

**SHAW BROTHERS
HOLDINGS LIMITED
邵氏兄弟控股有限公司**

Incorporated in the Cayman Islands with limited liability



2022

Interim Report

Stock Code 00953



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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Li Ruigang

EXECUTIVE DIRECTOR

Miss Lok Yee Ling Virginia

NON-EXECUTIVE DIRECTOR

Mr. Hui To Thomas

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Pang Hong

Mr. Poon Kwok Hing Albert

Miss Szeto Wai Ling Virginia

BOARD COMMITTEES

EXECUTIVE COMMITTEE

Miss Lok Yee Ling Virginia (Committee Chairlady)

Mr. Hui To Thomas

AUDIT COMMITTEE

Mr. Poon Kwok Hing Albert (Committee Chairman)

Mr. Pang Hong

Miss Szeto Wai Ling Virginia

REMUNERATION COMMITTEE

Miss Szeto Wai Ling Virginia (Committee Chairlady)

Mr. Pang Hong

Mr. Poon Kwok Hing Albert

NOMINATION COMMITTEE

Mr. Pang Hong (Committee Chairman)

Mr. Poon Kwok Hing Albert

Miss Szeto Wai Ling Virginia

COMPANY SECRETARY

Miss Leung Tsz Kwan

AUTHORISED REPRESENTATIVES

Miss Lok Yee Ling Virginia

Miss Leung Tsz Kwan

REGISTERED OFFICE

Cricket Square, Hutchins Drive
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Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

STOCK CODE

00953

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
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16 Harcourt Road
Hong Kong

AUDITOR

SHINEWING (HK) CPA Limited

LEGAL ADVISER TO CAYMAN ISLANDS

Conyers Dill & Pearman, Cayman

PRINCIPAL BANKERS

Shanghai Commercial Bank Limited
Standard Chartered Bank (Hong Kong) Limited

WEBSITE

www.shawbrotherspictures.com

SHAW PRODUCTION

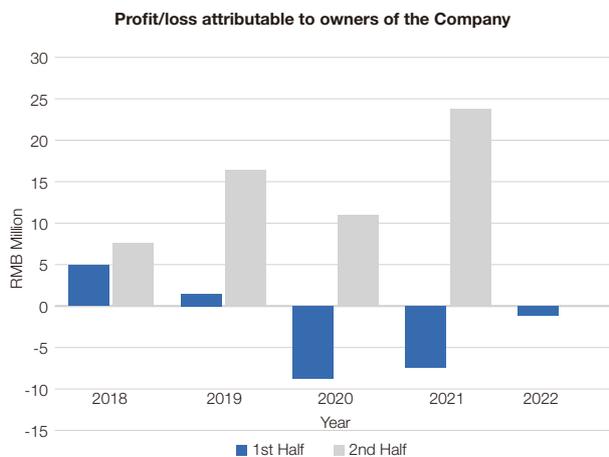


FOCUSED ARTISTES



	Six months ended 30 June		Change
	2022 RMB	2021 RMB	
Revenue			
Film, drama and non-drama ('000)	25,060	29,275	-14.4%
Artiste and event management ('000)	12,498	11,926	4.8%
Total ('000)	37,558	41,201	-8.8%
Segment profit			
Film, drama and non-drama ('000)	7,457	4,705	58.5%
Artiste and event management ('000)	1,102	1,549	-28.8%
Total ('000)	8,559	6,254	36.8%
Performance			
Loss attributable to owners of the Company ('000)	(1,149)	(7,412)	-84.5%
Loss per share (cents)	(0.08)	(0.52)	-84.6%

	30 June 2022	31 December 2021	Change
Total assets (RMB'000)	580,873	582,753	-0.3%
Total liabilities (RMB'000)	156,399	172,331	-9.2%
Total equity (RMB'000)	424,474	410,422	3.4%
Number of issued shares ('000)	1,149,610	1,149,610	-
Ratios			
Current ratio	3.6	3.2	N/A
Gearing ratio	0.74%	Nil	N/A
Net asset value per share (RMB cents)	30.58	29.51	3.6%



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue decreased from RMB41,201,000 to RMB37,558,000 in 2022, representing a decrease of 9%. The following table sets out the revenue of the Group for the period as well as for 2021.

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Films, drama and non-drama	25,060	29,275
Artiste and event management	12,498	11,926
	37,558	41,201

FILMS, DRAMA AND NON-DRAMA

During the period, "Flying Tiger 3" 《飛虎之壯志英雄》 has successfully broadcast on myTV SUPER and free-to-air channel in Hong Kong under Television Broadcasts Limited ("TVB") in February 2022.

To enrich the business portfolio and broaden the income stream, the Group continued to invest in and produce films, drama, and non-drama in Hong Kong and mainland China. Two more variety shows including 《Gi味俱全3》 has been released on various Chinese portals and online platform during the period.

Furthermore, a 30-episode anti-corruption drama series 《廉政狙擊》 led by Bosco Wong (黃宗澤), Shaun Tam (譚俊彥), Ron Ng (吳卓羲) and Nancy Wu (胡定欣) is under post-production stage and scheduled to be released on Youku platform in the second half of 2022.

ARTISTE AND EVENT MANAGEMENT

Although the Omicron variant of COVID-19 outbreak during the period has created a negative impact on the entertainment industry, the performance of the artiste and event management business has slightly improved when compared to the same period in 2021. Revenue from the artiste and event management business increased by 5% to RMB12,498,000. During the period, there are around 80 artistes under the management of the Group.

OUTLOOK AND PROSPECT

The outbreak of COVID-19 has caused unprecedented challenges to the worldwide economy as well as the entertainment industry. Despite the challenging environment, the Group will keep seeking new talents to build up a strong artiste roster and further cooperation with various Chinese portals and online platform for new project development in films, drama and non-drama production. Those measures will strengthen the financial position of the Group for long-term growth through enhancing profitability and maintaining a solid cash flow.

FINANCIAL REVIEW

During the period, the revenue of the Group decreased from RMB41,201,000 to RMB37,558,000, representing a decrease of 9%. Loss attributable to the owners of the Company amounted to RMB1,149,000 (2021: RMB7,412,000). Loss per share amounted to RMB0.08 cents for the period (2021: RMB0.52 cents). The improvements were mainly due to better cost control on production and operating cost during the period.

Revenue from films, drama, and non-drama decreased from RMB29,275,000 to RMB25,060,000. There has been a deferral in the development of certain films and drama projects due to the outbreak of the Omicron variant of COVID-19 during the period, which has dented the sentiment in mainland China and Hong Kong's entertainment industry. Artiste and event management service income slightly increased from RMB11,926,000 to RMB12,498,000 due to a slight recovery in external commercial engagements during the period.

Since fewer movies, TV drama, and non-drama was released during the period, the cost of sales decreased from RMB28,498,000 to RMB18,185,000.

Other expenses for the period amounting to RMB2,819,000 mainly represented the exchange loss incurred during the period (30 June 2021: Other income RMB3,498,000).

Selling and distribution expenses decreased from RMB6,114,000 to RMB2,427,000, primarily due to fewer promotion and advertising activities incurred from the films, drama and non-drama and artiste management during the period.

Administrative expenses decreased from RMB16,413,000 to RMB16,128,000, primarily due to the implementation of cost tightening measures during the period in order to cope with the difficult operating environment under the pandemic.

Finance cost of RMB298,000 for the period (30 June 2021: RMB14,000) represents the interest costs in relation to bank borrowing and interests on lease liabilities.

The income tax expenses were RMB59,000 (30 June 2021: RMB4,636,000). Details of income tax are set out in Note 6 to the condensed consolidated financial statements in this report.

Trade receivables from third parties, net of loss allowance, decreased from RMB84,833,000 as at 31 December 2021 to RMB77,029,000 as at 30 June 2022. Details of trade and other receivables as at 30 June 2022 are set out in Note 14 to the condensed consolidated financial statements in this report.

Investments in films, drama, and non-drama decreased from RMB63,237,000 as at 31 December 2021 to RMB55,256,000 as at 30 June 2022 mainly due to the release of certain movies, TV drama, and non-drama investments.

Films, drama, and non-drama productions in progress increased from RMB65,340,000 as at 31 December 2021 to RMB65,893,000 as at 30 June 2022 due to the production in progress of certain drama projects.

Trade and other payables decreased from RMB37,394,000 as at 31 December 2021 to RMB26,524,000 as at 30 June 2022, mainly due to the settlement of talent fees to artistes during the period.

Contract liabilities increased from RMB83,270,000 as at 31 December 2021 to RMB87,298,000 as at 30 June 2022 due to the receipt in advance from films, drama, and non-drama productions projects.

Amounts due to related parties decreased from RMB37,176,000 as at 31 December 2021 to RMB28,891,000 as at 30 June 2022 due to the payment in relation to artistes and event service income, net of commission income receivable by the Group.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations with internal resources and bank borrowing. Bank balances and cash and short-term bank deposits increased from RMB312,059,000 as at 31 December 2021 to RMB317,610,000 as at 30 June 2022. As at 30 June 2022, the Group's bank and cash balances were denominated in RMB, Hong Kong Dollars ("HKD") and United States Dollars ("USD").

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

As at 30 June 2022, the Group's equity attributable to the owners of the Company increased by 3.60% to RMB434,081,000 (31 December 2021: RMB418,983,000). Net assets value per share attributable to the owners of the Company as at 30 June 2022 was RMB30.58 cents (31 December 2021: RMB29.51 cents). Current ratio was 3.6 as at 30 June 2022 (31 December 2021: 3.2).

As at 30 June 2022 and 31 December 2021, the number of total issued shares of the Company was 1,419,610,000.

CAPITAL COMMITMENTS

As at 30 June 2022, the Group had capital commitment on unpaid registered capital of an associate at RMB1,000,000 (31 December 2021: RMB1,100,000).

CONTINGENT LIABILITIES

As at 30 June 2022 and 31 December 2021, the Group did not have contingent liabilities.

FOREIGN EXCHANGE RISK

The Group mainly operates in Hong Kong and Mainland China with most of its transactions settled in HKD and RMB. Part of the Group's cash and bank deposits is denominated in HKD, RMB and USD.

During the period, the Group did not hedge any exposure in foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against RMB may cause financial impacts on the Group. The Group closely monitors its foreign exchange exposures and uses suitable hedging arrangements, where necessary.

BANK BORROWING AND GEARING RATIO

As at 30 June 2022, the Group interest-bearing bank borrowing due within one year amounted to RMB4,276,000 (31 December 2021: Nil). The gearing ratio of the Group as at 30 June 2022 was 0.74%, which was derived by dividing interest-bearing debts by total assets.

HUMAN RESOURCES

As at 30 June 2022, the Group had a total of 73 employees (31 December 2021: 68 employees).

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the period ended 30 June 2022 (six months ended 30 June 2021: Nil).

CORPORATE GOVERNANCE

The Company was in compliance with the code provisions of the Corporate Governance Codes as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”) as the code of conduct regarding directors’ securities transactions. Having made specific enquiry with all Directors, the Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the period.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATION

As at 30 June 2022, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of the associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

LONG POSITION IN THE SHARES OF THE COMPANY

Name of Director	Nature	No. of shares held	Approximately percentage of shareholding (Note 1)
Mr. Li Ruigang	Interest of controlled corporation	425,000,000 [#] (Note 2)	29.94%

Notes:

Duplication of shareholdings occurred between parties[#] shown in the table here and below under the sub-heading of “Other Persons’ Interests in the Shares and Underlying Shares of the Company”.

Share(s) is/are the ordinary share(s) of the Company.

- The percentage was calculated based on the total number of Shares in issue as at 30 June 2022, which was 1,419,610,000.
- Mr. Li Ruigang was interested in such 425,000,000 Shares through certain corporations controlled directly or indirectly by him. Shine Investment Limited (“Shine Investment”), Shine Holdings Cayman Limited (“Shine Holdings”), CMC Shine Acquisition Limited (“CMC Shine Acquisition”), CMC Shine Holdings Limited (“CMC Shine Holdings”), CMC Inc., GLRG Holdings Limited (“GLRG Holdings”), Gold Pioneer Worldwide Limited (“Gold Pioneer”) and Brilliant Spark Holdings Limited (“Brilliant Spark”) were the substantial shareholders of the Company. Shine Investment was interested in such 425,000,000 Shares. Shine Investment was 85% owned by Shine Holdings which was wholly-owned by CMC Shine Acquisition. CMC Shine Acquisition was wholly-owned by CMC Shine Holdings which was wholly-owned by CMC Inc. CMC Inc. was a non wholly-owned subsidiary of Gold Pioneer. Gold Pioneer held the interest in CMC Inc. directly and also held through its wholly-owned subsidiary, GLRG Holdings. Gold Pioneer was wholly-owned by Brilliant Spark. Each of Shine Holdings, CMC Shine Acquisition, CMC Shine Holdings, CMC Inc., GLRG Holdings, Gold Pioneer and Brilliant Spark was deemed to be interested in such 425,000,000 Shares held by Shine Investment. Brilliant Spark was wholly-owned and controlled by Mr. Li Ruigang.

OTHER INFORMATION

Save as disclosed above, none of the Directors and chief executive of the Company or any of their spouses or children under 18 years of age, has interests or short positions in the shares, underlying shares or debentures of the Company, or any of the associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the interests or short positions of the persons (other than the Directors or chief executive of the Company), in the shares and underlying shares of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO, are set out below:

LONG POSITION IN THE SHARES OF THE COMPANY

Name of Persons/Entities	Nature	No. of shares held	Approximately percentage of shareholding (Note 1)
Brilliant Spark	Interest of controlled corporation	425,000,000 [#] (Note 2)	29.94%
Gold Pioneer	Interest of controlled corporation	425,000,000 [#] (Note 2)	29.94%
GLRG Holdings	Interest of controlled corporation	425,000,000 [#] (Note 2)	29.94%
CMC Inc.	Interest of controlled corporation	425,000,000 [#] (Note 2)	29.94%
CMC Shine Holdings	Interest of controlled corporation	425,000,000 [#] (Note 2)	29.94%
CMC Shine Acquisition	Interest of controlled corporation	425,000,000 [#] (Note 2)	29.94%
Shine Holdings	Interest of controlled corporation	425,000,000 [#] (Notes 2 and 4)	29.94%
Shine Investment	Beneficial owner	425,000,000 [#] (Notes 2 and 4)	29.94%
Television Broadcasts Limited ("TVB")	Deemed interest	425,000,000 [#] (Notes 3 and 4)	29.94%
Mr. Xie Qing Yu	Beneficial owner	88,052,000	6.20%

Notes:

Duplication of shareholdings occurred between parties[#] shown in the table here and above under the sub-heading of "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures of the Company and the Associated Corporation".

- The percentage was calculated based on the total number of Shares in issue as at 30 June 2022, which was 1,419,610,000.
- Shine Investment, Shine Holdings, CMC Shine Acquisition, CMC Shine Holdings, CMC Inc., GLRG Holdings, Gold Pioneer and Brilliant Spark were the substantial shareholders of the Company. Shine Investment was interested in such 425,000,000 Shares. Shine Investment was 85% owned by Shine Holdings which was wholly-owned by CMC Shine Acquisition. CMC Shine Acquisition was wholly-owned by CMC Shine Holdings which was wholly-owned by CMC Inc. CMC Inc. was a non wholly-owned subsidiary of Gold Pioneer. Gold Pioneer held the interest in CMC Inc. directly and also held through its wholly-owned subsidiary, GLRG Holdings. Gold Pioneer was wholly-owned by Brilliant Spark. Each of Shine Holdings, CMC Shine Acquisition, CMC Shine Holdings, CMC Inc., GLRG Holdings, Gold Pioneer and Brilliant Spark was deemed to be interested in such 425,000,000 Shares held by Shine Investment. Brilliant Spark was wholly owned by Mr. Li Ruigang. Mr. Li Ruigang was interested in such 425,000,000 Shares through the above corporations controlled directly or indirectly by him (also see Note 4 below).
- TVB was deemed to be interested in such 425,000,000 Shares through its interest in Shine Investment (also see Note 4 below).
- Shine Investment, Shine Holdings and TVB were parties of the agreement (the "Agreement") to hold the interest in such 425,000,000 Shares. The Agreement was the one to which section 317 of the SFO applied.

Save as disclosed above, as at 30 June 2022, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

On 2 June 2022, the Company adopted a new share option scheme (the “Scheme”) under which the Board may, at its discretion, grant options to eligible participants under the Scheme. Up to the reporting date, listing approval was granted by the Stock Exchange in respect of the Scheme. The Board is able to grant options under the Scheme carrying the right to subscribe for a maximum of 141,961,000 shares, representing 10% of the total number of ordinary shares in issue as at the date of the annual general meeting of the Company held on 2 June 2022.

The principal terms of the Scheme were disclosed in the Company’s circular dated 29 April 2022. As at 30 June 2022, there were no share options outstanding. During the period, no option has been granted, exercised, cancelled nor lapsed.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the period.

REVIEW OF INTERIM RESULTS

The condensed consolidated financial information for the period has not been audited, but has been reviewed by the external auditor of the Company. The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed financial reporting matters, including a review of the unaudited condensed consolidated financial information and this interim report for the period.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



SHINEWING (HK) CPA Limited
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311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE BOARD OF DIRECTORS OF SHAW BROTHERS HOLDINGS LIMITED

邵氏兄弟控股有限公司

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Shaw Brothers Holdings Limited (the “Company”) and its subsidiaries set out on pages 11 to 26, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated financial statements 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 Hong Kong 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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Wong Chuen Fai

Practising Certificate Number: P05589

Hong Kong

23 August 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	3	37,558	41,201
Cost of sales		(18,185)	(28,498)
Gross profit		19,373	12,703
Other (expenses) income		(2,819)	3,498
Selling and distribution expenses		(2,427)	(6,114)
Administrative expenses		(16,128)	(16,413)
Reversal of impairment loss of trade receivables		5	1,815
Share of loss of an associate		(304)	–
Finance costs	5	(298)	(14)
Loss before tax		(2,598)	(4,525)
Income tax expenses	6	(59)	(4,636)
Loss for the period	7	(2,657)	(9,161)
Loss for the period attributable to:			
– Owners of the Company		(1,149)	(7,412)
– Non-controlling interests		(1,508)	(1,749)
Loss for the period		(2,657)	(9,161)
Loss per share			
– Basic and diluted (RMB cents)	8	(0.08)	(0.52)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Loss for the period	(2,657)	(9,161)
Other comprehensive income (expenses) for the period		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation of financial statements from functional currency to presentation currency	16,709	(4,004)
Total comprehensive income (expenses) for the period	14,052	(13,165)
Total comprehensive income (expenses) attributable to:		
– Owners of the Company	14,556	(11,653)
– Non-controlling interests	(504)	(1,512)
	14,052	(13,165)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2022

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Non-current assets			
Plant and equipment	10	2,108	2,400
Equity instruments at fair value through other comprehensive income	11	29,932	28,616
Right-of-use assets		5,603	6,317
Television programme rights		3,391	3,491
Interest in an associate	12	260	464
		41,294	41,288
Current assets			
Investments in films, drama and non-drama	13	55,256	63,237
Films, drama and non-drama productions in progress	13	65,893	65,340
Trade and other receivables	14	95,567	99,909
Amounts due from related parties	18	5,253	920
Bank balances and cash	15	317,610	312,059
		539,579	541,465
Current liabilities			
Trade and other payables	16	26,524	37,394
Contract liabilities	16	87,298	83,270
Income tax payables		3,483	7,986
Lease liabilities		1,159	1,095
Amounts due to related parties	18	28,891	37,176
Bank borrowing	17	4,276	–
		151,631	166,921
Net current assets		387,948	374,544
Total assets less current liabilities		429,242	415,832
Non-current liabilities			
Lease liabilities		4,768	5,410
Net assets		424,474	410,422
Capital and reserves			
Share capital		12,322	12,322
Reserves		421,759	406,661
Equity attributable to owners of the Company		434,081	418,983
Non-controlling interests		(9,607)	(8,561)
Total equity		424,474	410,422

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to the owners of the Company								
	Share Capital RMB'000	Share premium RMB'000	Financial assets measured at fair value through other comprehensive income reserve RMB'000	Exchange reserve RMB'000	Other reserves RMB'000 (Note a)	Accumulated loss RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2022	12,322	750,821	(678)	(34,777)	141,080	(449,785)	418,983	(8,561)	410,422
Loss for the period	-	-	-	-	-	(1,149)	(1,149)	(1,508)	(2,657)
Other comprehensive income for the period: <i>Item that will not be reclassified subsequently to profit or loss:</i>									
Exchange difference arising on translation of financial statements from functional currency to presentation currency	-	-	-	15,705	-	-	15,705	1,004	16,709
Total comprehensive income (expenses) for the period	-	-	-	15,705	-	(1,149)	14,556	(504)	14,052
Change in ownership interest in a subsidiary (Note b)	-	-	58	5	479	-	542	(542)	-
At 30 June 2022 (Unaudited)	12,322	750,821	(620)	(19,067)	141,559	(450,934)	434,081	(9,607)	424,474
At 1 January 2021	12,322	750,821	(678)	(23,766)	141,080	(466,188)	413,591	(8,237)	405,354
Loss for the period	-	-	-	-	-	(7,412)	(7,412)	(1,749)	(9,161)
Other comprehensive (expenses) income for the period: <i>Item that will not be reclassified subsequently to profit or loss:</i>									
Exchange difference arising on translation of financial statements from functional currency to presentation currency	-	-	-	(4,241)	-	-	(4,241)	237	(4,004)
Total comprehensive expenses for the period	-	-	-	(4,241)	-	(7,412)	(11,653)	(1,512)	(13,165)
At 30 June 2021 (Unaudited)	12,322	750,821	(678)	(28,007)	141,080	(473,600)	401,938	(9,749)	392,189

Notes:

a) Other reserves

The other reserves comprise the reserves arising from changes in ownership of a subsidiary without losing control upon the transfer of interests and the reserves arising from corporate reorganisation.

b) Change in ownership interest in a subsidiary

On 1 March 2022, an indirect non-wholly owned subsidiary, Tailor Made Production Limited ("Tailor Made") issued and allotted 119 shares to an individual third party and 31 shares to its immediate holding company at the consideration of HK\$119 and HK\$31 respectively. After the allotment, the ownership interest of the Group in Tailor Made decreased from approximately 47.1% to 43.1%. The allotment has no impact on the control of the subsidiary as the Group continues to control the board of Directors of the subsidiary. Accordingly, the allotment was accounted for as equity transaction and 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 subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received is recognised directly in equity and attributed to owners of the Company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	(11,053)	42,698
INVESTING ACTIVITIES		
Purchase of plant and equipment	(57)	(1,338)
Disposal of plant and equipment	–	3
Interests received	1,076	1,074
Capital injection in an associate	(100)	(400)
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	919	(661)
FINANCING ACTIVITIES		
Repayments of principal element of lease liabilities	(578)	(201)
Interests paid	(298)	(14)
New borrowing raised	4,276	–
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	3,400	(215)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,734)	41,822
CASH AND CASH EQUIVALENTS AT 1 JANUARY	312,059	293,029
Effect of foreign exchange rate changes on cash and cash equivalents	12,285	(7,621)
CASH AND CASH EQUIVALENTS AT 30 JUNE	317,610	327,230

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Shaw Brothers Holdings Limited (the “Company”) was incorporated in the Cayman Islands, under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 25 June 2009 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 February 2010. The substantial shareholder of the Company is Mr. Li Ruigang (“Mr. Li”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the interim report.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in investment in films, drama and non-drama and productions in progress and artiste and event management. The Company acts as an investment holding company.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021.

In the current interim period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendment to HKFRS 16	COVID-19 Related Rent Concession beyond 30 June 2021
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

3. REVENUE

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Films, drama and non-drama production	11,802	3,934
Investments in films, drama and non-drama	13,258	25,341
Artiste management services income	11,574	11,918
Event management services income	924	8
	37,558	41,201

The Group's revenue is recognised at a point in time.

4. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. During the six months ended 30 June 2022, the Group reviewed the structure and internal organisation and changed the composition of its reportable segments. Accordingly, financial information which was previously included in "Others" segment has been reclassified to the "Films, drama and non-drama" segment. The relevant comparable figures have been restated to conform with current year's presentation.

SEGMENT REVENUES AND RESULTS

The directors of the Company have chosen to organise the Group around differences in products and services. The Group is principally engaged in films, drama and non-drama and artiste and event management.

- (i) Films, drama and non-drama – investments, productions and distribution of films, drama and non-drama; and
- (ii) Artiste and event management – the provision of artiste and event management services.

The Group's reportable segments are strategic business units that offer different products or services. They are managed separately because each business requires different expertise and marketing strategies.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Films, drama and non-drama		Artiste and event management		Total	
	Six months ended 30 June					
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Segment revenue	25,060	29,275	12,498	11,926	37,558	41,201
Segment profit	7,457	4,705	1,102	1,549	8,559	6,254
Unallocated income					1,609	3,498
Unallocated expenses					(12,766)	(14,277)
Loss before tax					(2,598)	(4,525)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

4. SEGMENT INFORMATION *(continued)*

SEGMENT REVENUES AND RESULTS *(continued)*

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit incurred by each segment without allocation of interest income, finance costs, share of loss of an associate and certain administrative expenses and other income and gains. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

5. FINANCE COSTS

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest on:		
Bank borrowing	60	–
Lease liabilities	238	14
	298	14

6. INCOME TAX EXPENSES

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current tax:		
People's Republic of China ("PRC")		
Enterprise Income Tax ("EIT")	54	4,250
Hong Kong Profits Tax	5	386
	59	4,636

- (i) Pursuant to the rule and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.
- (iii) Under the Law of the PRC on EIT (the "EIT Law") and implementation regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both the six months ended 30 June 2022 and 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Directors' emoluments:		
Salaries and allowances	792	721
Contributions to retirement benefits scheme	–	8
	792	729
Staff costs:		
Salaries and allowances	8,438	8,397
Contributions to retirement benefits scheme	826	882
	9,264	9,279
Total staff costs	10,056	10,008
Amortisation of television programme rights	253	254
Loss on disposal of plant and equipment	–	17
Depreciation of plant and equipment	355	279
Depreciation of right-of-use assets	714	222
Government subsidies	(292)	–
Interest income	(1,076)	(1,074)
Exchange loss (gain), net	4,424	(1,827)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to the owners of the Company)	(1,149)	(7,412)
<hr/>		
	2022 '000	2021 '000
Number of shares		
Number of ordinary shares for the purpose of basic and diluted loss per share	1,419,610	1,419,610

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2022 and 2021.

9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

10. MOVEMENT IN PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group paid approximately RMB57,000 on addition of plant and equipment (six months ended 30 June 2021: RMB1,338,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Unlisted investments:		
Equity securities	29,932	28,616

The above unlisted equity investments represented the Group's equity interest in private entities. The directors of the Company have elected to designate these investments in equity instruments at fair value through other comprehensive income ("FVTOCI") as they believe that they are not held for trading and are held for long-term investment purpose.

The movements of equity instruments at FVTOCI are as follows:

	RMB'000
Equity instruments at fair value through other comprehensive income – unlisted:	
At 31 December 2021 and 1 January 2022	28,616
Exchange realignment	1,316
At 30 June 2022	29,932

12. INTEREST IN AN ASSOCIATE

During the year ended 31 December 2021, a non-wholly owned subsidiary of the Group established an associate, Guangdong Haimei Mutual Entertainment Culture Media Co., Ltd.* (廣東海美互娛文化傳媒有限公司) ("Guangdong Haimei") with three independent third parties. The registered capital of Guangdong Haimei is RMB10,000,000, among which, RMB2,000,000 to be contributed by the Group. The subsidiary held 20% equity interest in the associate. As at 30 June 2022, the capital commitment of the Group in relation to the unpaid registered capital is RMB1,000,000 (31 December 2021: RMB1,100,000).

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Cost of interest in an associate	1,000	900
Share of loss of an associate	(740)	(436)
Total	260	464

* The English name is for identification only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

13. INVESTMENTS IN FILMS, DRAMA AND NON-DRAMA/FILMS, DRAMA AND NON-DRAMA PRODUCTIONS IN PROGRESS

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Investments in films, drama and non-drama	77,038	84,061
Less: accumulated impairment	(21,782)	(20,824)
	55,256	63,237

The amount represents investments in films, drama and non-drama. The investments are governed by the relevant agreements whereby the Group is entitled to benefits generated from the distribution of these films, drama and non-drama based on the percentage of capital contribution in the films, drama and non-drama projects.

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Films, drama and non-drama productions in progress	65,893	65,340

Films, drama and non-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 project-by-project basis. Films, drama and non-drama productions in progress is stated at cost incurred to date, less any identified impairment losses.

14. TRADE AND OTHER RECEIVABLES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade receivables	82,261	89,996
Less: allowance for impairment of trade receivables	(5,232)	(5,163)
	77,029	84,833
Other receivables and deposits	1,256	958
Prepayments	17,282	14,118
	95,567	99,909

As at 30 June 2022, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB82,261,000 (31 December 2021: RMB89,996,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

14. TRADE AND OTHER RECEIVABLES (continued)

The Group generally allows an average credit period ranging from 30 days to 270 days from the receipt of films or services. At the end of the reporting period, the aged analysis of trade receivables, net of provision of impairment loss recognised, presented based on the invoice dates, which approximated the respective revenue recognition dates, are as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Within 90 days	2,613	49,015
91 to 180 days	11,415	8,795
181 to 365 days	48,603	14,214
Over 365 days	14,398	12,809
Total	77,029	84,833

The movement in the impairment loss of trade and other receivables is as follows:

	Impairment loss of trade receivables RMB'000	Impairment loss of other receivables RMB'000	Total RMB'000
Balance as at 1 January 2021	13,100	27	13,127
Written off	(6,880)	–	(6,880)
Reversal of loss allowance	(1,010)	–	(1,010)
Exchange realignment	(47)	–	(47)
Balance as at 31 December 2021 and 1 January 2022	5,163	27	5,190
Reversal of loss allowance	(5)	–	(5)
Exchange realignment	74	–	74
Balance as at 30 June 2022	5,232	27	5,259

15. BANK BALANCES AND CASH

Bank balances and bank deposits carried interest at market rates which ranged from 0.001% to 2.500% per annum (31 December 2021: 0.001% to 2% per annum).

Included in the cash and cash equivalents are the following amounts denominated in currencies other than the functional currencies of relevant group entities:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
RMB	102,962	84,625
USD	5,302	5,064

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

16. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade payables	23,850	30,702
Other payables	918	564
Accrued payroll and accruals	1,756	6,128
	2,674	6,692
Trade and other payables	26,524	37,394
Contract liabilities	87,298	83,270

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period.

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Within 90 days	4,098	16,329
91 to 180 days	1,673	14,373
181 to 365 days	18,079	–
Total	23,850	30,702

The credit period is ranged from 60 days to 180 days.

As at 30 June 2022, contract liabilities increased mainly due to the increase in productions progress for films, drama and non-drama. In general, the Group receives certain percentage of the contract sum in stages depends on the negotiation with individual customers. These deposits are recognised as contract liabilities until the products are given to the customers.

Revenue recognised during the six months ended 30 June 2022 that was included in the contract liabilities at the beginning of the year is RMB1,238,000 (six months ended 30 June 2021: RMB4,556,000). There was no revenue recognised in the current six months that related to performance obligations that were satisfied in a prior period.

17. MOVEMENT IN BANK BORROWING

During the current interim period, the Group raised borrowing of approximately RMB4,276,000 (six months ended 30 June 2021: nil).

The bank borrowing carried floating rate at Hong Kong Interbank Offered Rate (“HIBOR”) plus 2.8% per annum as at 30 June 2022 (31 December 2021: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

18. BALANCES WITH RELATED PARTIES

A) AMOUNTS DUE FROM RELATED PARTIES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Amounts due from		
– 上海翡翠東方傳播有限公司 (Notes iv and v)	2,740	206
– MyTV Super Limited (Notes iv and v)	1,360	425
– Television Broadcasts Limited (“TVB”) (Notes i and iv)	17	180
– TVB Publication Limited (Notes iv and v)	22	102
– The Voice Entertainment Group Limited (Notes iv and v)	–	7
– 廣州埋堆堆科技有限公司 (Notes iv and v)	964	–
– 廣州采星坊演藝諮詢服務有限公司 (Notes iv and v)	150	–
	5,253	920

B) AMOUNTS DUE TO RELATED PARTIES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Amounts due to		
– TVB (Notes i and iv)	2,970	1,977
– Good Servant Production Limited (Notes ii and iv)	–	902
– Mr. Wong Cho Lam (Notes ii and iv)	22,147	34,297
– Ms. Li Yanan Leanne (Notes iii and iv)	3,774	–
	28,891	37,176

Notes:

- i. TVB held equity interest in the Company as at 30 June 2022, and Mr. Li Ruigang, the substantial shareholder and director of the Company also held beneficial interests and directorship in this company.
- ii. As at 30 June 2022, Mr. Wong Cho Lam, who is a director and a non-controlling shareholder of Tailor Made, held 100% (31 December 2021: 100%) equity interests of Good Servant Production Limited.
- iii. Ms. Li Yanan Leanne, who is the spouse of Mr. Wong Cho Lam, is deemed to be interested in Tailor Made in which Mr. Wong Cho Lam is interested.
- iv. The amounts are unsecured, interest-free and repayable on demand.
- v. These companies are subsidiaries of TVB.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

19. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere of the condensed consolidated financial statements, the Group also had the following transactions with its related parties in trade nature and under normal commercial terms during the interim period:

(A) TRANSACTIONS

Name of company	Notes	Nature of transaction	Six months ended 30 June	
			2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
TVB Group	i, ii	Films, drama and non-drama production income	11,552	–
		Artiste management income	1,746	2,025
		Service income	66	–
		Rental expenses under short-term leases	(183)	–
		Consultancy fee	(112)	–
		Talent fee	(653)	(1,730)
		Promotion fee	(2)	–
		Service fee	(34)	(200)
		License income	2,409	2,109
Mr. Wong Cho Lam	iii	Artiste management income*	3,278	4,477

* This is regarded as continuing connected transactions as defined under the Listing Rules.

Notes:

- TVB held equity interest in the Company, and Mr. Li Ruigang, the substantial shareholder and Director of the Company also held beneficial interests and directorship in this company.
- The income was received from (fees paid to) TVB and its subsidiaries ("TVB Group"), including TVB, TVB Publications Limited, MyTV Super Limited, TVB Anywhere Limited, 廣州埋堆堆科技有限公司 and 上海翡翠東方傳播有限公司 during the period.
- Mr. Wong Cho Lam, who is a director and a non-controlling shareholder of Tailor Made and indirectly holding 22.5% (2021: 26.5%) of the issued shares of Tailor Made.

(B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Short-term benefits	1,904	2,226
Post-employment benefits	36	38
	1,940	2,264