Television Broadcasts Limited
電視廣播有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

ANNOUNCEMENT OF 2023 INTERIM RESULTS

RESULTS HIGHLIGHTS

For the six months ended 30 June 2023 (the "Period")

- Hong Kong TV Broadcasting segment revenue grew 5% to HK$628 million, while OTT segment revenue held steady at HK$168 million.
- Mainland China Operations segment revenue declined 22% to HK$313 million due to skewing of co-production and simulcast drama schedules towards second half of 2023.
- e-Commerce segment revenue declined 41% to HK$271 million due to post-pandemic slowdown in online commerce shopping activity, and our focus on higher margin products.
- Group revenue for the Period was HK$1,560 million, or 14% less than the HK$1,820 million in the same period last year.
- Group EBITDA loss for the Period was HK$186 million. While this exceeded the Group EBITDA loss of HK$72 million for the same period last year, it was an improvement compared to the Group EBITDA loss of HK$266 million incurred in second half of 2022.
- Loss attributable to equity holders of the Company was HK$407 million. While this exceeded the loss attributable to equity holders of the Company of HK$224 million in the same period last year, it was substantially smaller than the loss attributable to equity holders of the Company of HK$583 million we incurred in the second half of 2022.
- Loss per share was HK$0.93 (2022: Loss per share of HK$0.51).
- The Board did not recommend the payment of an interim dividend for the Period (2022: nil).

BUSINESS HIGHLIGHTS

- We continued to deliver a rich slate of contents to our viewers in Hong Kong and around the world. With a 78% share of viewership, our TV channels also remain Hong Kong's most watched by a large margin.

- As the Hong Kong economy continued its steady recovery from the pandemic, we achieved growth in advertising income. As a result, revenue from our core Hong Kong TV Broadcasting segment grew 5% to HK$628 million in the Period.

- Revenue for our OTT segment remained steady at HK$168 million for the Period, while savings in content cost and operating overheads helped improve EBITDA for this segment by 38% to HK$36 million for the Period. With a registered user base of 10.4 million, our myTV SUPER service is a leading streaming platform in Hong Kong. Subscribers of our premium service pack, myTV Gold, increased by 17% to 185,700 as at 30 June 2023, compared to 159,300 as at 31 December 2022.

- e-Commerce revenue declined 41% to HK$271 million for the Period as consumers in Hong Kong returned to pre-pandemic shopping habits, and there was less demand for pandemic-related goods . At the same time, we increased focus on higher margin products to boost profitability, and reduced overheads. Hence, our EBITDA loss for this segment also fell by 46% to HK$22 million. In March 2023, we also launched a livestreaming commerce partnership with mainland e-commerce giant Taobao targeting the vast mainland China market with initial livestream sessions hosted by our artistes garnering strong viewership and sales.

- Mainland China Operations revenue declined 22% to HK$313 million due to scheduling of our co-production and simulcast dramas in 2023 being heavily skewed towards the second half of the year, resulting in less revenues recognised in the Period. Also, in March 2023 we signed a new RMB700 million two-year content supply deal with mainland streaming platform Youku. As we begin delivering on this contract in the second half of this year, we expect to realise incremental revenue. Recently, we also signed a new framework agreement with another streaming platform Tencent Video on content supply and new channel development for Hong Kong dramas.

OUTLOOK

- With a number of our co-production and simulcast drama titles slated to be produced or aired in mainland China in the later part of 2023, including under our content supply deal signed with Youku and Tencent Video in March and August 2023, respectively, we expect a strong recovery in our Mainland China Operations segment revenue in the second half of the year, which should enable us to eventually achieve growth in segment revenue for the full year of 2023.

- Our livestream commerce partnership with Taobao was off to a strong start during the Period, with one particular session on mainland China's "618" shopping festival garnering 9 million views and over RMB100 million in sales gross merchandise value ("GMV"). Using our *Miss Hong Kong Pageant* as a theme, and featuring a number of our artistes and former pageant winners as hosts, this session demonstrated the marketing power and draw of TVB's content IP among mainland China consumers. In the second half, as we gradually ramp up the frequency of our livestream sessions on Taobao, we expect a stronger revenue contribution from this new initiative.

- Since announcing reductions to our content production budgets and staff costs in March 2023, we have made substantial progress towards bringing our costs down. As at 30 June 2023, we had 3,599 full time staff employed by the Group, compared to 3,854 as at 31 December 2022 (equivalent to a 6.6% reduction). At the same time, our general and administrative expenses were down 13% or HK$64 million in the first half of 2023 compared to the same period past year, and our incurred content spendings decreased by 11% or HK$77 million. Our financial performance in the second half of 2023, and subsequent periods, will increasingly reflect the impact of these savings. We will continue to reduce our costs further in the rest of 2023.

- With the above revenue and cost saving initiatives already under way, we expect to achieve positive EBITDA in the second half of 2023 and in the full year of 2024.

- On 13 August 2023, we entered into a HK$700 million loan facility agreement with CMC Inc. ("CMC") and Young Lion Holdings Limited, our major shareholder. Then, on 16 August 2023, we entered into a HK$156 million convertible bond agreement with Cardy Oval Limited, a company controlled by Mr. Goodwin Gaw, an independent third-party investor. Together, both funding agreements provide us with substantial additional resources and liquidity for our future operating and growth needs.

KEY FINANCIALS

	Unaudited Six months ended 30 June **2023** **HK$'000**	 2022 HK$'000
Revenue	**1,560,274**	1,820,123
– Hong Kong TV Broadcasting	**628,567**	596,412
– OTT Streaming	**167,627**	169,069
– e-Commerce Business	**271,140**	460,588
– Mainland China Operations	**312,644**	403,038
– International Operations	**180,296**	191,016
Total operating costs	**(1,927,384)**	(2,111,303)
– Cost of sales	**(1,160,959)**	(1,268,530)
– Selling, distribution and transmission costs	**(323,748)**	(335,298)
– General and administrative expenses	**(442,677)**	(507,475)
Other revenues	**5,585**	32,210
Other losses, net	**(20,091)**	(30,746)
EBITDA	**(185,953)**	(72,010)
– Hong Kong TV Broadcasting	**(214,152)**	(209,621)
– OTT Streaming	**36,343**	25,914
– e-Commerce Business	**(21,689)**	(40,844)
– Mainland China Operations	**(12,453)**	115,024
– International Operations	**25,998**	37,517
Reconciliation from EBITDA to loss before income tax:		
EBITDA	**(185,953)**	(72,010)
Depreciation and amortisation	**(195,663)**	(212,881)
Finance costs	**(70,018)**	(25,930)
Interest income	**45,737**	60,566
Impairment loss on receivables from a joint venture	**(41,600)**	(3,800)
Impairment loss net of gain/loss on disposal of financial assets at amortised cost	**–**	(17,861)
Share of profits of joint ventures	**56**	493
Share of profits/(losses) of associates	**1,022**	(458)
Loss before income tax	**(446,419)**	(271,881)
Income tax (expense)/credit	**(4,163)**	24,190
Loss for the period	**(450,582)**	(247,691)
Loss attributable to equity holders of the Company	**(406,723)**	(224,293)
Loss per share (basic and diluted) for loss attributable to equity holders of the Company during the period	**HK$(0.93)**	HK$(0.51)

	Unaudited **30 Jun 2023** **HK$'000**	Audited 31 Dec 2022 HK$'000
Total assets	**6,674,570**	7,045,048
Total liabilities	**3,539,472**	3,440,813
Total equity	**3,135,098**	3,604,235

FINANCIAL REVIEW

Revenue of the Group declined by 14% or HK$260 million during the Period, from HK$1,820 million to HK$1,560 million, mainly due to:

(a) reduction in e-Commerce revenue of HK$190 million or 41%, from HK$461 million to HK$271 million;
(b) reduction in Mainland China Operations revenue of HK$90 million or 22%, from HK$403 million to HK$313 million;
(c) reduction in International Operations revenue of HK$11 million or 6%, from HK$191 million to HK$180 million; partially offset by
(d) growth in Hong Kong TV Broadcasting revenue of HK$32 million or 5%, from HK$596 million to HK$628 million.

Cost of sales decreased from HK$1,269 million to HK$1,161 million during the Period, representing a decline of 9%. This decrease was mainly due to the decline in sales of our e-Commerce business, which led to a reduction in the cost of goods sold.

Selling, distribution and transmission costs for the Period also declined from HK$335 million to HK$324 million, a decrease of 3%. This was mainly due to lower distribution costs from the e-Commerce business as a result of less sales, offset by an increase in selling expenses due to the rise in income from advertisers in our Hong Kong TV Broadcasting segment.

General and administrative expenses for the Period decreased by 13% from HK$507 million to HK$443 million. This was due to cost-saving measures implemented during the Period, particularly in the OTT Streaming and e-Commerce segments.

Overall, total costs (comprising cost of sales, selling, distribution and transmission costs and general and administrative expenses) decreased by 9% from HK$2,111 million to HK$1,927 million, as a result of the above factors.

Other revenues decreased by 81% from HK$32 million to HK$6 million during the Period. This was due to a one-off wage subsidy from the Hong Kong government, which amounted to HK$24 million in the first half of 2022, and was not repeated during the Period.

Other net losses for the Period were HK$20 million (2022: HK$31 million), mainly comprising exchange losses recognised during the Period.

Due to the above factors, EBITDA for the Period was a loss of HK$186 million, representing an increase of HK$114 million compared to the EBITDA loss of HK$72 million incurred in the first half of 2022.

OUTLOOK

- With a number of our co-production and simulcast drama titles slated to be produced or aired in mainland China in the later part of 2023, including under our content supply deal signed with Youku and Tencent Video in March and August 2023, respectively, we expect a strong recovery in our Mainland China Operations segment revenue in the second half of the year, which should enable us to eventually achieve growth in segment revenue for the full year of 2023.

- Our livestream commerce partnership with Taobao was off to a strong start during the Period, with one particular session on mainland China's "618" shopping festival garnering 9 million views and over RMB100 million in sales GMV. Using our *Miss Hong Kong Pageant* as a theme, and featuring a number of our artistes and former pageant winners as hosts, this session demonstrated the marketing power and draw of TVB's content IP among mainland China consumers. In the second half, as we gradually ramp up the frequency of our livestream sessions on Taobao, we expect a stronger revenue contribution from this new initiative.

- Since announcing reductions to our content production budgets and staff costs in March 2023, we have made substantial progress towards bringing our costs down. As at 30 June 2023, we had 3,599 full time staff employed by the Group, compared to 3,854 as at 31 December 2022 (equivalent to a 6.6% reduction). At the same time, our general and administrative expenses were down 13% or HK$64 million in the first half of 2023 compared to the same period past year and our incurred content spendings decreased by 11% or HK$77 million. Our financial performance in the second half of 2023, and subsequent periods, will increasingly reflect the impact of these savings. We will continue to reduce our costs further in the rest of 2023.

- With the above revenue and cost saving initiatives already under way, we expect to achieve positive EBITDA in the second half of 2023 and in the full year of 2024.

- On 13 August 2023, we entered into a HK$700 million loan facility agreement with CMC and Young Lion Holdings Limited, our major shareholder. Then, on 16 August 2023, we entered into a HK$156 million convertible bond agreement with Cardy Oval Limited, a company controlled by Mr. Goodwin Gaw, an independent third-party investor. Together, both funding agreements provide us with substantial additional resources and liquidity for our future operating and growth needs.

SEGMENT RESULTS

Hong Kong TV Broadcasting

For the six months ended (unaudited)	**30 Jun 2023 HK$ million**	31 Dec 2022 HK$ million	30 Jun 2022 HK$ million	**Year-on-year change**
Segment revenue	**628**	698	596	5%
Segment EBITDA	**(214)**	(304)	(210)	–2%

Our Hong Kong TV Broadcasting segment mainly comprises advertising, digital media and music business.

Segment revenue was HK$628 million, which was HK$32 million or 5% higher than the HK$596 million of the prior reporting period. This was driven by an increase in income from advertisers, which grew from HK$548 million to HK$567 million during the Period. However, despite the increase in revenue, EBITDA for this segment declined by HK$4 million, from a loss of HK$210 million in the first half of 2022 to a loss of HK$214 million during the Period due to the absence this year of one-off government wage subsidies that contributed HK$19 million to EBITDA in the first half of 2022.

OTT Streaming

For the six months ended (unaudited)	**30 Jun 2023 HK$ million**	31 Dec 2022 HK$ million	30 Jun 2022 HK$ million	**Year-on-year change**
Segment revenue	**168**	180	169	–1%
Segment EBITDA	**36**	40	26	38%

OTT Streaming segment represents myTV SUPER streaming service in Hong Kong, which earns both advertising and subscription revenue. During the Period, the number of subscribers of our premium service pack, myTV Gold, increased by 17% to 185,700 as at 30 June 2023, compared to 159,300 as at 31 December 2022.

Segment revenue from OTT Streaming was stable, with a slight decrease of HK$1 million or 1%. However, EBITDA improved from HK$26 million to HK$36 million in the Period as a result of reductions in content and overhead costs during the Period.

e-Commerce Business

For the six months ended (unaudited)	**30 Jun 2023 HK$ million**	31 Dec 2022 HK$ million	30 Jun 2022 HK$ million	**Year-on-year change**
Segment revenue	**271**	402	461	–41%
Segment EBITDA	**(22)**	(59)	(41)	46%

Segment revenue from e-Commerce decreased from HK$461 million to HK$271 million during the Period, representing a decline of HK$190 million or 41%. The decrease was primarily attributed to the reduced demand for COVID-19 essentials, groceries, and daily household necessities that were the focus of online shopping during the pandemic last year. Overall demand for online shopping was also dampened as Hong Kong's consumers returned to traditional shopping habits. In view of this, we focused on selling higher margin products to boost profitability. This, together with reductions in our overhead costs, enabled us to achieve a smaller EBITDA loss of HK$22 million during the Period, compared to HK$41 million in the same period last year.

During the Period, we entered into a livestreaming partnership with mainland e-commerce platform Taobao. As we gradually ramp up our livestreaming sessions in the second half, we expect a larger revenue contribution from this activity.

Mainland China Operations

For the six months ended (unaudited)	**30 Jun 2023 HK$ million**	31 Dec 2022 HK$ million	30 Jun 2022 HK$ million	**Year-on-year change**
Segment revenue	**313**	295	403	–22%
Segment EBITDA	**(12)**	45	115	N/A

Mainland China Operations mainly comprises drama co-production and distribution of our simulcast drama and library content to major streaming platforms in mainland China. In addition, we operate our own direct-to-consumer (DTC) content streaming service and multi-channel network (MCN) business under the Mai Dui Dui brand.

Revenue from this segment decreased by 22% from HK$403 million to HK$313 million during the Period. This was mainly due to the skewing of our co-production and simulcast drama schedules towards the latter half of 2023, which resulted in less bookable revenue during the Period. As a result, this segment incurred an EBITDA loss of HK$12 million during the Period, compared to a profit of HK$115 million in the same period last year.

International Operations

For the six months ended (unaudited)	**30 Jun 2023 HK$ million**	31 Dec 2022 HK$ million	30 Jun 2022 HK$ million	**Year-on-year change**
Segment revenue	**180**	191	191	–6%
Segment EBITDA	**26**	12	38	–32%

International Operations refers to our business activities around the world outside of Hong Kong and mainland China. This segment comprises content and channel licensing to pay-TV partners, our TVB Anywhere streaming service, and our social media channels and accounts that serve our international audience.

Segment revenue from International Operations decreased by 6% from HK$191 million to HK$180 million during the Period as traditional licensing income from pay-TV partners continued to decline, though this was mitigated by continued growth in revenue from social media and YouTube. Segment EBITDA was HK$26 million, compared to HK$38 million in the previous period.

LOSS ATTRIBUTABLE TO EQUITY HOLDERS

The Group incurred a loss attributable to equity holders of HK$407 million for the Period (2022: HK$224 million).

LOSS PER SHARE

Loss per share is calculated based on the Group's loss attributable to equity holders of the Company of HK$407 million (2022: HK$224 million). The weighted average number of ordinary shares adopted in the calculation of basic and diluted loss per share throughout the six months ended 30 June 2023 was 438,109,000 (2022: 438,000,000), giving a basic and diluted loss per share of HK$0.93 (2022: loss per share of HK$0.51).

Diluted loss per share is the same as basic loss per share as the effect of potential ordinary shares is anti-dilutive during the six months ended 30 June 2023.

DIVIDENDS PER SHARE

The Board of Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: nil).

INTEREST INCOME

Interest income totalled HK$46 million for the Period (2022: HK$61 million), consisting of interest income of HK$42 million derived from the promissory note with Imagine Tiger Television, LLC ("ITT"), as well as interest income obtained from fixed bank deposits during the Period.

FINANCE COSTS

Finance costs mainly comprised interest expense on our US$250 million term loan with Shanghai Commercial Bank drawn down in July 2020, which was subsequently converted into Hong Kong dollar term loan of HK$1,959 million in May 2023. Finance costs increased from HK$26 million to HK$70 million, mainly due to higher interest rates.

IMPAIRMENT LOSS ON RECEIVABLES FROM A JOINT VENTURE

As at 30 June 2023, the total carrying value of the Promissory Note in ITT was HK$826 million (31 December 2022: HK$781 million), inclusive of the interest income of HK$42 million recognised during the Period. Considering uncertainties surrounding the ongoing writers strike in the United States, which has slowed down overall TV production activity, a higher expected credit loss ("ECL") rate of 32.4% has been applied to the total carrying value of the Promissory Note (31 December 2022: 28.8%). This resulted in an additional provision of HK$42 million for the Period and a corresponding increase in the accumulated lifetime ECL provision on the carrying value of the Promissory Note to HK$267 million.

INCOME TAX

The Group recorded an income tax expense of HK$4 million (2022: income tax credit HK$24 million). The difference between our income tax expense in the two periods was mainly due to the absence of deferred income tax assets arising from the tax losses of the Hong Kong TV Broadcasting segment during the Period. Whilst TVB's main business in Hong Kong is subject to a profits tax rate of 16.5%, the Group's major overseas subsidiaries have effective tax rates of 0% to 30%.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the total equity of the Group was HK$3,135 million (31 December 2022: HK$3,604 million). The share capital of the company increased from 438,000,000 to 438,218,000 ordinary shares in issue due to the exercise of share options under the share option scheme.

As at 30 June 2023, the Group had unrestricted bank and cash balances of HK$887 million (31 December 2022: HK$1,020 million). About 42% of the unrestricted bank and cash balances (approximately HK$373 million) were maintained in overseas subsidiaries for their daily operations. Unrestricted bank deposits and cash balances held by the Group were denominated mainly in Hong Kong dollars, Renminbi and US dollars.

As at 30 June 2023, the Group's net current assets amounted to HK$1,928 million (31 December 2022: HK$2,298 million). The current ratio, expressed as the ratio of current assets to current liabilities, was 2.0 at 30 June 2023 (31 December 2022: 2.3).

Borrowings at 30 June 2023 totalled HK$2,288 million (31 December 2022: HK$2,176 million) which consisted mainly of bank loans of HK$2,084 million, including our US$250 million term loan with Shanghai Commercial Bank which was converted into a Hong Kong dollar term loan of HK$1,959 million in May 2023. Additionally, there were bank overdrafts of HK$188 million and other borrowings of HK$16 million. As at 30 June 2023, the Group's gearing ratio, expressed as a ratio of net debt to total equity, was 46.5% (31 December 2022: 34.4%).

BOND PORTFOLIO

As at 30 June 2023, the Company's portfolio of fixed income securities, net of expected credit losses amounted to HK$31 million (31 December 2022: HK$30 million), which were classified under "Bond securities at amortised cost". Issuers of these securities include listed or unlisted companies in Hong Kong and overseas. No bond securities were disposed and redeemed of during the Period.

As at 30 June 2023, the investment portfolio consisted of fixed income securities of four (31 December 2022: four) separate issuers, of which the bonds issued by Master Glory Group Limited and SMI Holding Group Limited had been fully impaired in prior years. There was no interest income (2022: HK$3 million) recognised during the Period from the bond securities at amortised cost.

The Board of Directors ("Board") of Television Broadcasts Limited ("Company" or "TVB") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, "Group") for the six months ended 30 June 2023 ("Period") as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	**Unaudited Six months ended 30 June 2023 HK$'000**	2022 HK$'000
Revenue	3	**1,560,274**	1,820,123
Cost of sales		**(1,160,959)**	(1,268,530)
Gross profit		**399,315**	551,593
Other revenues		**5,585**	32,210
Interest income		**45,737**	60,566
Selling, distribution and transmission costs		**(323,748)**	(335,298)
General and administrative expenses		**(442,677)**	(507,475)
Other losses, net		**(20,091)**	(30,746)
Gain on disposal of bond securities at amortised cost	10	**–**	856
Impairment loss on other financial assets at amortised cost, net		**–**	(13,892)
Finance costs	4	**(70,018)**	(25,930)
Share of profits of joint ventures		**56**	493
Impairment loss on receivables from a joint venture	9	**(41,600)**	(3,800)
Share of profits/(losses) of associates		**1,022**	(458)
Loss before income tax	5	**(446,419)**	(271,881)
Income tax (expense)/credit	6	**(4,163)**	24,190
Loss for the period		**(450,582)**	(247,691)
Loss attributable to:			
Equity holders of the Company		**(406,723)**	(224,293)
Non-controlling interests		**(43,859)**	(23,398)
		(450,582)	(247,691)
Loss per share (basic and diluted) for loss attributable to equity holders of the Company during the period	7	**HK$(0.93)**	HK$(0.51)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Unaudited Six months ended 30 June	
	2023	2022
	HK$'000	HK$'000
Loss for the period	**(450,582)**	(247,691)
Other comprehensive (loss)/income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations		
– Subsidiaries	**(18,396)**	(18,168)
– Joint ventures	**(773)**	(1,295)
Share of other comprehensive loss of an associate	**(3,481)**	(7,746)
Reclassification adjustments of exchange differences to profit or loss on liquidation of subsidiaries	**26**	31
Other comprehensive loss for the period, net of tax	**(22,624)**	(27,178)
Total comprehensive loss for the period	**(473,206)**	(274,869)
Total comprehensive loss attributable to:		
Equity holders of the Company	**(422,604)**	(244,099)
Non-controlling interests	**(50,602)**	(30,770)
Total comprehensive loss for the period	**(473,206)**	(274,869)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	**30 June 2023 Unaudited HK$'000**	31 December 2022 Audited HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,163,377**	1,277,936
Investment properties		**1,718**	1,896
Intangible assets		**244,291**	255,145
Goodwill		**85,131**	85,131
Interests in joint ventures	9	**560,096**	556,863
Interests in associates		**161,700**	164,159
Financial assets at fair value through other comprehensive income ("FVOCI")		**162,219**	161,634
Bond securities at amortised cost	10	**30,864**	30,425
Financial assets at fair value through profit or loss		**17,259**	17,259
Deferred income tax assets		**390,943**	391,102
Prepayments		**43,507**	36,660
Total non-current assets		**2,861,105**	2,978,210
Current assets			
Programmes and film rights		**1,549,591**	1,546,023
Stocks		**67,727**	96,216
Trade receivables	11	**734,248**	840,052
Other receivables, prepayments and deposits		**484,128**	474,453
Movie investments		**73,582**	73,582
Tax recoverable		**17,604**	16,253
Bank deposits maturing after three months		**100,169**	56,397
Cash and cash equivalents		**786,416**	963,862
Total current assets		**3,813,465**	4,066,838
Total assets		**6,674,570**	7,045,048
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**665,227**	664,044
Other reserves		**(39,011)**	931
Retained earnings		**2,454,266**	2,834,042
		3,080,482	3,499,017
Non-controlling interests		**54,616**	105,218
Total equity		**3,135,098**	3,604,235

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 30 JUNE 2023

	Notes	**30 June 2023 Unaudited HK$'000**	31 December 2022 Audited HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings	12	**1,583,134**	1,577,240
Lease liabilities		**14,725**	36,698
Deferred income tax liabilities		**56,185**	58,067
Total non-current liabilities		**1,654,044**	1,672,005
Current liabilities			
Trade and other payables and accruals	13	**996,078**	974,295
Written put option liabilities		**140,000**	140,000
Current income tax liabilities		**1,874**	8,543
Borrowings	12	**705,349**	599,115
Lease liabilities		**42,127**	46,855
Total current liabilities		**1,885,428**	1,768,808
Total liabilities		**3,539,472**	3,440,813
Total equity and liabilities		**6,674,570**	7,045,048

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Independent review

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2023 has been reviewed by the Company's auditor, PricewaterhouseCoopers, 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 Hong Kong Institute of Certified Public Accountants ("HKICPA"). An unmodified review report is included in the interim report to be sent to shareholders. The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2023 has also been reviewed by the Audit Committee of the Company.

2. Basis of preparation and accounting policies

This unaudited condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA. The unaudited condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The financial information relating to the year ended 31 December 2022 that is included in the condensed consolidated financial information for the six months ended 30 June 2023 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. For the year ended 31 December 2022, the auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) and (3) of the Hong Kong Companies Ordinance (Cap. 622).

The accounting policies applied and methods of computation used in the preparation of these interim accounts are consistent with those used in the financial statements for the year ended 31 December 2022.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual earnings.

2. Basis of preparation and accounting policies (continued)

During the six months ended 30 June 2023, the Group incurred a loss of HK$451 million (2022: HK$248 million) and a net cash used in operating activities of HK$76 million (2022: HK$289 million). During the six months ended 30 June 2023, there was non-compliance with a bank covenant under a loan agreement with a bank of a 3-year term loan facility with the amount of US$250 million which stated in note 12 in relation to the ratio of consolidated net debt to consolidated EBITDA ("EBITDA covenant"), the Group has successfully obtained written waiver from the bank to waive the EBITDA covenant for the Period and not to exercise their rights to demand immediate repayment of the loan to the end of 31 December 2024. Based on cashflow projections for a period of not less than 12 months after 30 June 2023 and additional new loan facility from CMC and Young Lion Holdings Limited as set out in note 12 and other available undrawn banking facilities, the Directors consider that the Group will have adequate funds available to enable it to operate its business for the foreseeable future and consider it appropriate to prepare the condensed consolidated financial statements on a going concern basis.

(a) New and amended standards adopted by the Group

A number of amendments to HKFRSs became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(b) Impact of standards issued but not yet applied by the Group

The Group has not early adopted new or revised standards, amendments to standards and interpretations that have been issued but are not yet effective for the accounting period ending 31 December 2023. The Group is in the process of making an assessment of the likely impact of these new or revised standards, amendments to standards and interpretations to the Group's results and financial position in the period of initial application.

3. Revenue and segment information

The Group is principally engaged in terrestrial television broadcasting with programme production, OTT Streaming, e-Commerce Business, Mainland China Operations and International Operations, and other activities.

The segments are managed separately according to the nature of products and services provided. Segment performance is evaluated based on a measure of adjusted earnings before interest income, finance costs, income tax, depreciation and amortisation, impairment loss net of gain/loss on disposal of financial assets at amortised cost, impairment loss on receivables from a joint venture, share of profits/losses of joint ventures and associates (EBITDA, see below) to assess the performance of the operating segments which in certain respects, as explained in the table below, is measured differently from the results before income tax in the condensed consolidated financial information.

Revenue comprises income from advertisers net of agency deductions, licensing income, subscription income, e-Commerce income, co-production income, as well as other income from digital marketing and event income, music entertainment income, talent management fee income, facility rental income and other service fee income.

The Group's inter-segment transactions mainly consist of licensing of programmes and film rights and provision of services. Licensing of programmes and film rights were entered into at similar terms as that contracted with third parties. The services provided are charged on a cost plus basis or at similar terms as that contracted with third parties.

3. **Revenue and segment information** (continued)

An analysis of the Group's revenue and results for the period by operating segments is as follows:

	Six months ended 30 June											
	Hong Kong TV Broadcasting		**OTT Streaming**		**e-Commerce Business**		**Mainland China Operations**		**International Operations**		**Total**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue												
Timing of revenue recognition:												
At a point in time	**5,437**	7,958	**594**	990	**271,140**	460,473	**45,548**	110,108	**1,962**	9,757	**324,681**	589,286
Over time	**623,130**	588,454	**167,033**	168,079	**–**	115	**267,096**	292,930	**178,334**	181,259	**1,235,593**	1,230,837
External customers	**628,567**	596,412	**167,627**	169,069	**271,140**	460,588	**312,644**	403,038	**180,296**	191,016	**1,560,274**	1,820,123
Reportable segment EBITDA	**(214,152)**	(209,621)	**36,343**	25,914	**(21,689)**	(40,844)	**(12,453)**	115,024	**25,998**	37,517	**(185,953)**	(72,010)
Additions to non-current assets*	**46,615**	83,718	**28,301**	38,852	**349**	20,529	**1,655**	1,026	**9,456**	2,217	**86,376**	146,342

* Non-current assets comprise property, plant and equipment, investment properties, goodwill and intangible assets (including prepayments related to capital expenditure, if any).

A reconciliation of reportable segment EBITDA to loss before income tax is provided as follows:

	Six months ended 30 June	
	2023	2022
	HK$'000	HK$'000
Reportable segment EBITDA	**(185,953)**	(72,010)
Depreciation and amortisation	**(195,663)**	(212,881)
Finance costs	**(70,018)**	(25,930)
Interest income	**3,867**	7,147
Interest income from joint ventures	**41,870**	53,419
Impairment loss on receivables from a joint venture	**(41,600)**	(3,800)
Impairment loss net of gain/loss on disposal of financial assets at amortised cost	**–**	(17,861)
Share of profits of joint ventures	**56**	493
Share of profits/(losses) of associates	**1,022**	(458)
Loss before income tax	**(446,419)**	(271,881)

3. Revenue and segment information (continued)

An analysis of the Group's revenue from external customers for the period by geographical location is as follows:

	Six months ended 30 June	
	2023	2022
	HK$'000	HK$'000
Hong Kong	**1,069,504**	1,230,565
Mainland China	**315,363**	405,697
Malaysia and Singapore	**75,439**	81,722
USA and Canada	**55,368**	53,781
Vietnam	**14,644**	18,047
Australia	**7,362**	7,859
Macau	**6,889**	6,938
Europe	**4,929**	4,786
Other territories	**10,776**	10,728
	1,560,274	1,820,123

4. Finance costs

	Six months ended 30 June	
	2023	2022
	HK$'000	HK$'000
Interest on bank loans, overdrafts and other borrowings	**69,088**	24,937
Interest expense on lease liabilities	**930**	993
	70,018	25,930

5. Loss before income tax

The following items have been charged/(credited) to the loss before income tax during the period:

	Six months ended 30 June	
	2023	2022
	HK$'000	HK$'000
Depreciation	**156,317**	170,152
Amortisation of intangible assets	**39,346**	42,729
Cost of programmes and film rights	**758,363**	792,591
Cost of other stocks	**206,834**	358,687
Net exchange losses	**20,091**	30,746
Employee benefit expense (excluding directors' emoluments)	**722,093**	754,960
Government subsidies from Employment Support Scheme	**–**	(23,656)

6. Income tax expense/(credit)

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates. Income tax is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The amount of income tax charged/(credited) to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2023	2022
	HK$'000	HK$'000
Current income tax:		
– Hong Kong	**2,016**	460
– Overseas	**5,226**	36,805
– Over provisions in prior periods	**(1,198)**	(942)
Total current income tax expense	**6,044**	36,323
Deferred income tax:		
– Origination and reversal of temporary differences	**(1,881)**	(60,513)
	4,163	(24,190)

7. Loss per share

Loss per share is calculated based on the Group's loss attributable to equity holders of the Company of HK$406,723,000 (2022: HK$224,293,000). The weighted average number of ordinary shares adopted in the calculation of basic and diluted loss per share throughout the six months ended 30 June 2023 was 438,109,000 (2022: 438,000,000).

As at 30 June 2023 and 2022, the ordinary shares were 438,218,000 and 438,000,000 respectively. No fully diluted loss per share was presented as the basic and diluted loss per share are of the same amount. This is because the assumed exercise of the share options would result in a decrease in loss per share.

8. Dividends

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2023 and 2022.

9. Interests in joint ventures

	30 June 2023 HK$'000	31 December 2022 HK$'000
Non-current		
Investment costs (note)	**207,253**	206,479
Funds advanced to joint ventures	**17,731**	17,731
Less: accumulated share of losses	**(223,871)**	(223,153)
	1,113	1,057
Loan and interest receivable from a joint venture (note)	**825,883**	781,106
Less: impairment loss on receivables from a joint venture (note)	**(266,900)**	(225,300)
	558,983	555,806
	560,096	556,863

Note:

In July 2017, the Group entered into the agreement with Imagine Holding Company LLC ("Imagine") in relation to the formation of a joint venture company, namely Imagine Tiger Television, LLC ("ITT"), on a 50:50 basis between both parties. The purpose of ITT is to finance the development and production of a slate of television projects whether developed and/or produced by Imagine alone or with third-party co-financiers/co-production partners. The Group contributed to the capital of ITT in an amount of US$33,333,000 as to 50% of the equity interests in ITT and has provided a loan to ITT in an amount of US$66,667,000 in the form of the promissory note ("Promissory Note"). The Promissory Note is unsecured and bears an interest rate of 12% per annum and will mature in July 2032. Interest and principal of the Promissory Note will not become payable unless ITT has distributable cash as defined in the agreement. Imagine shall not be making any capital contribution to ITT but shall contribute in-kind in the form of production expertise as it has the duty to manage and control the business and affairs of ITT and all creative and production decisions with respect to the television projects financed by ITT. With reference to this capital contribution arrangement, the Group would share 100% of ITT's result until ITT has accumulated a positive balance of retained earnings. When the Group's equity interests in ITT has reduced to zero, the Group would not recognise further losses. With effect from 1 July 2019, a conversion of the Group's equity contribution of US$7,742,000 into a loan to ITT was executed, which accumulated the loan to ITT with an amount of US$74,409,000.

In December 2022, ITT completed a partial repayment of the Promissory Note to TVB in the amount of US$35,000,000 which had the effect of reducing the outstanding principal amount and accrued and unpaid interest, thereon, of the ITT debt obligation owing to TVB. Of this US$35,000,000 repayment, the Group reinvested US$20,000,000 by subscribing for 2,621,148 non-voting Class C Units in Imagine, thereby gaining a minority stake of under 5% in Imagine. The payment was made directly by ITT to Imagine on the Group's behalf therefore there was no cash outlay in respect of the US$20,000,000 investment. The consideration for the subscription of US$20,000,000 was determined through management's assessment. This determination was made after conducting arm's length commercial negotiations between the parties with reference to, among other things, the financial position and performance (including but not limited to the unaudited net asset value of Imagine and its subsidiaries as at 31 October 2022 of approximately HK$960,700,000 and the net profits (before and after taxation) attributable to the two financial years ended 31 December 2020 and 2021).

9. **Interests in joint ventures** (continued)

Note: (continued)

The Group made the investment in Imagine in view of its (1) established business model as a producer of TV programs and films in the U.S.; (2) its strategy of growing through mergers and acquisitions and organic initiatives; (3) the strength and track record of its management team (including its founders Ron Howard and Brian Grazer); (4) its established library of iconic and classic titles in film (such as Apollo 13, How the Grinch Stole Christmas, Liar Liar, A Beautiful Mind, Da Vinci Code) and in television (such as Arrested Development, 24); and (5) the potential for joint development and exploitation of Imagine's content IP in the Greater China market in partnership with TVB. Based on the latest information available to the Company, investment funds managed by Raine Group LLC, a boutique investment banking and private equity firm, beneficially own over one-third of the shares of Imagine. None of the other ultimate beneficial owners of Imagine owns more than one-third of shares of Imagine. The Directors are of the view that the consideration for the subscription is fair and reasonable and in the interests of the Company and the shareholders as a whole. The investment has been recognised as FVOCI. There is no fair value change of FVOCI as at 30 June 2023.

On 29 December 2022, the Group also entered into an agreement with CMC, whereby CMC agreed to purchase 10% of the Group's interest in ITT , being (i) 10% of the Promissory Note in the principal amount together with the accrued but unpaid interest of approximately US$10 million; and (ii) 10 ITT Class A Units, representing approximately 5% of the entire issued share capital in ITT at a consideration of US$10,002,000 which was pre-paid in cash to the Group. As at 30 June 2023, the disposal process was still ongoing and the transaction in relation to the disposal of the Promissory Note was subsequently completed in August. The consideration for the disposal was determined through management's assessment. This determination was made after conducting arm's length commercial negotiations between the parties with reference to, among other things, the outstanding principal amount of the Promissory Note and interest accruing thereon, the liquidity and repayment schedule of the Promissory Note (which maturity date shall fall on 26 July 2032), and the financial performance and operational metrics of ITT. In particular, the nominal consideration for the 10 ITT Class A Units was determined after taking into account the net loss and net liability positions of ITT for the previous two financial years ended 31 December 2020 and 2021 and as at 30 June 2022. The Directors are of the view that the consideration for the disposal is fair and reasonable and in the interests of the Company and the shareholders as a whole.

As at 31 December 2022, in determining the carrying value of the Promissory Note from ITT, the Group has observed that the US market for premium TV content has been increasingly dominated by streaming platforms, resulting in a reduced number of opportunities for ITT, the Company's US-based joint venture, to pursue independent deficit-financing productions, which was its primary focus. Consequently, the Group assessed that the credit risk associated with the Promissory Note has significantly increased in 2022. To measure the provision for impairment loss of its debt instruments, the Group adopted the stage 2 ECL model. The ECL model involves assessing key measuring parameters and inputs, such as the probability of default ("PD") and the loss given default ("LGD"). The Group considered various factors in determining the PD and LGD of the Promissory Note, including the scale of the business, business model, financial performance, financial position, market share trend, and financial policy of ITT. The Group also adjusted for forward-looking information, such as the future development plan of ITT.

As at 30 June 2023, based on the aforementioned assessment, adopting the stage 2 ECL model which is consistent with that as at 31 December 2022, the total carrying value of the Promissory Note to ITT was HK$825,883,000 (31 December 2022: HK$781,106,000), inclusive of the interest income of HK$41,870,000 (2022: HK$53,419,000) recognised during the Period. Considering the recent uncertainties surrounding the writers strike in the United States, the management has assessed and determined the ECL rate to be 32.4% (31 December 2022: 28.8%). This resulted in an additional provision of HK$41,600,000 (2022: HK$3,800,000) for the Period, and an increase in the accumulated lifetime ECL provision on the carrying value of the Promissory Note to HK$266,900,000 (31 December 2022: HK$225,300,000).

10. Bond securities at amortised cost

	30 June 2023 HK$'000	31 December 2022 HK$'000
Non-current		
Bond securities at amortised cost:		
Unlisted	**427,157**	426,982
Listed in other countries	**70,549**	70,285
Less: provision for impairment loss on bond securities	**(466,842)**	(466,842)
	30,864	30,425

Note:

As at 30 June 2023, the Company's portfolio of fixed income securities, net of expected credit losses amounted to HK$30,864,000 (31 December 2022: HK$30,425,000). They were issued by issuers which are listed or unlisted in Hong Kong or overseas. No bond securities were disposed and redeemed of during the Period.

As at 30 June 2023, the investment portfolio consisted of fixed income securities of four (31 December 2022: four) separate issuers, of which the bonds issued by Master Glory Group Limited and SMI Holding Group Limited had been fully impaired in prior years. There was no interest income (2022: HK$3,132,000) recognised during the Period from the bond securities at amortised cost.

11. Trade receivables

At 30 June 2023 and 31 December 2022, the ageing of trade receivables, net of provision for impairment based on invoice dates were as follows:

	30 June 2023 HK$'000	31 December 2022 HK$'000
Up to 1 month	**428,934**	470,781
1-2 months	**79,523**	152,093
2-3 months	**45,314**	40,575
3-4 months	**44,668**	25,234
4-5 months	**56,605**	67,151
Over 5 months	**79,204**	84,218
	734,248	840,052

12. Borrowings

	30 June 2023 HK$'000	31 December 2022 HK$'000
Non-current		
Bank borrowings, unsecured (note (a))	**1,567,200**	1,561,306
Other borrowings, unsecured	**15,934**	15,934
	1,583,134	1,577,240
Current		
Bank borrowings, unsecured (note (a))	**517,147**	390,475
Bank overdrafts, unsecured	**188,202**	198,640
Other borrowings, unsecured	**–**	10,000
	705,349	599,115
	2,288,483	2,176,355

12. **Borrowings** (continued)

Notes:

(a) On 30 June 2020, the Group entered into a US$250,000,000 term loan facility with Shanghai Commercial Bank Limited ("SCBL"), and the entire facility amount was drawn down on 6 July 2020. Originally, the loan was due for repayment in full on 6 July 2023. However, on 22 August 2022, the Group entered into a supplementary agreement with SCBL to extend the maturity of a US$200,000,000 portion of the loan by two years, to 6 July 2025. A US$50,000,000 portion of the loan remained due for repayment on its original maturity date of 6 July 2023.

In May 2023, the Group converted the functional currency of the loan facility from US dollars to Hong Kong dollars. This resulted in the conversion of our US$250,000,000 outstanding loan balance into HK$1,959,000,000. Subsequent to the Period, the Group then repaid an amount of HK$391,800,000 (being the equivalent of US$50,000,000) to SCBL. The remaining outstanding amount HK$1,567,200,000 is due for repayment on 6 July 2025.

Interest on our term loan with SCBL bears a variable rate, which was approximately 6.8% as at 30 June 2023 (31 December 2022: 6.6%).

(b) Subsequent to the end of the Period, on 13 August 2023, the Group entered into a loan facility agreement with CMC and Young Lion Holdings Limited. Pursuant to this agreement, CMC and Young Lion Holdings Limited have made available, on an unsecured basis, a term loan facility of HK$700,000,000 (the "Facility") to the Group. The Facility, which is valid up to 31 December 2024, bears an interest rate of 3-month HIBOR plus 1.25%, which is lower than the Group's current market cost of borrowing in Hong Kong. Of the total HK$700,000,000 available for drawing under the Facility, HK$300,000,000 is available for drawing immediately, whereas HK$400,000,000 is available for drawing from 1 January 2024. Under certain circumstances whereby the Company is able to raise new equity related financing, including through issuance of new shares or instruments convertible into new shares, the size of the Facility may be correspondingly reduced.

CMC is a company controlled by Mr. Li Ruigang, a non-executive director of the Company, whereas Young Lion Holdings Limited is an indirect shareholder of over 10% of the shares of the Company. As such, both CMC and Young Lion Holdings Limited are connected persons of the Company according to Hong Kong listing rules. Nevertheless, given that the terms of the Facility are more favourable than the terms of the Company's other borrowings in the Hong Kong market, the directors of the Company are of the opinion that the Facility meets the definition of "Financial Assistance" as defined within Hong Kong listing rules, and is thus exempt from normal approval procedures in relation to transactions with connected persons. On 14 August 2023, the Company drew down an amount of HK$292,125,000 from the Facility.

(c) Subsequent to the end of the Period, on 16 August 2023 the Group entered into a convertible bond agreement with Cardy Oval Limited, a company controlled by Mr. Goodwin Gaw, an independent third party investor. Pursuant to this agreement, the Group will issue to Cardy Oval Limited convertible bonds of HK$156,000,000 principal value. The bonds will pay an annual coupon of 3.5%, and be convertible into 35,056,164 of shares of the Company within 5 years. On the third anniversary of the issuance, which is expected to take place in September 2023, Cardy Oval Limited has the option to ask the Company to redeem any unconverted bonds at 110% of principal value. Otherwise, if held to maturity without conversion, the bonds shall be redeemed by the Company at 100% of principal value on the fifth anniversary of its issuance. Once issued, and until such time as they are converted into shares or redeemed by the Company, the bonds shall be classified as unsecured debt obligations of the Company.

13. Trade and other payables and accruals

	30 June 2023 HK$'000	31 December 2022 HK$'000
Trade payables to:		
Associates	**8,549**	1,520
Third parties	**269,076**	275,361
	277,625	276,881
Contract liabilities	**207,763**	184,286
Provision for employee benefits and other expenses	**67,696**	71,037
Accruals and other payables	**442,994**	442,091
	996,078	974,295

At 30 June 2023 and 31 December 2022, the ageing of trade payables based on invoice dates was as follows:

	30 June 2023 HK$'000	31 December 2022 HK$'000
Up to 1 month	**104,718**	107,685
1-2 months	**55,404**	63,354
2-3 months	**26,916**	52,972
3-4 months	**34,821**	20,069
4-5 months	**16,480**	11,902
Over 5 months	**39,286**	20,899
	277,625	276,881

ADDITIONAL INFORMATION

HUMAN RESOURCES

At the end of Period, the Group employed a total of 3,599 full-time employees (31 December 2022: 3,854), including contract artistes and staff in overseas subsidiaries. This figure excluded directors and freelance workers.

For employees in Hong Kong, different pay schemes apply to contract artistes, sales, and non-sales personnel. Contract artistes are paid either per show or per package of shows. Sales personnel are remunerated on commission-based schemes, while non-sales personnel receive monthly salaries. Discretionary bonuses may be awarded as an incentive for better performance. About 2% of the Group's manpower was employed in overseas subsidiaries and paid on scales and systems relevant to the respective localities and legislations.

Under the share option schemes of the Group, options may be granted to directors and employees of the Group to subscribe for shares in the Company and in TVB e-Commerce Group Limited.

From time to time, the Group organises, either in-house or with other vocational institutions, seminars, courses, and workshops on subjects of technical interests, such as industrial safety, management skills and other related studies, apart from sponsorship of training programmes that employees may enrol on their own initiatives. To sustain the long term steady supply of human resources for production, the Group has implemented a number of new initiatives during the Period targeting recruitment, training and development of talents and staff for TV production in the areas of design and construction of settings for production, make-up and costume design, with a view to ensure that the necessary skills sets are appropriately retained and developed within our business.

COMPLIANCE OF CORPORATE GOVERNANCE CODE

Maintaining high standards of business ethics and corporate governance practices has always been one of the Company's core objectives. The Company believes that conducting business in an open and a responsible manner serves its long-term interests and those of the stakeholders.

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

COMPLIANCE WITH 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 ("Model Code") as set out in Appendix 10 of the Listing Rules, as amended from time-to-time, as the code for Directors and members of Senior Management in their dealings in the securities of the Company.

All Directors (including the Director who retired during the Period) and members of Senior Management were subject to specific enquiries by the Company as part of their bi-annual confirmations of compliance and have confirmed that they had complied with the Model Code during the Period.

REVIEW OF INTERIM RESULTS

The condensed consolidated financial information for the Period has not been audited, but has been reviewed by PricewaterhouseCoopers, the independent auditor of the Company. The Audit Committee 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 the interim report for the Period.

INTERIM DIVIDEND

No interim dividend was declared by the Board for the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company had not redeemed, and neither had the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the Period.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the designated issuer website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (https://corporate.tvb.com). The interim report for the Period containing the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the above websites in mid-September 2023.

By Order of the Board
CHAN Shu Hung
Acting Company Secretary

Hong Kong, 23 August 2023

As at the date of this announcement, the Board of the Company comprises:

Executive Chairman
Thomas HUI To

Non-executive Directors
LI Ruigang
Anthony LEE Hsien Pin
Kenneth HSU Kin

Independent Non-executive Directors
Dr. William LO Wing Yan JP
Dr. Allan ZEMAN GBM, GBS, JP
Felix FONG Wo BBS, JP