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Television Broadcasts Limited

電視廣播有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

BUSINESS UPDATE AND UNAUDITED OPERATIONAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 – POSITIVE SEQUENTIAL BUSINESS MOMENTUM AS TURNAROUND EFFORTS CONTINUE

The board of directors (the “**Board**”) of Television Broadcasts Limited (the “**Company**” or “**TVB**”, and together with its subsidiaries, the “**Group**”) is pleased to provide the following business update and unaudited operational information of the Group’s core Hong Kong television-related business and its mainland China businesses for the three-month period ended 30 September 2023 (the “**Quarter**”).

1. Core Television-related Businesses

During the Quarter, we maintained our market-leading viewership of terrestrial free-to-air TV channels in Hong Kong with our flagship Jade, 24-hour TVB News and other channels achieving an aggregate 79% market share of viewership:

TVB free-to-air TV channels	Average Weekday Prime Time (19:00 - 23:00) TV Rating (TVR) Points ¹ for three-month period ended:		
	30 Sep 2023	30 Jun 2023	30 Sep 2022
Jade (Channel 81)	17.4	17.2	17.7
TVB News (Channel 83)	2.0	1.7	2.2
Other channels (Pearl, J2, TVB Finance, Sports & Information)	2.9	3.4	3.3
TVB’s market share of viewership (%) across all Hong Kong TV channels	79%	79%	77%

¹ Source: CSM Media Research

Despite the difficult economic environment, advertising income in our terrestrial free-to-air channels showed positive momentum during the Quarter. Average unit rates for our Jade channel prime time weekday TV advertising spots showed a positive trend during the Quarter, rising 16% and 46% respectively versus the three-month periods ended 30 June 2023 and 30 September 2022, as we welcomed back a number of past clients who had not advertised on our channels for some time. Among the over 400 clients who advertised on our TV channels during the Quarter, 13% were either new accounts or those returning after an absence of 2 years or more, including certain blue-chip corporate accounts. In this regard, our ongoing efforts over the past two years to turn around our traditional TV business by strengthening content while reorganizing our operations and sales functions continues to bear fruit. For clients who pre-commit before the end of this year to buy our TV advertising packages for 2024, we have raised average prices by approximately 8% compared to 2023.

During the Quarter, the Group's OTT Streaming business also showed positive momentum, with premium myTV Gold subscribers growing 3% and 26% respectively compared to the three-month periods ended 30 June 2023 and 30 September 2022 while average monthly active users (MAU) across all service tiers held steady at approximately 2 million.

OTT Streaming	Three-month period ended:		
	30 Sep 2023	30 Jun 2023	30 Sep 2022
myTV Gold subscribers at period end	190,945	185,726	151,740
Average MAU over the period (million)	2.0	2.1	1.9

During the Quarter, we increased the monthly subscription price of our premium myTV Gold service by 20% from HK\$98 to HK\$118 per month for a 12-month subscription with set-top box or smart TV access.

Revenue from digital advertising on our myTV Super platform also increased 12% and 16% during the Quarter, compared to the three-month periods ended 30 June 2023 and 30 September 2022 respectively. We expect the growth momentum to accelerate in the fourth quarter, enabling us to achieve a full year growth of over 20% in digital advertising revenue.

2. Mainland China-related Businesses

Mainland China was also a key growth driver for the Group during the Quarter, with our multi-channel network (MCN) business increasing its social media audience reach, and our livestream e-commerce activities (which includes our partnership with Taobao, as well as our Douyin livestream stores) seeing a further ramp-up in activity.

Mainland China MCN	Three-month period ended:		
	30 Sep 2023	30 Jun 2023	30 Sep 2022
No. of social media followers ² (million)	178	160	105
No. of livestream commerce sessions held	279	275	142
No. of livestream commerce views (million)	67	64	11

In the six months from March 2023 when we commenced our livestream commerce partnership with Taobao and up to the end of the Quarter, we achieved approximately RMB250 million in gross merchandise value (GMV) of products sold.

In terms of geographical location, 36% of our social media followers in mainland China and 29% of our livestream viewers during the Quarter were from the Greater Bay Area of Guangdong province, indicating the appeal of our brand and artistes in this core market of the Group. Our strategy is to enlarge our home market beyond Hong Kong to include the entire Guangdong-Hong Kong-Macao Greater Bay Area by leveraging our growing social media presence, our livestreaming shows and also our Jade and Pearl free-to-air channels which have landing rights in Guangdong province and enjoy a large viewership there.

Meanwhile in co-production and simulcast dramas, during the Quarter we commenced filming of five drama titles in partnership with mainland Chinese platforms Youku and Tencent, with whom we signed output deals earlier in the year. We expect these drama titles will begin to generate revenue for the Group in the fourth quarter of 2023.

As a result of the foregoing, and under the current market and macro-economic environment, the Group expects to achieve positive EBITDA for the six-month period ended 31 December 2023, compared to the EBITDA loss of HK\$186 million incurred in the six-month period ended 30 June 2023.

Nevertheless, other than EBITDA, the Group's financial performance is also affected by other operational, accounting, financing and tax factors which are more fully reflected in the consolidated financial statements published by the Company on an annual or half-yearly basis. As such, the Board reminds shareholders and potential investors in the shares of the Company that the information contained in this announcement, including any forward-looking statements on the Group's financial performance as measured by EBITDA, is unaudited and based on preliminary internal information of the Group, which may differ from figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company on an annual or half-yearly basis. **Shareholders and potential investors are thus advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board
CHAN Shu Hung
Acting Company Secretary

Hong Kong, 27 October 2023

² Followers on TVB official accounts and TVB artistes accounts across Douyin, Kuaishou, Xiaohongshu, Weibo, WeChat social media platforms and Taobao e-Commerce platform in mainland China

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