establishing an adequate market for the Offering Shares.
- (17) In the event that our Company lodges a supplementary or replacement document (“**Relevant Document**”) pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Offering, and the Offering Shares have not been issued and/or transferred to you, our Company will (as required by law) at our Company’s sole and absolute discretion either:
 - (a) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make the Relevant Document available to you within a reasonable period of time if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

- (b) within seven (7) days from the date of lodgement of the Relevant Document, provide you with a copy of the Relevant Document and provide you with an option to withdraw your application; or
- (c) treat your application as withdrawn and cancelled and refund all monies paid in respect of your application (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) to you within seven (7) days from the date of lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 17(a) and 17(b) above to withdraw his application shall, within fourteen (14) days from the date of lodgement of the Relevant Document, notify our Company of this, whereupon our Company shall, within seven (7) days from the receipt of such notification, return to the applicant all monies paid by such applicant in respect on account of such application (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) to the applicant.

- (18) In the event that the Offering Shares have already been issued and/or transferred at the time of the lodgement of the Relevant Document but trading has not commenced, we will (as required by law) either:
 - (a) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to our Company the Offering Shares which you do not wish to retain title in and take all reasonable steps to make the Relevant Document available to you within a reasonable period of time if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or
 - (b) within seven (7) days from the date of lodgement of the Relevant Document, provide you with a copy of the Relevant Document and provide you with an option to return to our Company those Offering Shares which you do not wish to retain title in; or
 - (c) subject to compliance with the Cayman Islands Companies Law and our Articles of Association, we shall buy back those Offering Shares at the Offering Price and cancel such Shares upon repurchase, as the issue and/or transfer of those Offering Shares is required by the SFA to be treated as void, within seven (7) days from the date of lodgement of the supplementary or replacement document.

Any applicant who wishes to exercise his option under paragraphs 18(a) and 18(b) above to return the Offering Shares issued and/or transferred to him shall, within fourteen (14) days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those Offering Shares to our Company, and agree for us to purchase his Offering Shares at the Offering Price, whereupon our Company shall, subject to compliance with the Cayman Islands Companies Law and our Articles of Association, within seven (7) days from the receipt of such notification and documents, if any, purchase the applicant's Offering Shares at the Offering Price and pay to him the application monies paid by such applicant for the Offering Shares (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners). Additional

terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

If our Company is required by applicable Singapore laws to cancel issued Offering Shares and repay application monies to applicants (including instances where a Stop Order is issued), subject to compliance with the Cayman Islands Companies Law and our Articles of Association, our Company will purchase Offering Shares at the Offering Price. Information relating to the purchase of Shares by our Company is set out in “Appendix D – Summary of Certain Provisions of the Cayman Islands Companies Law and the Memorandum and Articles of Association of our Company” to this Prospectus.

- (19) The Offering Shares may be reallocated between the Placement and the Public Offer for any reason, including in the event of excess applications in one and a deficit of applications in the other, by the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, in consultation with our Company, subject to any applicable laws.
- (20) Subject to your provision of a valid and correct Securities Account number, share certificates in respect of the Offering Shares will be registered in the name of CDP or its nominee and will be forwarded only to CDP. If your application is successful, it is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Offering Shares, a statement of account stating that your Securities Account has been credited with the number of Offering Shares allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Offering Shares allocated to you. This authorisation applies to applications made both by way of Application Forms and Electronic Applications.
- (21) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Offering Shares allocated to you pursuant to your application, to our Company, Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners and any other parties so authorised by CDP, our Company, the Joint Issue Managers and Global Coordinators, and/the Joint Underwriters and Bookrunners.
- (22) Any reference to “you” or the “Applicant” in this Appendix shall include an individual, a corporation, an approved nominee company and trustee applying for the Offering Shares by way of an Application Form or an Electronic Application or by such other manner as the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners may, in their absolute discretion, deem appropriate.
- (23) By completing and delivering an Application Form and, in the case of: (i) an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM, and (ii) an Internet Electronic Application or mBanking Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen of the relevant Participating Bank or the mBanking Interface of DBS Bank in accordance with the provisions therein, you:
 - (a) irrevocably agree and undertake to subscribe for the number of Offering Shares specified in your application (or such smaller number for which the application is accepted) at the Offering Price and agree that you will accept such number of Offering Shares as may be allocated to you, in each case on the terms of, and subject to the

conditions set out in, this Prospectus and its accompanying documents (including the Application Forms), as well as the Articles of our Company;

- (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying documents (including the Application Form) and those set out in the IB websites or ATMs of the relevant Participating Banks or the mBanking Interface of DBS Bank, the terms and conditions set out in this Prospectus and its accompanying documents (including the Application Forms) shall prevail;
- (c) in the case of an application by way of an Application Form for Public Offer Shares or an Electronic Application, agree that the Offering Price for the Public Offer Shares applied for is due and payable to our Company and upon application;
- (d) in the case of an application by way of an Application Form for Placement Shares or such other forms of application as the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners may in their absolute discretion deem appropriate, agree that the aggregate Offering Price for the Placement Shares applied for is due and payable to our Company upon application;
- (e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners in determining whether to accept your application and/or whether to allocate any Offering Shares to you;
- (f)
 - (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, share application details (including share application amount), the outcome of your application (including the number of Offering Shares allocated to you pursuant to your application) and other personal data (“**Personal Data**”) by the Share Registrar, CDP, Securities Clearing and Computer Services (Pte) Limited (“**SCCS**”), the SGX-ST, the Participating Banks, our Company, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners and/or other authorised operators (the “**Relevant Parties**”) for the purpose of facilitating your application for the Offering Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct;
 - (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Parties of the Personal Data of such beneficial owner(s) for the Purposes;
 - (iii) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and

- (iv) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”);
 - (g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Joint Issue Managers and Global Coordinators, nor the Joint Underwriters and Bookrunners will infringe any such laws as a result of the acceptance of your application;
 - (h) agree and confirm that you are outside the United States (within the meaning of Regulation S);
 - (i) understand that the Offering Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and accordingly, they may not be offered or sold within the United States or for the account or benefit of U.S. persons (as defined in Regulation S) except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. Accordingly, there will be no public offer of the Offering Shares in the United States and the Offering Shares are only being offered and sold outside the United States in offshore transactions as defined in, and in reliance on, Regulation S or pursuant to another exemption. Any failure to comply with these terms may constitute a violation of the United States securities laws; and
 - (j) agree and confirm that, for the purposes of Rule 229(5) of the Listing Manual of the SGX-ST, you are not connected to the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners.
- (24) Acceptance of applications will be conditional upon, among others, our Company being satisfied that:
- (a) permission has been granted by the SGX-ST for the listing and quotation of all our issued Shares (including the Vendor Cornerstone Shares), the Offering Shares, the New Cornerstone Shares, the Award Shares and the Option Shares on the Main Board of the SGX-ST;
 - (b) the Underwriting Agreement, referred to in the section entitled “Plan of Distribution” of this Prospectus, has become unconditional and has not been terminated; and
 - (c) the Monetary Authority of Singapore (the “**Authority**”) has not served a stop order pursuant to Section 242 of the SFA directing that no or no further Offering Shares to which this Prospectus relates be allotted, issued or sold (“**Stop Order**”). The SFA provides that the Authority shall not serve a Stop Order if all the Offering Shares have been issued, or sold, and listed for quotation on the SGX-ST and trading in them has commenced.
- (25) In the event that a Stop Order in respect of the Offering Shares is issued by the Authority or other competent authority, and, subject to the laws of Singapore:
- (a) where the Offering Shares have not been issued and/or transferred to the applicants, all applications for the Offering Shares shall be deemed to be withdrawn and cancelled and our Company shall, within fourteen (14) days from the date of the Stop Order, return to all applicants all monies paid by the applicants on account of their applications for the Offering Shares (without interest or any share of revenue or other

benefit arising therefrom, at their own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners; or

- (b) where the Offering Shares have been issued and/or transferred to the applicants but trading has not commenced and the issue and/or sale of the Offering Shares shall be deemed to be void, our Company shall, subject to compliance with the Cayman Islands Companies Law and our Articles of Association, within seven days of the date of the Stop Order, purchase the applicants' Offering Shares at the Offering Price and pay the applicants all monies paid by the applicants on account of their applications for the Offering Shares (without interest or any share of revenue or other benefit arising therefrom, at their own risk and without any right or claim against our Company, Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners.

The above shall not apply where only an interim Stop Order has been served.

- (26) In the event that an interim Stop Order in respect of the Shares is served by the Authority or other competent authority, no Offering Shares shall be issued and/or transferred to you until the Authority revokes the interim Stop Order. The Authority is not able to serve a Stop Order in respect of the Offering Shares if the Offering Shares have been issued and listed on the SGX-ST and trading in them has commenced.
- (27) Additional terms and conditions for applications by way of Application Forms are set out in “– Additional Terms and Conditions for Applications using Printed Application Forms” on pages K-9 to K-14 of this Prospectus.
- (28) Additional terms and conditions for applications by way of Electronic Applications are set out in the “– Additional Terms and Conditions for Electronic Applications” on pages K-14 to K-30 of this Prospectus.
- (29) All payments in respect of any application for Public Offer Shares, and all refunds where (a) an application is rejected or accepted in part only; or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.
- (30) All payments in respect of any application for Placement Shares, and all refunds where (a) an application is rejected or accepted in part only; or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.
- (31) No application will be held in reserve.
- (32) This Prospectus is dated 11 December 2020. No Offering Shares shall be allotted and/or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

Additional Terms and Conditions for Applications using Printed Application Forms

Applications by way of an Application Form shall be made on the terms and subject to the conditions of this Prospectus, including, but not limited to, the terms and conditions set out below in and elsewhere in this Appendix, as well as the Articles of our Company.

- (1) Applications for the Public Offer Shares must be made using the printed **WHITE** Application Forms for Public Offer Shares and printed **WHITE** official envelopes “A” and “B”, both of which accompany and form part of this Prospectus.

Applications for the Placement Shares must be made using the printed **BLUE** Application Forms for Placement Shares (or in such manner as the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners may, in their absolute discretion, deem appropriate), accompanying and forming part of this Prospectus.

Without prejudice to the rights of our Company, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, as agents of our Company, have been authorised to accept, for and on behalf of our Company, such other forms of application as the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners may (in consultation with our Company) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. **Our Company reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by an improperly drawn up, or improper form of remittance or a remittance which is not honoured upon its first presentation.**

- (2) You must complete your Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.
- (3) You must complete all spaces in your Application Forms except those under the heading "**FOR OFFICIAL USE ONLY**" and you must write the words "**NOT APPLICABLE**" or "**N.A.**" in any space that is not applicable.
- (4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your constitution or equivalent constitutive documents must be lodged with the Share Registrar. Our Company reserve the right to require you to produce documentary proof of identification for verification purposes.
- (5)
 - (a) You must complete Sections A and B and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 8(a) or 8(b) on page 1 of the Application Form for Public Offer Shares and Application Form for Placement Shares. Where paragraph 8(a) on Page 1 of the Application Form for the Public Offer Shares and Application Form for Placement Shares is deleted, you must also complete Section C of the Application Form with the particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 8(a) or 8(b), as the case may be, on page 1 of the Application Form for Public Offer Shares and Application Form for Placement Shares, your application is liable to be rejected.
- (6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated, established or constituted) will be required to declare whether

you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Offering Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated, established or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

- (7) You may apply and make payment for your application for the Public Offer Shares in Singapore currency using only cash. Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable in Singapore dollars of the Offering Price, in respect of the number of Public Offer Shares applied for. The remittance must be in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**GHY SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**" with your name, Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different Securities Accounts shall be accepted. Remittances bearing "**NOT TRANSFERABLE**" or "**NON-TRANSFERABLE**" crossings will be rejected.

No acknowledgement of receipt will be issued for applications and application monies received.

The manner and method for applications and acceptances of payment under the Placement will be determined by the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners in their sole discretion.

- (8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners) to you by ordinary post, in the event of over-subscription for the Public Offer Shares, within 24 hours of the balloting (or such shorter period as the SGX-ST may require, **PROVIDED THAT** the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account).

Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) to you by ordinary post within 14 Market Days after the close of the Offering, **PROVIDED THAT** the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) will be returned to you within three (3) Market Days after the Offering is discontinued, **PROVIDED THAT** the remittance

accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

- (9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
- (10) By completing and delivering the Application Form, you agree that:
- (a) in consideration of our Company having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:
 - (i) your application is irrevocable;
 - (ii) your remittance will be honoured upon its first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners;
 - (iii) you represent and agree that you are not a U.S. person and that you are located outside the United States (within the meaning of Regulation S); and
 - (iv) you understand that the Offering Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and accordingly, they may not be offered or sold within the United States or for the account or benefit of U.S. persons (as defined in Regulation S), except pursuant to state securities laws. Accordingly, there will be no public offer of the Offering Shares in the United States and the Offering Shares are only being offered and sold outside the United States in offshore transactions as defined in, and in reliance on, Regulation S or pursuant to another exemption.
 - (b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) in respect of the Public Offer Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (e) reliance is placed solely on information contained in this Prospectus and that none of our Company, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein;
 - (f) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus;
 - (g) for the purpose of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of our Company, of your Personal Data to the Relevant Persons in accordance with the Personal Data Privacy Terms; and

- (h) you irrevocably agree and undertake to subscribe for the number of Public Offer Shares applied for as stated in the Application Form or any smaller number of such Public Offer Shares that may be allocated to you in respect of your application. In the event that our Company decide to allocate any smaller number of Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final.

Procedures Relating to Applications for the Public Offer Shares by Way of Printed Application Forms

- (1) Your application for the Public Offer Shares by way of printed Application Forms **MUST** be made using the **WHITE** Application Form for Public Offer Shares and **WHITE** official envelopes “**A**” and “**B**”.
- (2) You must:
- (a) enclose the **WHITE** Application Form for Public Offer Shares, duly completed and signed, together with the correct remittance for the full amount payable based on the Offering Price and the number of Public Offer Shares applied for in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the **WHITE** official envelope “**A**” provided;
 - (b) in appropriate spaces on the **WHITE** official envelope “**A**”:
 - (i) write your name and address;
 - (ii) state the number of Public Offer Shares applied for; and
 - (iii) tick the relevant box to indicate the form of payment;
 - (c) **SEAL THE WHITE OFFICIAL ENVELOPE “A”**;
 - (d) write, in the special box provided on the larger **WHITE** official envelope “**B**” addressed to G.H.Y Culture & Media Holding Co., Limited, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, the number of Public Offer Shares you have applied for;
 - (e) insert the **WHITE** official envelope “**A**” into the **WHITE** official envelope “**B**” and seal the **WHITE** official envelope “**B**”; and
 - (f) affix adequate Singapore postage on the **WHITE** official envelope “**B**” (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents at your own risk to G.H.Y Culture & Media Holding Co., Limited, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, so as to arrive by 12.00 noon on 16 December 2020 or such other date(s) and time(s) as our Company may agree with the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners. **Courier services or Registered Post must NOT be used.**
- (3) Applications that are illegible, incomplete or incorrectly completed or accompanied by an improperly drawn up, or improper form of remittance or a remittance which is not honoured upon its first presentation are liable to be rejected. Except for applications for the Placement Shares where remittance is permitted to be submitted separately, applications for the Public Offer Shares not accompanied by any form of payment will not be accepted.

- (4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Placement Shares by Way of Printed Application Forms

- (1) Your application for the Placement Shares by way of printed Application Forms must be made using the **BLUE** Application Form for Placement Shares (or in such other manner as the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners may in their absolute discretion deem appropriate).
- (2) You must enclose the **BLUE** Application Form for Placement Shares, duly completed and signed, together with the correct remittance for the full amount payable based on the Offering Price and the number of Placement Shares applied for, in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents with your name, Securities Account number and address clearly written on the reverse side of the Application Form, in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND**, at your own risk, to G.H.Y Culture & Media Holding Co., Limited, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, so as to arrive by 12.00 noon on 16 December 2020 or such other date(s) and time(s) as our Company may agree with the Joint Issue Managers and Global Coordinators, and Joint Underwriters and Bookrunners. **Courier services or Registered Post must NOT be used.**
- (3) Applications that are illegible, incomplete or incorrectly completed or accompanied by an improperly drawn up, or improper form of remittance or a remittance which is not honoured upon its first presentation are liable to be rejected.
- (4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including, but not limited to, the terms and conditions set out below and elsewhere in this Appendix, as well as the Articles of our Company.

- (1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mBanking Interface of DBS Bank (in the case of mBanking Applications). Currently, DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (each as defined below) are the Participating Banks through which Internet Electronic Applications may be made and DBS Bank is the only Participating Bank through which mBanking Applications may be made.
- (2) For illustration purposes, the procedures for Electronic Applications for Public Offer Shares through the ATMs, the IB website and the mBanking Interface of DBS Bank (together the “**Steps**”) are set out in pages K-21 to K-30 of this Prospectus. The Steps set out the actions that you must take at the ATMs or the IB website or the mBanking Interface of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs or the IB websites of the other Participating Banks are set out on the ATM and IB website screens of the respective Participating Banks or the mBanking Interface of DBS Bank. Please read

carefully the terms and conditions of this Prospectus and its accompanying documents (including the Application Forms), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

- (3) Any reference to “you” or the “Applicant” in these Additional Terms and Conditions for Electronic Applications and in the Steps shall refer to you making an application for Public Offer Shares through an ATM of one of the relevant Participating Banks or the IB website of a relevant Participating Bank or the mBanking Interface of DBS Bank.
- (4) If you are making an ATM Electronic Application:
 - (a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Shares at an ATM belonging to other Participating Banks.
 - (b) You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.
 - (c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.
- (5) If you are making an Internet Electronic Application or an mBanking Application:
 - (a) You must have an existing bank account with, and a User Identification (“**User ID**”) as well as a Personal Identification Number (“**PIN**”) given by, the relevant Participating Bank.
 - (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.
 - (c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or your mBanking Application through the mBanking Interface of DBS Bank, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed out or screen captured by you for your record. This printed record or screen capture of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.
- (6) In connection with your Electronic Application for Public Offer Shares, you are required to confirm statements to the following effect in the course of activating the Electronic Application:
 - (a) that you have received a copy of the Prospectus (in the case of ATM Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Public Offer Shares and the Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

- (b) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus;
- (c) that, for the purposes of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of our Company, of your Personal Data from your records with the Relevant Participating Bank to the Relevant Parties in accordance with the Personal Data Privacy Terms; and
- (d) where you are applying for the Public Offer Shares, that this is your only application for Public Offer Shares and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking Interface of DBS Bank. By doing so, you shall be treated as signifying your confirmation of each of the four statements above. In respect of statement 6(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking Interface of DBS Bank, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Personal Data relating to your account(s) with that Participating Bank to the Relevant Parties.

By making an Electronic Application you confirm that you are not applying for the Public Offer Shares as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Shares and shall not make any other application for the Public Offer Shares whether at the ATMs of any Participating Bank, the IB websites of the relevant Participating Banks, the mBanking Interface of DBS Bank or by way of an Application Form. Where you have made an application for the Public Offer Shares by way of an Application Form, you shall not make an Electronic Application for the Public Offer Shares and vice versa.

- (7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which such Electronic Application will not be completed. Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or the IB website of the relevant Participating Bank or the mBanking Interface of DBS Bank, as the case may be, through which your Electronic Application is being made, shall be rejected.
- (8) You may apply and make payment for your application for the Public Offer Shares in Singapore currency in cash only. You may apply and make payment for your application in Singapore currency through any ATM or IB website of your Participating Bank or the mBanking Interface of DBS Bank (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.
- (9) You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Shares that may be allocated to you in respect of your Electronic Application. In the event that our Company decides to allocate any lesser number of such Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or

“Yes” or any other relevant button on the IB website screen or the mBanking Interface of DBS Bank) of the number of Public Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Public Offer Shares that may be allocated to you and your agreement to be bound by the Articles of our Company. You also irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of the Public Offer Shares that may be allocated to you.

- (10) Our Company will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting (or such shorter period as the SGX-ST may require), **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

Where your Electronic Application is accepted or rejected in part only, the balance of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) to you by being automatically credited to your account with your Participating Bank, within 14 Market Days after the close of the Offering, **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) will be returned to you by being automatically credited to your account with your Participating Bank within three Market Days after the Offering is discontinued, **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Shares, if any, allocated to you before trading the Shares on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, our Company, the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners take any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

- (11) If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.
- (12) Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd. (including POSB) (“ DBS Bank ”)	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	IB http://www.dbs.com ⁽¹⁾	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited (“ OCBC ”)	1800 363 3333	ATM/IB/Phone Banking http://www.ocbc.com ⁽²⁾	24 hours a day	Evening of the balloting day
United Overseas Bank Limited (“ UOB ”)	1800 222 2121	ATM (Other Transactions–“IPO Results Enquiry”)/Phone Banking/IB http://www.uobgroup.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or mBanking Applications through the mBanking Interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.
- (2) Applicants who have made Electronic Applications through the ATMs or the IB website of OCBC may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.
- (3) Applicants who have made Electronic Applications through the ATMs or the IB website of the UOB may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.
- (13) ATM Electronic Applications shall close at 12.00 noon on 16 December 2020 or such other date(s) and time(s) as our Company may agree with the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 16 December 2020, or such other date(s) and time(s) as our Company may agree with the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.
- (14) You are deemed to have irrevocably requested and authorised our Company to:
- register the Public Offer Shares allocated to you in the name of CDP for deposit into your Securities Account;
 - send the relevant Share certificate(s) to CDP;
 - return or refund (without interest or any share of revenue earned or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) the full amount of the application monies, should your Electronic Application be unsuccessful by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of the balloting (or such shorter period as the SGX-ST may require), **PROVIDED THAT** the remittance in

respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated share issue account;

- (d) return or refund (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) the balance of the application monies, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank, with the relevant amount within 14 Market Days after the close of the Offering, **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated share issue account; and
 - (e) return or refund (without interest of any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, the Joint Issue Managers and Global Coordinators, or the Joint Underwriters and Bookrunners) the full amount of the application monies, should the Offering not proceed for any reason, by automatically crediting your bank account with your Participating Bank with the relevant amount within three (3) Market Days after the Offering is discontinued, **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated share issue amount.
- (15) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, our Company, and the Joint Issue Managers and Global Coordinators, and the Joint Underwriters and Bookrunners, and if, in any such event, our Company, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners and/or the relevant Participating Bank do or does not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners and/or the relevant Participating Bank for any Public Offer Shares applied for or for any compensation, loss or damage.
- (16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. Our Company shall reject any application by any person acting as nominee (other than approved nominee companies).
- (17) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.
- (18) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in your address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.

- (19) By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) in consideration of our Company making available the Electronic Application facility, through the Participating Banks (acting as agents of our Company) at the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank (as the case may be):
 - (i) your Electronic Application is irrevocable;
 - (ii) your Electronic Application, the acceptance by our Company, and the contract resulting therefrom under the Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (iii) you represent and agree that you are not located in the United States (within the meaning of Regulation S); and
 - (iv) you understand that the Offering Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and accordingly, they may not be offered or sold within the United States or for the account or benefit of U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the regulation requirements of the Securities Act and applicable state securities laws. Accordingly, there will be no public offer of the Offering Shares in the United States and the Offering Shares are only being offered and sold outside the United States in offshore transactions as defined in, and in reliance on, Regulation S or pursuant to another exemption.
 - (b) none of our Company, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners, the Participating Banks nor CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company, CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 15 above or to any cause beyond their respective controls;
 - (c) in respect of the Public Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;
 - (e) reliance is placed solely on information contained in this Prospectus and that none of our Company, the Joint Issue Managers and Global Coordinators, the Joint Underwriters and Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein; and
 - (f) you irrevocably agree and undertake to subscribe for the number of Public Offer Shares applied for as stated in your Electronic Application or any smaller number of such Public Offer Shares that may be allocated to you in respect of your Electronic Application. In the event that our Company decides to allocate any smaller number of such Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final.

Steps for ATM Electronic Applications for Public Offer Shares through ATMs of DBS (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “&”, “I/C”, “No.”, “SGX” and “Max” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “Number”, “the SGX-ST” and “Maximum”, respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS Bank (including POSB)), may differ slightly from those represented below.

- Step 1: Insert your personal DBS Bank or POSB ATM Card.
- 2: Enter your Personal Identification Number.
- 3: Select “MORE SERVICES”.
- 4: Select language (for customers using multi-language card).
- 5: Select “ESA-IPO/Rights Appln/Bonds/SGS/INVESTMENTS”.
- 6: Select “ELECTRONIC SECURITIES APPLN (IPOS/BONDS/SECURITIES)”.
- 7: Read, understand and acknowledge the following statements which will appear on the screen accordingly:

WARNING

- All investments come with risks.
- You can lose money on your investment.
- Invest only if you understand and can monitor your investment.

(Press “I acknowledge, press >” to continue)

You agree that this transaction is entered in totally on your own accord and at your own risk. The availability of this application service shall not be construed as recommendation or advise from DBS/POSB to enter into this transaction. You may wish to seek prior advice from a qualified adviser as to the transaction suitability.

(Press “To continue, press >” to continue)

- 8: Select “GHY”

- 9: Read, understand and acknowledge the following statements which will appear on the screen accordingly:

IMPORTANT

- Read the Offer Documents* before subscribing for the securities.
- Obtain the Offer Documents from our bank branches#, website or via the following QR Code.



<https://go.dbs.com/sg-esa>

Subject to availability

(Press “I acknowledge, press >” to continue)

RISK WARNING FOR EQUITIES

- The issuer may not always pay you dividends.
- You will likely lose money if the issuer gets into financial difficulties.
- If the issuer is wound up, shareholders will be the last to be paid off.

(Press “To continue, press >” to continue)

- 10: Check the security name, closing date and offering price displayed on the screen, and press “To continue, press >” to continue.

- 11: Read and understand the following statements which will appear on the screen:

FOR SECURITY APPLNS, PROSPECTUS/DOCUMENTS ARE AVAILABLE AT BRANCHES OF VARIOUS PARTICIPATING BANKS, WHERE AVAILABLE

(Press “To continue, press >” to continue)

For purpose of facilitating your application, you consent to the bank collecting and using your name, NRIC/passport number, address, nationality, securities a/c number, application details and personal data and disclosing the same to share registrars, CDP, SGX-ST and issuers/vendors/managers.

(Press “To continue, press >” to continue)

For fixed and maximum price securities application, this is your only application and is made in your own name.

The maximum price for each security is payable in full on application and subject to refund if the final price is lower.

For tender price securities application, this is your only application at the selected tender price and is made in your own name.

You are not a US Person as referred to in (where applicable) the Offer Documents.

There may be a limit on the maximum number of securities that you can apply for. Subject to availability, you may be allotted/allocated a smaller number of securities than you applied for.

(Press “To continue, press >” to continue)

12: Select your nationality

13: Select the DBS account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.

14: Read and understand the following statements which will appear on the screen:

WARNING

- Diversify your investments.
- Avoid investing a large portion of your money in a single issuer.

(Press “To continue, press >” to continue)

15: Enter the number of securities you wish to apply for using cash.

(Press “ENTER” to continue)

16: Enter or confirm (if your CDP Securities Account number has already been stored in DBS’ records) your own 12-digit CDP Securities Account number.

(Press “ENTER” to continue)

17: Check the details of your securities application, your CDP Securities Account number, the number of securities applied and application amount on the screen, and press the “TO CONFIRM” key to confirm your application. Do note that the application cannot be cancelled upon confirmation.

18: Remove the ATM Transaction Record for your reference and retention only.

Steps for Internet Electronic Application for Public Offer Shares through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “I/C” and “No.” refer to “Account”, “and”, “Amount”, “NRIC” and “Number”, respectively).

Step 1: Click on DBS Bank at <http://www.dbs.com>.

2: Login to Internet banking.

3: Enter your User ID and PIN.

- 4: Enter your DBS Bank iB Secure PIN.
- 5: Select “Invest”, followed by “Electronic Securities Application (ESA)”.
- 6: Click “Yes” to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended or acting for the account or benefit of a U.S. person).
- 7: Select your country of residence and click “Next”.
- 8: Click on “GHY” and click “Next”.
- 9: Read, understand and acknowledge the following statements which will appear on the screen:

Warning

All investments come with risks, including the risk that you may lose all or part of your investment. By continuing, you understand that you are responsible for your own investment decisions.

RISK WARNING FOR EQUITIES

- The issuer may not always pay you dividends.
- You will likely lose money if the issuer gets into financial difficulties.
- If the issuer is wound up, shareholders will be the last to be paid off.

(Press “I Acknowledge” to continue)

- 10: Read and understand the following statements which will appear on the screen:

Important

Read the Offer Documents before subscribing for the securities.

Click on the logo(s) to download the Offer Documents.

Before committing to an investment, please seek advice from a financial adviser regarding the suitability of the product. If you do not wish to seek financial advice, by continuing the application, you confirm that you have independently assessed that this product is suitable for you. You have not relied on any previous advice or recommendation given by DBS Bank in making your investment decision and you accept that should you wish to proceed with the transaction, you will not be able to rely on Section 27 of the Financial Advisers Act (Cap 110) to file any civil claim against DBS Bank.

By proceeding, I have read, understood, and agree to the following:

Agreement

- For the purposes of facilitating my application, consent to the Bank collecting and using my name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, application details and other personal data and disclosing the same from the Bank's records to registrars of securities of the issuer, SGX, CDP, CPF, issuer/vendor(s) and issue manager(s).
- I am not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) the "U.S. Securities Act").
- The securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities law.
- That this application will be made in my own name and subject to the conditions on securities application.

(Press "Next" to continue)

11: Click on "U.S. person" to read the following:

"U.S. Person" means:

- any natural person resident in the United States;
- any partnership or corporation organized or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a U.S. person;
- any trust of which any trustee is a U.S. person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

- any partnership or corporation if:
 - a. organised or incorporated under the laws of any foreign jurisdiction; and
 - b. formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the United States Securities Act of 1933) who are not natural persons, estates or trusts.

(Press “OK” to continue)

12: Click on “conditions on securities application” to read the following:

- For **FIXED/MAXIMUM price securities** application, this is your only application. For **TENDER** price securities application, this is your only application at the selected tender price.
- For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following:
 - a. The application monies will be debited from your bank account in S\$, based on the Bank’s prevailing board rates at time of application. Any refund monies will be credited in S\$ based on the Bank’s prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S\$ at the same exchange rate.
 - b. For **1ST-COME-1ST-SERVE securities**, the number of securities applied for may be reduced, subject to availability at the point of application.

13: Check the security details, select the DBS account or POSB account from which to debit your application monies and enter the number of securities you wish to apply for using cash. Read and understand the following statements displayed on the screen:

Warning

- Diversify your investments.
- Avoid investing a large portion of your money in a single issuer.

(Press “Next” to continue)

14: Verify the details of your securities application and click “Confirm” to confirm your application.

15: You may print a copy of the IB Confirmation Screen for your reference and retention.

Steps for mBanking Applications for Public Offer Shares through the mBanking Interface of DBS Bank

For illustrative purposes, the steps for making an mBanking Application are shown below. Certain words appearing on the screen are in abbreviated from (“A/C”, “&”, “amt”, “I/C”, “SGX” and “No.” refer to “Account”, “and”, “Amount”, “NRIC”, “SGX-ST” and “Number”, respectively).

- Step 1: Click on DBS Bank mBanking application and login using your User ID and PIN.
- 2: Select “Invest”.
- 3: Select ESA”.
- 4: Select “Yes” to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations, your mailing address for DBS Internet Banking is in Singapore and that you are a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933, as amended).
- 5: Select your country of residence and click “Next”.
- 6: Select “GHY” and click “Next”.
- 7: Read, understand and acknowledge the following statements which will appear on the screen:

Warning

All investments come with risk, including the risk that you may lose all or part of your investment. By continuing, you understand that you are responsible for your own investment decisions.

RISK WARNING FOR EQUITIES

- (i) The issuer may not always pay you dividends.
- (ii) You will likely lose money if the issuer gets into financial difficulties.
- (iii) If the issuer is wound up, shareholders will be the last to be paid off.

(Press “I Acknowledge” to continue)

- 8: Please read and acknowledge:

IMPORTANT

Read the Offer Documents before subscribing for the securities.

Click on the respective link to view the Prospectus and Product Highlights Sheet.

Before committing to an investment, please seek advice from a financial adviser regarding the suitability of the product. If you do not wish to seek financial advice, by continuing the application, you confirm that you have independently assessed that this product is suitable for you. You have not relied on any previous advice or recommendation given by DBS Bank in making your investment decision and you

accept that should you wish to proceed with the transaction, you will not be able to rely on Section 27 of the Financial Advisers Act (Cap 110) to file any civil claim against DBS Bank.

By proceeding, I have read, understood, and agree to the following:

AGREEMENT

- For the purposes of facilitating my application, consent to the Bank collecting and using my name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, application details and other personal data and disclosing the same from the Bank's records to registrars of securities of the issuer, SGX, CDP, CPF, issuer/vendor(s) and issue manager(s).
- I am not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) the "U.S. Securities Act").
- The securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities law.
- That this application will be made in my own name and subject to the conditions on securities application.

(Press "I Agree" to continue)

9: Click on "U.S. person" to read the following:

"U.S. Person" means:

- any natural person resident in the United States;
- any partnership or corporation organized or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a U.S. person;
- any trust of which any trustee is a U.S. person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

- any partnership or corporation if:
 - a. organised or incorporated under the laws of any foreign jurisdiction; and
 - b. formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the United States Securities Act of 1933) who are not natural persons, estates or trusts.

10: Click on “conditions on securities application” to read the following:

- For **FIXED/MAXIMUM price securities** application, this is your only application. For **TENDER** price securities application, this is your only application at the selected tender price.
- For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following:
 - a. The application monies will be debited from your bank account in S\$, based on the Bank’s prevailing board rates at time of application. Any refund monies will be credited in S\$ based on the Bank’s prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S\$ at the same exchange rate.
 - b. For **1ST-COME-1ST-SERVE securities**, the number of securities applied for may be reduced, subject to availability at the point of application.

11: Select your nationality, enter or confirm your CDP Securities Account number (if your CDP Securities Account number has already been stored in DBS’ records) and check the security details. Select the DBS account or POSB account from which to debit your application monies and enter the number of securities you wish to apply for using cash. Read and understand the following statements displayed on the screen:

WARNING

- Diversify your investments.
- Avoid investing a large portion of your money in a single issuer.

(Press “Next” to continue)

12: Verify the details of your securities application and click “Confirm” to confirm your application.

13: Where applicable, capture Confirmation Screen (optional) for your reference and retention only.

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.



长信传媒

G.H.Y Culture & Media

G.H.Y CULTURE & MEDIA HOLDING CO., LIMITED

长信文化传媒控股集团公司

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