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## **SHAW BROTHERS HOLDINGS LIMITED**

**邵氏兄弟控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00953)

### **ANNOUNCEMENT OF THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **2024 INTERIM RESULTS HIGHLIGHTS**

- A 25-episode disciplined forces drama “Prism Breakers” (“執法者們”) has commenced and completed the shooting in February 2024 and May 2024 respectively. The drama is in the post-production stage and is expected to be released on the Youku platform in 2025.
- The Group collaborated with its business partners to invest and co-produce in new drama projects in mainland China and Hong Kong in 2023 and anticipated that a certain of co-operation projects to be launched in second half of 2024 or 2025.
- Revenue from the films, drama and non-drama segment decreased from RMB10,787,000 for the Previous Period to RMB2,269,000 for the Review Period, a decrease by 79.0% was mainly due to the decrease in the number of films, drama and non-drama released for the Review Period compared to the Previous Period.
- Revenue from the artiste and event management segment decreased by 45.6% from RMB19,265,000 for the Previous Period to RMB10,477,000 for the Review Period, was mainly due to decline in revenue generated from the livestream commerce operations by the artistes under the Group’s management; and decrease in number of participation in film or drama projects for the artistes under the Group’s management.
- Loss attributable to the owners of the Company was RMB110,000 in the Review Period (six month ended 30 June 2023: RMB735,000).

- Loss per share for the Review Period was RMB0.008 cents (six months ended 30 June 2023: RMB0.052 cents).
- Bank balances, deposits and cash, net of bank borrowing, amounted to RMB319,935,000 as at 30 June 2024 (31 December 2023: RMB301,641,000).
- Net asset value per share attributable to the owners of the Company as at 30 June 2024 was RMB32.18 cents (31 December 2023: RMB31.64 cents).
- The Board did not recommend the payment of interim dividend for the Review Period.

## FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2024 RMB (Unaudited)	2023 RMB (Unaudited)	
<b>Revenue</b>			
Films, drama and non-drama ('000)	2,269	10,787	-79.0%
Artiste and event management ('000)	10,477	19,265	-45.6%
Total ('000)	<u>12,746</u>	<u>30,052</u>	-57.6%
<b>Segment (loss) profit</b>			
Films, drama and non-drama ('000)	(3,611)	(4,494)	-19.6%
Artiste and event management ('000)	2,778	5,402	-48.6%
Total ('000)	<u>(833)</u>	<u>908</u>	-191.7%
<b>Performance</b>			
Loss attributable to owners of the Company ('000)	(110)	(735)	-85.0%
Loss per share (RMB cents) <sup>(1)</sup>	<u>(0.008)</u>	<u>(0.052)</u>	-84.6%

	<b>30 June 2024 RMB (Unaudited)</b>	31 December 2023 RMB (Audited)	Change
Total assets ('000)	<b>559,421</b>	491,534	13.8%
Total liabilities ('000)	<b>124,294</b>	61,484	102.2%
Total equity ('000)	<b>435,127</b>	430,050	1.2%
Number of issued shares ('000)	<b>1,419,610</b>	1,419,610	–
<b>Ratios</b>			
Current ratio <sup>(2)</sup>	<b>4.3</b>	7.8	N/A
Gearing ratio <sup>(3)</sup>	<b>0.84%</b>	0.93%	N/A
<b>Net asset value per share attributable to owners of the Company (RMB cents)<sup>(4)</sup></b>			
	<b><u>32.18</u></b>	<u>31.64</u>	<u>1.7%</u>

*Notes:*

- (1) Loss per share was calculated by dividing the loss for the period attributable to owners of the Company by the number of the issued shares as at the respective dates.
- (2) Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.
- (3) Gearing ratio was calculated by dividing the total debt by total assets as at the respective dates.
- (4) Net asset value per share attributable to owners of the Company was calculated by dividing equity attributable to owners of the Company by the number of the issued shares as at the respective dates.

The board (the “**Board**”) of directors (the “**Directors**”) of Shaw Brothers Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Review Period**”) together with the comparative figures for the corresponding period in 2023 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3	12,746	30,052
Cost of sales		<u>(2,921)</u>	<u>(8,114)</u>
Gross profit		9,825	21,938
Other income, gains and losses, net		7,119	7,370
Selling and distribution expenses		(1,316)	(861)
Administrative expenses		(15,217)	(18,028)
Impairment loss of investments in films, drama and non-drama		(3,937)	(7,861)
Reversal of impairment loss (Impairment loss) of trade receivables		765	(2,917)
Share of loss of an associate		(1)	(78)
Finance costs	5	<u>(339)</u>	<u>(397)</u>
Loss before tax		(3,101)	(834)
Income tax expenses	6	<u>(153)</u>	<u>(278)</u>
Loss for the period	7	<u>(3,254)</u>	<u>(1,112)</u>
Loss for the period attributable to:			
– Owners of the Company		(110)	(735)
– Non-controlling interests		<u>(3,144)</u>	<u>(377)</u>
Loss for the period		<u>(3,254)</u>	<u>(1,112)</u>
Loss per share			
– Basic and diluted (RMB cents)	8	<u>(0.008)</u>	<u>(0.052)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Loss for the period	<u><b>(3,254)</b></u>	<u>(1,112)</u>
<b>Other comprehensive income (expenses) for the period</b>		
<i>Items 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	<b>10,274</b>	12,775
Fair value loss on investments in equity instruments at fair value through other comprehensive income	<u><b>(1,943)</b></u>	<u>(1,443)</u>
	<u><b>8,331</b></u>	<u>11,332</u>
Total comprehensive income for the period	<u><b>5,077</b></u>	<u>10,220</u>
Total comprehensive income (expenses) for the period attributable to		
– Owners of the Company	<b>7,675</b>	9,942
– Non-controlling interests	<u><b>(2,598)</b></u>	<u>278</u>
	<u><b>5,077</b></u>	<u>10,220</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
<b>Non-current assets</b>			
Plant and equipment	<i>10</i>	1,357	1,608
Equity instruments at fair value through other comprehensive income	<i>11</i>	23,658	24,960
Right-of-use assets	<i>12</i>	3,245	5,701
Deferred tax assets		130	141
Television programme rights		1,711	2,224
Interest in an associate		76	77
		<u>30,177</u>	<u>34,711</u>
<b>Current assets</b>			
Investments in films, drama and non-drama Films, drama and non-drama productions in progress	<i>13</i>	83,288	85,373
Trade and other receivables	<i>14</i>	26,675	35,609
Amounts due from related parties		29,474	25,349
Bank balances, deposits and cash		324,609	306,198
		<u>529,244</u>	<u>456,823</u>
<b>Current liabilities</b>			
Trade and other payables	<i>15</i>	61,390	39,353
Contract liabilities	<i>15</i>	52,274	6,827
Income tax payables		290	282
Lease liabilities	<i>12</i>	2,015	3,256
Amounts due to related parties		1,901	4,199
Bank borrowing		4,674	4,557
		<u>122,544</u>	<u>58,474</u>
<b>Net current assets</b>		<u>406,700</u>	<u>398,349</u>
Total assets less current liabilities		<u>436,877</u>	<u>433,060</u>
<b>Non-current liabilities</b>			
Lease liabilities	<i>12</i>	1,750	3,010
<b>Net assets</b>		<u>435,127</u>	<u>430,050</u>

	<b>30 June 2024</b>	31 December 2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Capital and reserves</b>		
Share capital	<b>12,322</b>	12,322
Reserves	<b>444,567</b>	436,892
	<hr/>	<hr/>
Equity attributable to owners of the Company	<b>456,889</b>	449,214
Non-controlling interests	<b>(21,762)</b>	(19,164)
	<hr/>	<hr/>
<b>Total equity</b>	<b>435,127</b>	430,050
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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

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. 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 Group is 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 D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

The functional currency of the Company is Hong Kong dollars (“**HK\$**”). Subsidiaries of the Company have their functional currencies other than HK\$, mainly Renminbi (“**RMB**”). The directors of the Company adopted RMB as presentation currency for the convenience of the financial statements users.

## 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 2023.

### Application of New and Amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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.



### 3. REVENUE

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Films, drama and non-drama productions	2,269	8,458
Artiste management services income	10,477	17,754
Investments in films, drama and non-drama	–	2,329
Event management services income	–	1,511
	<u>12,746</u>	<u>30,052</u>

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

### 4. SEGMENT INFORMATION

Information reported to the executive director, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of products or services delivered or provided.

#### 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					
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Segment revenue	<u>2,269</u>	<u>10,787</u>	<u>10,477</u>	<u>19,265</u>	<u>12,746</u>	<u>30,052</u>
Segment (loss) profit	<u>(3,611)</u>	<u>(4,494)</u>	<u>2,778</u>	<u>5,402</u>	<u>(833)</u>	<u>908</u>
Unallocated income					6,573	4,589
Unallocated expenses					<u>(8,841)</u>	<u>(6,331)</u>
Loss before tax					<u>(3,101)</u>	<u>(834)</u>

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

## 5. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	<b>2023</b> <i>RMB'000</i> <b>(Unaudited)</b>
Interests on:		
Bank borrowing	172	137
Lease liabilities	167	260
	<u>339</u>	<u>397</u>

## 6. INCOME TAX EXPENSES

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	<b>2023</b> <i>RMB'000</i> <b>(Unaudited)</b>
Current tax:		
Hong Kong Profits Tax	–	288
People's Republic of China (“ <b>PRC</b> ”) Enterprise Income Tax (“ <b>EIT</b> ”)	142	46
	<u>142</u>	<u>334</u>
Overprovision in prior years:		
EIT	–	(56)
	<u>142</u>	<u>278</u>
Deferred tax	<u>11</u>	<u>–</u>
	<u>153</u>	<u>278</u>

- (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 2024 and 2023.

## 7. LOSS FOR THE PERIOD

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Directors' emoluments:		
Fees	<u>950</u>	<u>911</u>
Staff costs:		
Salaries and allowances	<u>8,583</u>	<u>9,272</u>
Contributions to retirement benefits scheme	<u>794</u>	<u>943</u>
	<u>9,377</u>	<u>10,215</u>
Total staff costs (including directors' emoluments)	<u>10,327</u>	<u>11,126</u>
Amortisation of television programme rights	565	542
Depreciation of plant and equipment	380	310
Depreciation of right-of-use assets	1,132	1,302
(Reversal of impairment loss) impairment loss of trade receivables	(765)	2,917
Impairment loss of investments in films, drama and non-drama	3,937	7,861
Net exchange loss	174	201
Interest income	<u>(6,697)</u>	<u>(4,253)</u>

## 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	
	2024 RMB'000 (Unaudited)	2023 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	<u>(110)</u>	<u>(735)</u>
	<b>30 June</b>	<b>30 June</b>
	<b>2024</b>	<b>2023</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>

### Number of shares

Number of ordinary shares for the purpose of basic and diluted loss per share	<u>1,419,610</u>	<u>1,419,610</u>
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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 2024 and 2023.

## 9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2024 and 2023, 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 2024, the Group paid approximately RMB124,000 on addition of plant and equipment (six months ended 30 June 2023: RMB70,000).

## 11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Unlisted investments:		
Equity securities	<u>23,658</u>	<u>24,960</u>

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 as they believe that they are not held for trading and are held for long-term investment purpose.

## 12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the six months ended 30 June 2024, the Group early terminated a lease contract, the respective right-of-use assets and lease liabilities of approximately RMB1,324,000 and RMB1,359,000 respectively were derecognised resulting in a gain on early termination of lease of approximately RMB35,000 recognised in profit or loss.

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

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Investments in films, drama and non-drama	124,320	121,549
Less: accumulated impairment	<u>(41,032)</u>	<u>(36,176)</u>
	<u><b>83,288</b></u>	<u>85,373</u>

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.

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Films, drama and non-drama productions in progress	<b>65,198</b>	4,294

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

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Trade receivables	<b>21,369</b>	31,410
Less: allowance for impairment of trade receivables	<b>(14,108)</b>	(14,860)
	<b>7,261</b>	16,550
Other receivables and deposits	<b>4,974</b>	3,355
Prepayments	<b>14,440</b>	15,704
Trade and other receivables	<b>26,675</b>	35,609

As at 30 June 2024, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB21,369,000 (31 December 2023: RMB31,410,000).

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

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 90 days	<b>4,055</b>	12,646
91 to 180 days	<b>323</b>	393
181 to 365 days	<b>492</b>	2,386
Over 365 days	<b>2,391</b>	1,125
Total	<b>7,261</b>	16,550

**15. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES**

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Trade payables	<u>30,278</u>	<u>29,086</u>
Other payables	<b>29,415</b>	7,574
Accrued payroll and accruals	<u>1,697</u>	<u>2,693</u>
	<u>31,112</u>	<u>10,267</u>
Trade and other payables	<u><b>61,390</b></u>	<u>39,353</u>
Contract liabilities	<u><b>52,274</b></u>	<u>6,827</u>

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

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 90 days	<b>15,379</b>	14,636
91 to 180 days	<b>1,714</b>	5,360
181–365 days	<b>5,880</b>	6,311
Over 365 days	<u>7,305</u>	<u>2,779</u>
Total	<u><b>30,278</b></u>	<u>29,086</u>

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Review

Hong Kong's film industry is gradually rebounding from the impact of the COVID-19 pandemic, with 46 local movies released in 2023, up from 27 in 2022. However, the total box office revenue in 2023 amounted to only HK\$14.3 billion, a 25% increase from 2022. Due to the limited size of Hong Kong market, the film industry relies on the Asian markets, particularly mainland China. To support the film industry, in the 2023 Policy Address, the Hong Kong Government proposed injecting HK\$4.3 billion into the Film Development Fund and the CreateSmart Initiative, to promote film production in Hong Kong and investment projects in the mainland China and overseas markets.

At the 2024 Hong Kong International Film & TV Market (FILMART), Alibaba Digital Media and Entertainment Group, in collaboration with multiple Hong Kong cultural and entertainment companies, launched the "Hong Kong Cultural and Art Industry Revitalisation Program" and announced a total investment of not less than HK\$5 billion (USD640 million) over the next 5 years in film production, TV series production, performance and youth talent development. Under the "Hong Kong Cultural and Art Industry Revitalisation Program", Youku, a subsidiary of Alibaba Digital Media and Entertainment Group and the Group are planning to launch a 25-episode disciplined forces drama titled "Prism Breakers" ("執法者們"), and also plan to launch other projects in the future.

### Business Review

During the Review Period, the Group recorded revenue of RMB12,746,000, a decrease by 57.6% as compared to the revenue of RMB30,052,000 for the six months ended 30 June 2023 (the "**Previous Period**"), resulting from less production of film, drama and non-drama projects, and a reduction in commercial engagements and participation in film or drama projects for the artistes under the Group's management. Films, drama and non-drama and artiste and event management are the two business segments of the Group. Below is an analysis of the Group's revenue by business segment.

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Films, drama and non-drama	<b>2,269</b>	10,787
Artiste and event management	<b>10,477</b>	19,265
	<b><u>12,746</u></b>	<b><u>30,052</u></b>

## ***Films, Drama and Non-Drama***

### ***Released productions***

The Group released a variety of non-drama on various Chinese portals and online platforms and also produced a certain of promotion short videos during the Review Period.

### ***Productions in progress***

A 25-episode disciplined forces drama “Prism Breakers” (“執法者們”) has commenced and completed the shooting in February 2024 and May 2024 respectively. The drama stars Bosco Wong (黃宗澤), Moses Chan (陳豪), Kenneth Ma (馬國明), Jessica Hester Hsuan (宣萱), Lawrence Ng (吳啟華), Hin Law (羅子溢), Jeannie Chan (陳滢), Jacky Cai (蔡潔), Oscar Leung (梁競徽), Moon Lau (劉佩玥) and Regina Ho (何依婷). The drama is in the post-production stage and is expected to be released on the Youku platform in 2025.

### ***Investments in films, drama and non-drama***

The Group collaborated with its business partners to invest and co-produce in new drama projects in mainland China and Hong Kong in 2023 and anticipated that a certain of co-operation projects to be launched in second half of 2024 or 2025.

The Group continues to collaborate with business partners to produce, invest in, or distribute films and drama series featuring high-quality content. In addition, the Group aims to strengthen the synergy between its business of film and drama production and that of artiste and event management by integrating artistes under the Group’s management into the cast of its films and drama productions and investments.

### ***Artiste and Event Management***

As at 30 June 2024, 57 artistes were under the Group’s management. Artistes managed by the wholly-owned subsidiaries included famous artistes such as Bosco Wong (黃宗澤), Joel Chan (陳山聰), Lawrence Ng (吳啟華), Nancy Wu (胡定欣), Rosina Lam (林夏薇) and Jeannie Chan (陳滢); and popular singers such as Hubert Wu (胡鴻鈞) and James Ng (吳業坤). Artistes managed by the subsidiary Tailor Made Production Limited included famous artistes such as Wong Cho Lam (王祖藍), Roger Kwok (郭晉安) and Eliza Sam (岑麗香), as well as popular singer Teresa Carpio (杜麗莎).



## **Prospect**

With the easing of pandemic restrictions and proposed government support, the film industry is expected to rebound. Filmmakers and producers can resume normal operations, creating new content and attracting funding from both local and international investors. This will instill more confidence in investment in films.

Building upon the success of action crime drama series like “Flying Tiger” (“飛虎”), “Mission Run” (“廉政狙擊”) and “Line Walker Series” (“使徒行者”), the Group has commenced the production of a 25-episode disciplined forces drama “Prism Breakers” (“執法者們”) and continues its efforts to forge collaborations with business partners and investors, especially in mainland China, to jointly develop high-quality films and dramas.

By featuring its own actors and actresses in movie and drama productions, the Company aims to increase their exposure and enhance their fame. This integrated approach between film and drama production and artiste and event management will create synergies and maximize the potential of the Group’s talent resources.

With its production expertise, established strategic partnerships and rich talent resources, the Group is well-positioned to capitalize on a post-pandemic recovery and support from government policy in the existing markets and to develop new markets under its strategy of investing in film and drama production with high-quality content. It will leverage its rich resources such as a seasoned production team and a rich pool of top artistes to tap the great potential of the markets of the Greater Bay Area and the Chinese communities all over the world as it aspires to be one of the leading content producers and curators in Asia Pacific.

## **Financial Review**

Revenue of the Group decreased from RMB30,052,000 for the Previous Period to RMB12,746,000 for the Review Period, representing a decrease of RMB17,306,000 or by 57.6%. It was mainly due to the decreased revenue contribution from both films, drama and non-drama segment and artiste and event management segment during the Review Period.

### *Films, Drama and Non-Drama*

	<b>Six months ended 30 June</b>		<b>Change</b>	
	<b>2024</b>	<b>2023</b>		
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>		
Revenue	<b>2,269</b>	10,787	-8,518	-79.0
Segment loss	<b>(3,611)</b>	(4,494)	883	-19.6
Segment profit margin	<b>N/A</b>	<b>N/A</b>		

Revenue from the films, drama and non-drama segment decreased from RMB10,787,000 for the Previous Period to RMB2,269,000 for the Review Period, a decrease by 79.0% was mainly due to the decrease in the number of films, drama and non-drama released for the Review Period compared to the Previous Period. The decrease in the reportable segment loss of the films, drama and non-drama segment was mainly due to the decrease in impairment loss of investments in films, drama and non-drama for the Review Period.

### *Artiste and Event Management*

	<b>Six months ended 30 June</b>		<b>Change</b>	
	<b>2024</b>	<b>2023</b>		
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>		
Revenue	<b>10,477</b>	19,265	-8,788	-45.6
Segment profit	<b>2,778</b>	5,402	-2,624	-48.6
Segment profit margin	<b>26.5%</b>	<b>28.0%</b>		

Revenue from the artiste and event management segment decreased by 45.6% from RMB19,265,000 for Previous Period to RMB10,477,000 for the Review Period, was mainly due to (1) decline in revenue generated from the livestream commerce operations by the artistes under the Group's management; and (2) decrease in number of participation in film or drama projects for the artistes under the Group's management. The lower profit margin at the artiste and event management segment was due to more absorption of selling and distribution expenses during the Review Period.

### *Cost of Sales*

Cost of sales decreased by 64.0% from RMB8,114,000 for the Previous Period to RMB2,921,000 for the Review Period due to lower absorption of films, drama and non-drama production costs during the Review Period.

### ***Other Income, Gain and Losses, Net***

Other income, gain and losses decreased from RMB7,370,000 for the Previous Period to RMB7,119,000 for the Review Period, a decrease by 3.4% due to one-off write back of cost provisions and insurance claim received for its film productions in Previous Period, compensated by increase in interest income on bank deposits resulted from high interest rates during the Review Period.

### ***Selling and Distribution Expenses***

Selling and distribution expenses increased from RMB861,000 for the Previous Period to RMB1,316,000 for the Review Period, an increase of 52.8% due to more advertising and promotional activities related to artiste and event management business during the Review Period.

### ***Administrative Expenses***

Administrative expenses decreased from RMB18,028,000 for the Previous Period to RMB15,217,000 for the Review Period, a decrease of 15.6% due to (1) decrease in staff headcount cost; (2) decrease in legal and professional fees in respect of corporate matters; and (3) decrease in other operating expenses during the Review Period.

### ***Impairment Losses***

#### ***Impairment loss of investments in films, drama and non-drama***

Impairment loss of investments in films, drama and non-drama of RMB3,937,000 recognised for the Review Period (six months ended 30 June 2023: RMB7,861,000). The impairment loss of investments in films, drama and non-drama was made based on the management's estimation of the recoverable amount against the carrying amount of the investments in films, drama and non-drama. The impairment loss was determined based on the present value of expected future revenues and related cash flows arising from the investments in films, drama and non-drama.

#### ***Reversal of impairment loss (impairment loss) of trade receivables***

Reversal of impairment loss of trade receivables of RMB765,000 recognised for the Review Period in contrast to an impairment of trade receivables of RMB2,917,000 for the Previous Period. The decrease in provision for impairment of trade receivables was mainly due to the expected credit loss ("ECL") resulting from the increase in recoverability of long outstanding trade receivables and the Group's prudent practice of adopting the ECL model.

### ***Income Tax Expenses***

Income tax expenses decreased from RMB278,000 for the Previous Period to RMB153,000 for the Review Period, which was mainly due to the decrease in profitability from the major subsidiaries in Hong Kong.

### ***Loss for the Period and Loss Attributable to the Owners of the Company***

Loss for the period increased from RMB1,112,000 for the Previous Period to RMB3,254,000 for the Review Period. Loss attributable to the owners of the Company for the Review Period amounted to RMB110,000, a decrease of RMB625,000 or 85% from RMB735,000 for the Previous Period. The decrease in loss attributable to the owners of the Company was due to the decrease in provision for impairment loss of investments in films, drama and non-drama and reversal of impairment loss of trade receivables for the Review Period.

### ***Investments in Films, Drama and Non-Drama***

Investments in films, drama and non-drama decreased from RMB85,373,000 as at 31 December 2023 to RMB83,288,000 as at 30 June 2024. It was mainly attributable to the provision for impairment loss of investments in films, drama and non-drama, compensated by the depreciation of Renminbi (“RMB”) against Hong Kong dollars (“HK\$”) during the Review Period.

### ***Films, Drama and Non-Drama Productions in Progress***

Films, drama and non-drama productions in progress increased from RMB4,294,000 as at 31 December 2023 to RMB65,198,000 as at 30 June 2024. It was mainly attributable to the additional production costs of a disciplined forces drama “Prism Breakers” (“執法者們”) incurred during the Review Period.

### ***Trade Receivables***

Trade receivables from third parties, net of loss allowance, significantly decreased from RMB16,550,000 as at 31 December 2023 to RMB7,261,000 as at 30 June 2024, mainly due to the receipt of payments from customers during the Review Period. The management reviews the aging trade receivables regularly and follows up with the respective general managers and/or customers on the collection of such trade receivables. Details of the trade and other receivables as at 30 June 2024 are set out in Note 14 to the condensed consolidated financial statements in this announcement.

### ***Trade and Other Payables***

Trade and other payables increased from RMB39,353,000 as at 31 December 2023 to RMB61,390,000 as at 30 June 2024, mainly due to the production cost payables of drama “Prism Breakers” (“執法者們”) and the receipt in advance payments for commercial engagements for the artistes under the Group’s management. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe. Details of the trade and other payables as at 30 June 2024 are set out in the Note 15 to the condensed consolidated financial statements in this announcement.

### ***Contract Liabilities***

Contract liabilities significantly increased from RMB6,827,000 as at 31 December 2023 to RMB52,274,000 as at 30 June 2024, which was mainly attributable to the receipt in advance from drama production and the artiste and event management.

### ***Amounts Due to Related Parties***

Amounts due to related parties decreased from RMB4,199,000 as at 31 December 2023 to RMB1,901,000 as at 30 June 2024. It was mainly due to the settlement of the payment for certain artiste engagements during the Review Period.

### ***Liquidity and Financial Resources***

The Group financed its operations with internal resources and bank borrowing, whenever necessary. As at 30 June 2024, the Group holds RMB324,609,000 in bank balances, deposits and cash (31 December 2023: RMB306,198,000), indicating that a healthy and sound financial position was maintained. The Group's bank balances, deposits and cash were denominated in HK\$, RMB and United States dollars ("USD").

### ***Pledge of Assets***

As at 30 June 2024, the Group did not have any pledge of assets (31 December 2023: nil).

### ***Capital Structure***

As at 30 June 2024, the Group's equity attributable to owners of the Company slightly increased by 1.7% to RMB456,889,000 (31 December 2023: RMB449,214,000). Net asset value per share attributable to owners of the Company increased to RMB32.18 cents (31 December 2023: RMB31.64 cents). Current ratio was 4.3 (31 December 2023: 7.8). As at 30 June 2024 and 31 December 2023, the number of total issued shares of the Company was 1,419,610,000.

### ***Capital Commitments and Contingent Liabilities***

As at 30 June 2024, the Group had a capital commitment of RMB1,000,000 in the form of the unpaid registered capital of an associate (31 December 2023: RMB1,000,000).

### ***Foreign Exchange Risk***

The Group mainly operates in Hong Kong and mainland China with most of its transactions settled in HK\$ and RMB. Bank balances, deposits and cash held by the Group were denominated mainly in HK\$, RMB and USD.

During the Review 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***

The Group's interest-bearing bank borrowing denominated in HK\$ increased from RMB4,557,000 as at 31 December 2023 to RMB4,674,000 as at 30 June 2024 due to the depreciation of RMB against HKD during the Review Period. The gearing ratio of the Group, calculated on the basis of interest-bearing debts over total assets, was 0.84% as at 30 June 2024 (31 December 2023: 0.93%).

### ***Human Resources***

As at 30 June 2024, the Group had a total of 53 employees (excluding directors) (31 December 2023: 58 employees).

### **INTERIM DIVIDEND**

The Board did not recommend the payment of interim dividend for the Review Period (Six months ended 30 June 2023: Nil).

### **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 Review Period.

### **CORPORATE GOVERNANCE**

The Company was in compliance with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange during the Review 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 C3 of the Listing Rules (the "**Model Code**") as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors; and all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions throughout the Review Period.

## **REVIEW OF INTERIM RESULTS**

The condensed consolidated financial information for the Review 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 the interim report for the Review Period.

## **PUBLICATION OF THE RESULTS ANNOUNCEMENT AND THE INTERIM REPORT**

This announcement is published on the website of the Stock Exchange for listed issuers information at [www.hkexnews.hk](http://www.hkexnews.hk) (the “**Exchange’s Website**”) and the website of the Company at [www.shawbrotherspictures.com](http://www.shawbrotherspictures.com) (the “**Company’s Website**”). The interim report of the Group for the Review Period will be despatched to shareholders at the appropriate time and will be available on the Exchange’s Website and the Company’s Website in due course.

By Order of the Board  
**Shaw Brothers Holdings Limited**  
**Li Ruigang**  
*Chairman*

Hong Kong, 20 August 2024

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

### **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