

Golden Heaven Group Holdings Ltd. Announces Financial Results for Fiscal Year 2023

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Golden Heaven Group Holdings Ltd. →

15 Feb, 2024, 18:30 ET

NANPING, China, Feb. 15, 2024 /PRNewswire/ -- Golden Heaven Group Holdings Ltd. (the "Company" or "Golden Heaven") (Nasdaq: **GDHG**), an amusement park operator in China, today announced its financial results for the fiscal year ended September 30, 2023.

Ms. Qiong Jin, the CEO and Chairman of the Company, commented, "This 2023 fiscal year marked a period of resilience for the Company. Our parks experienced decreases in park attendance, mainly due to facility safety maintenance from June 2023 to September 2023, which had a notable impact on our immediate financial performance. Despite such challenges, we pursued collaborations with major amusement parks in China. We believe that our successful listing on Nasdaq in April 2023 helped us to accelerate our market

expansion in China. Looking forward, we will strive to satisfy customers' entertainment needs and enhance our reputation. We are also dedicated to expanding our presence in the industry and unlocking value for all our stakeholders."

Fiscal Year 2023 Financial Highlights

- Total revenue was \$31.8 million in fiscal year 2023, compared to \$41.8 million in fiscal year 2022.
- Gross profit was \$19.3 million in fiscal year 2023, compared to \$30.2 million in fiscal year 2022. Gross margin was 60.76% in fiscal year 2023, compared to 72.19% in fiscal year 2022.
- Income from operations was \$10.7 million in fiscal year 2023, compared to \$21.2 million in fiscal year 2022.
- Net income was \$6.5 million in fiscal year 2023, compared to \$14.3 million in fiscal year 2022.
- Earnings per share was \$0.13 in fiscal year 2023, compared to \$0.29 in fiscal year 2022.

Fiscal Year 2023 Financial Results

Revenue

	For the Year Ended		For the Year Ended		
	September 30, 2023		September 30, 2022		
	USD	%	USD	%	
Sales of in-park recreation	30,115,995	94.74 %	\$ 39,377,906	94.23 %	
Rental income	1,514,697	4.77 %	1,089,435	2.61 %	
Park service fees	156,110	0.49 %	1,320,855	3.16 %	
Total revenue	<u>31,786,802</u>	<u>100.00 %</u>	<u>41,788,196</u>	<u>100.00 %</u>	

Our revenue was derived from sales of in-park recreation, rental income, and park service fees. The total revenue was \$31.8 million in fiscal year 2023, decreased by 23.93% from \$41.8 million in fiscal year 2022. Such decrease was primarily attributable to the decrease in sales of in-park recreation and park service fees.

Our revenue from each of our revenue segments is summarized as follows:

For fiscal year 2023:

(USD)	Sales of in-park recreation	Rental income	Park service fees	Total
Reportable segment revenue	\$ 30,115,995	\$ 1,514,697	\$ 156,110	\$ 31,786,802
Inter-segment loss	-	-	-	-
Revenue from external customers	<u>30,115,995</u>	<u>1,514,697</u>	<u>156,110</u>	<u>31,786,802</u>
Segment gross profit	\$ 17,642,945	\$ 1,514,697	\$ 156,110	\$ 19,313,752
Gross margin	<u>58.58 %</u>	<u>100 %</u>	<u>100 %</u>	<u>60.76 %</u>

For fiscal year 2022:

<i>(USD)</i>	Sales of in-park recreation	Rental income	Park service fees	Total
Reportable segment revenue	\$ 39,377,906	\$ 1,089,435	\$ 1,320,855	\$ 41,788,196
Inter-segment loss	—	—	—	—
Revenue from external customers	39,377,906	1,089,435	1,320,855	41,788,196
Segment gross profit	\$ 27,755,558	\$ 1,089,435	\$ 1,320,855	\$ 30,165,848
Gross margin	70.49 %	100 %	100 %	72.19 %

Sales of in-park recreation

Revenue from sales of in-park recreation was \$30.1 million in fiscal year 2023, decreased by 23.52% from \$39.4 million in fiscal year 2022. This decrease was mainly because (i) Mangshi Jinsheng Amusement Park was initially closed for electrical maintenance from November 2022 to April 2023, and (ii) all of the other parks experienced decreases in park attendance due to facility safety maintenance from June 2023 to September 2023.

Rental income

Revenue from rental income was \$1.5 million in fiscal year 2023, increased by 39.04% from \$1.1 million in fiscal year 2022. Such change was primarily attributable to (i) the rental payment from the Children's Castle project, which started to generate revenue in Yueyang Amusement World on October 1, 2022; and (2) the rental payment from the electricity-free park attractions, which started to generate revenue in Tongling West Lake Amusement World on May 1, 2023.

Park service fees

Revenue from park service fees was \$0.2 million in fiscal year 2023, decreased from \$1.3 million in fiscal year 2022. Park service fees decreased mainly because a fewer number of gourmet festivals and circus performances were held in the parks. Some of the special events held in the 2022 fiscal year were organized by the local government to help the business during the COVID-19 pandemic, and there was less of such government help in the fiscal year of 2023.

Cost of Revenue

Cost of revenue was \$12.5 million in fiscal year 2023, increased by 7.32% from \$11.6 million in fiscal year 2022. The increase in cost of revenue was mainly due to the increased facility safety maintenance fees.

Gross Profit

Gross profit was \$19.3 million in fiscal year 2023, decreased by 35.97% from \$30.2 million in fiscal year 2022.

Gross profit margin was 60.76% in fiscal year 2023, decreased from 72.19% in fiscal year 2022.

Operating Expenses

Total operating expenses were \$8.6 million in fiscal year 2023, decreased by 4.28% from \$9.0 million in fiscal year 2022. This decrease was mainly attributable to (i) an increase of \$0.83 million in general and administrative expenses, or G&A expenses, and (ii) a decrease of \$1.22 million in selling expenses.

The \$0.83 million increase in G&A expenses was primarily attributable to an increase in consulting fees (including brokerage fees and lawyer fees, etc.), in connection with our initial public offering.

The \$1.22 million decrease in selling expenses was primarily attributable to a decrease in advertising fees.

Income Tax Expense

Income tax expense was \$4.2 million in fiscal year 2023, decreased by 33.17% from \$6.3 million in fiscal year 2022. We are subject to the standard income tax rate of 25% under the PRC tax laws.

Net Income

Net income was \$6.5 million in fiscal year 2023, decreased by 54.29% from \$14.3 million in fiscal year 2022.

Cash and Cash Equivalents

As of September 30, 2023, our cash and cash equivalents amounted to \$0.2 million, compared to cash and cash equivalents of \$22.4 million as of September 30, 2022.

About Golden Heaven Group Holdings Ltd.

Golden Heaven Group Holdings Ltd. manages and operates six properties consisting of amusement parks, water parks, and complementary recreational facilities. With approximately 426,560 square meters of land in the aggregate, these parks are located in geographically diverse markets across the south of China and collectively offer approximately 139 rides and attractions. Due to the geographical locations of the parks and the ease of travel, the parks are easily accessible to an aggregate population of approximately 21 million people. Since September 30, 2023, Mangshi Jinsheng Amusement Park, which is one of the six parks, has been temporarily closed. The parks provide a wide range of exciting and entertaining experiences, including thrilling rides, family-friendly attractions, water attractions, gourmet festivals, circus performances, and high-tech facilities. For more information, please visit the Company's website at <https://ir.jsyoule.com/>.

Forward-Looking Statements

This press release contains "forward-looking statements". Forward-looking statements reflect our current view about future events. These forward-looking statements involve known and unknown risks and uncertainties and are based on the Company's current expectations and projections about future events that the Company believes may affect its financial condition, results of operations, business strategy and financial needs. Investors can identify these forward-looking statements by words or phrases such as

"may," "will," "could," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "propose," "potential," "continue" or similar expressions. The Company undertakes no obligation to update or revise publicly any forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations, except as may be required by law. Although the Company believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that such expectations will turn out to be correct, and the Company cautions investors that actual results may differ materially from the anticipated results and encourages investors to review other factors that may affect its future results in the Company's registration statement and other filings with the U.S. Securities and Exchange Commission.

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GOLDEN HEAVEN GROUP HOLDING LTD.

CONSOLIDATED BALANCE SHEETS

	September 30, 2023	September 30, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 245,908	\$ 22,447,145
Advances to suppliers and other current assets	14,433,069	1,987,750
Other receivables	57,723	52,370
TOTAL CURRENT ASSETS	\$ 14,736,700	\$ 24,487,265
Property, plant and equipment, net	\$ 32,321,643	\$ 27,782,087
Right-of-use assets	6,151,204	6,648,370
Other non-current assets	29,017,886	14,167,421
TOTAL NON-CURRENT ASSETS	67,490,733	48,597,878
TOTAL ASSETS	\$ 82,227,433	\$ 73,085,143
 LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 4,259,820	\$ -
Accrued expenses and other payables	3,037,092	3,119,562
Tax payable	1,012,103	2,736,145
Advances from customers	5,732,349	9,645,494
Loan payables	139,280	140,849
Lease liability-current	346,005	427,855
TOTAL CURRENT LIABILITIES	\$ 14,526,649	\$ 16,069,905
NON-CURRENT LIABILITIES		
Lease liability-non-current	5,805,199	6,220,515
Other non-current liabilities	237,472	282,402
Amount due to related party	\$ 607,355	\$ 904,965
TOTAL NON-CURRENT LIABILITIES	6,650,026	7,407,882
TOTAL LIABILITIES	\$ 21,176,675	\$ 23,477,787

STOCKHOLDERS' EQUITY

Golden Heaven Group Holdings Ltd., Stockholders' equity

Ordinary shares, \$0.0001 par value; 500,000,000 shares authorized; 51,750,000 shares and 50,000,000 shares issued as of September 30, 2023 and 2022, respectively	\$	5,175	\$	5,000
Additional paid-in capital		9,652,412		3,372,733
Retained earnings		55,559,561		49,099,917
Accumulated other comprehensive loss		(4,166,390)		(2,870,294)
Total stockholders' equity		61,050,758		49,607,356
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	82,227,433	\$	73,085,143

GOLDEN HEAVEN GROUP HOLDING LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	For the Fiscal Year Ended		
	2023	2022	2021
Revenue	\$ 31,786,802	\$ 41,788,196	\$ 38,517,742
Cost of revenue	12,473,050	11,622,348	11,687,156
Gross profit	19,313,752	30,165,848	26,830,586
Operating expenses			
General and administrative expenses	4,900,269	4,066,178	2,509,090
Selling expenses	3,688,104	4,906,579	5,601,274
Total operating expenses	8,588,373	8,972,757	8,110,364
Income from operations	10,725,379	21,193,091	18,720,222
Other income (expenses)			
Interest income	74,553	42,320	64,320
Interest expenses	(6,008)	(6,162)	(4,583)
Loss on disposal of property, plant and equipment	(156,072)	(521,189)	(473,596)
Other income (expenses), net	151,771	(34,723)	5,815
Total other income (expenses), net	64,244	(519,754)	(408,044)
Income before income tax	10,789,623	20,673,337	18,312,178
Income tax expense	(4,240,039)	(6,344,963)	(4,731,803)
Net income	<u>\$ 6,549,584</u>	<u>\$ 14,328,374</u>	<u>13,580,375</u>
Other comprehensive income			
Net income	\$ 6,549,584	\$ 14,328,374	13,580,375
Foreign currency translation	(1,296,096)	(4,514,705)	1,288,049
Comprehensive income	5,253,488	9,813,669	14,868,424
Basic & diluted earnings per share	\$ 0.13	\$ 0.29	\$ 0.14
Basic & diluted weighted average number of ordinary shares	50,810,274	50,000,000	100,000,000

GOLDEN HEAVEN GROUP HOLDING LTD.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

The Fiscal Years ended September 30, 2022

	Ordinary shares		Statutory reserve	Retained earnings	Accumulative other comprehensive income	Total
	Shares	Amount				
Balance at September 30, 2021	100,000,000	\$ 10,000	\$ 3,009,476	\$ 35,134,800	\$ 1,644,411	\$ 39,798,687
Shares cancelled by cash refund	(50,000,000)	(5,000)	—	—	—	(5,000)
Net income	—	—	—	14,328,374	—	14,328,374
Statutory reserve	—	—	363,257	(363,257)	—	—
Foreign currency translation	—	—	—	—	(4,514,705)	(4,514,705)
Balance at September 30, 2022	50,000,000	\$ 5,000	\$ 3,372,733	\$ 49,099,917	\$ (2,870,294)	\$ 49,607,356

The Fiscal Years ended September 30, 2023

	Ordinary shares		Statutory reserve	Additional paid-in capital	Retained earnings	Accumulative other comprehensive income	Total
	Shares	Amount					
Balance at September 30, 2022	50,000,000	\$ 5,000	3,372,733	\$ —	\$ 49,099,917	\$ (2,870,294)	\$ 49,0
Issuance of ordinary shares-cash	1,750,000	175	—	6,189,739	—	—	6,1
Net income	—	—	—	—	6,549,584	—	6,5
Statutory reserve	—	—	89,940	—	(89,940)	—	—
Foreign currency translation	—	—	—	—	—	(1,296,096)	(1,2
Balance at September 30, 2023	<u>51,750,000</u>	<u>\$ 5,175</u>	<u>3,462,673</u>	<u>\$ 6,189,739</u>	<u>\$ 55,559,561</u>	<u>\$ (4,166,390)</u>	<u>\$ 61,1</u>

GOLDEN HEAVEN GROUP HOLDING LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Fiscal Year Ended		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 6,549,584	\$ 14,328,374	\$ 13,580,375
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	3,366,804	3,196,715	3,299,874
Loss on disposal of property, plant and equipment	156,072	521,189	473,596
Changes in operating assets and liabilities			
Other receivables	(6,044)	(7,063)	19,377
Other current assets	(27,973,193)	1,005,523	(14,519,791)
Accounts payable	4,259,820	—	(866,494)
Accrued expenses and other payables	(1,821,122)	579,597	(388,806)
Advances from customers	(3,874,566)	(806,737)	(6,560,028)
Net cash (used in) provided by operating activities	(19,342,645)	18,817,598	(4,961,897)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of equipment	—	85,125	45,664
Additions to property, plant and equipment	(7,910,651)	(275,234)	(905,209)
Net cash used in investing activities	(7,910,651)	(190,109)	(859,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from related party	1,779,723	971,617	586,121
Repayment of amounts due to related parties	(2,072,512)	(7,817,993)	(461,251)
Proceeds from the issuance of ordinary shares, net of issuance costs	6,189,914	—	—
Repayment of loan	(140,849)	(145,980)	—
Proceeds from loan payable	139,280	152,063	148,025
Net cash provided by (used in) financing activities	5,895,556	(6,840,293)	272,895
Effect of change in exchange rate	(843,497)	(2,215,409)	869,563
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			
	(22,201,237)	9,571,787	(4,678,984)
Cash and cash equivalents, beginning of year	22,447,145	12,875,358	17,554,342

Cash and cash equivalents, end of year	<u>\$ 245,908</u>	<u>\$ 22,447,145</u>	<u>12,875,358</u>
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest expense	6,008	6,162	4,583
Cash paid for income tax	6,302,806	4,973,635	5,788,891
Operating lease	6,151,204	6,648,370	6,150,602

SOURCE Golden Heaven Group Holdings Ltd.