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Results and Business Highlights



Results Highlights

Total revenue

25%

HK\$2,724 million

Total cost

12%

HK\$3,253 million

Adjusted EBITDA

HK\$74 million

(2019: HK\$461 million)

Loss attributable to equity holders

HK\$281 million

(2019: Loss of HK\$295 million)

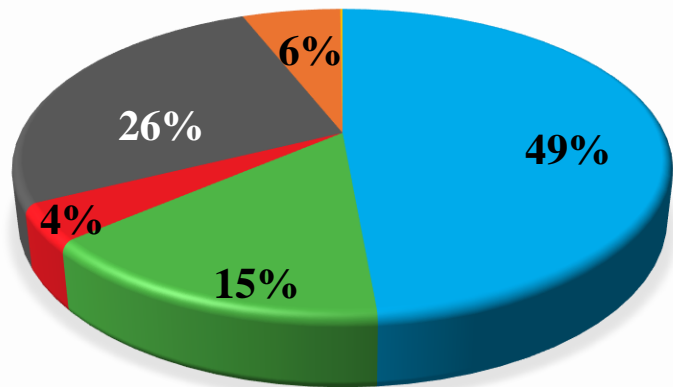
Loss per share HK\$0.64 (2019: HK\$0.67)

1H20: a loss of HK\$293 million

2H20: a small net profit

No dividend recommended for 2020

Revenue Analysis

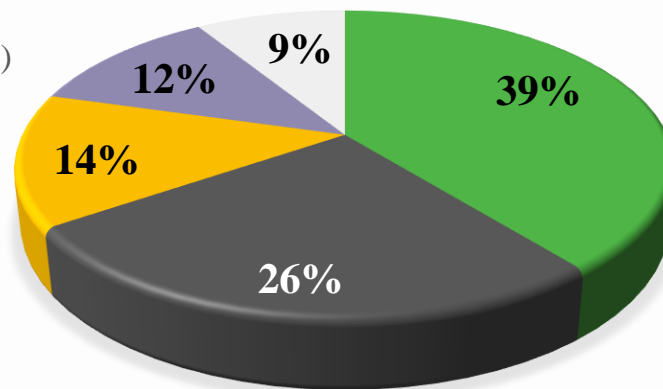


Revenue by Reporting Segment

- HK TV broadcasting (-40% yoy)
- myTV SUPER (-7% yoy)
- BBC & e-commerce (-16% yoy)
- Programme licensing (-3% yoy)
- TVB Anywhere (+11% yoy)

For 2020:

- Advertising business under HKTV broadcasting & myTV SUPER were adversely impacted
- Subscription income increased
- E-commerce income increased
- Co-production income increased



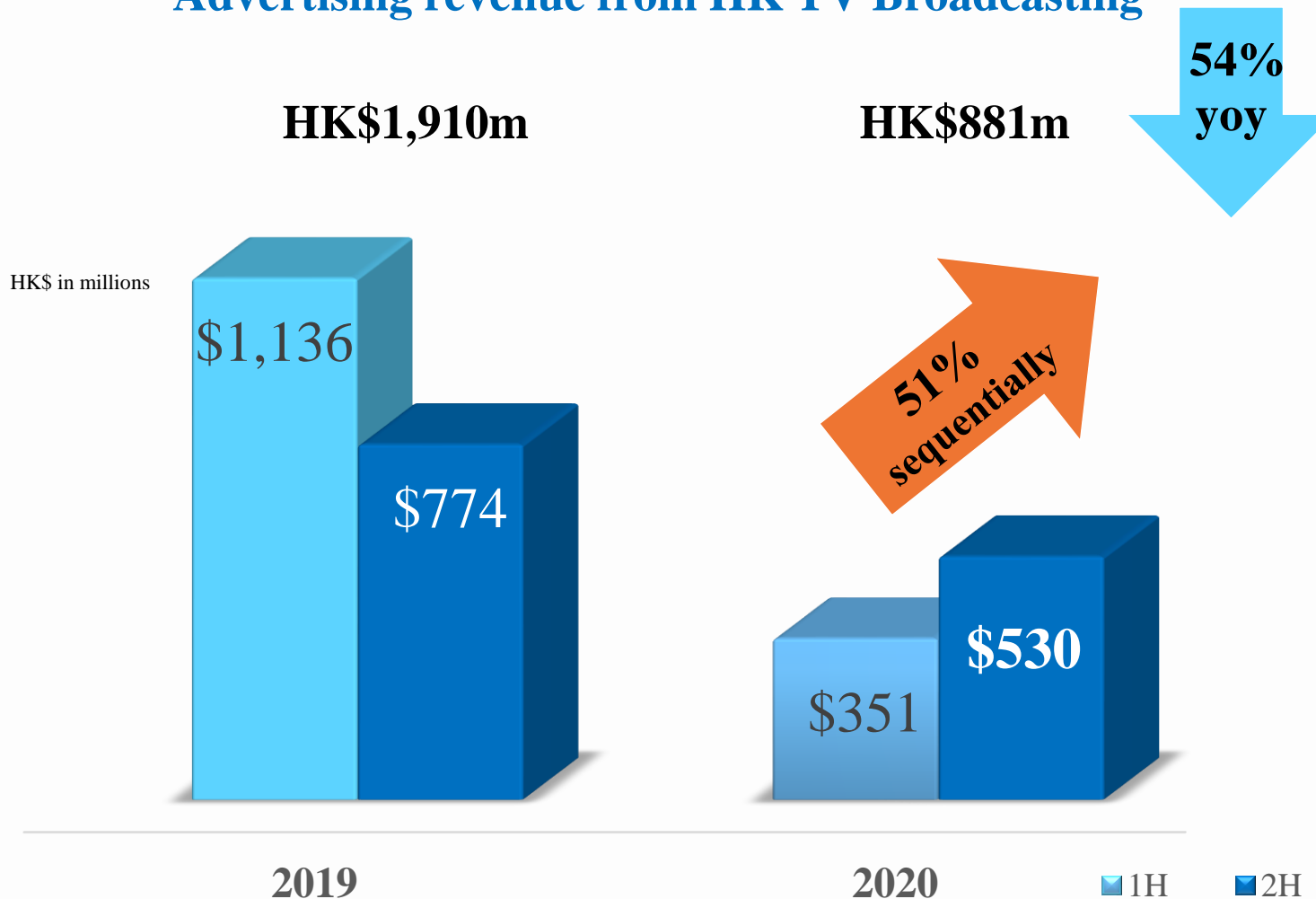
Revenue by Category

- Income from advertisers (-50% yoy)
- Subscription income (+11% yoy)
- Others (-28% yoy)
- Licensing income (-4% yoy)
- Co-production (+205% yoy)

Business Highlights: TV advertising revenue 2H20 sequentially improved from 1H20



Advertising revenue from HK TV Broadcasting

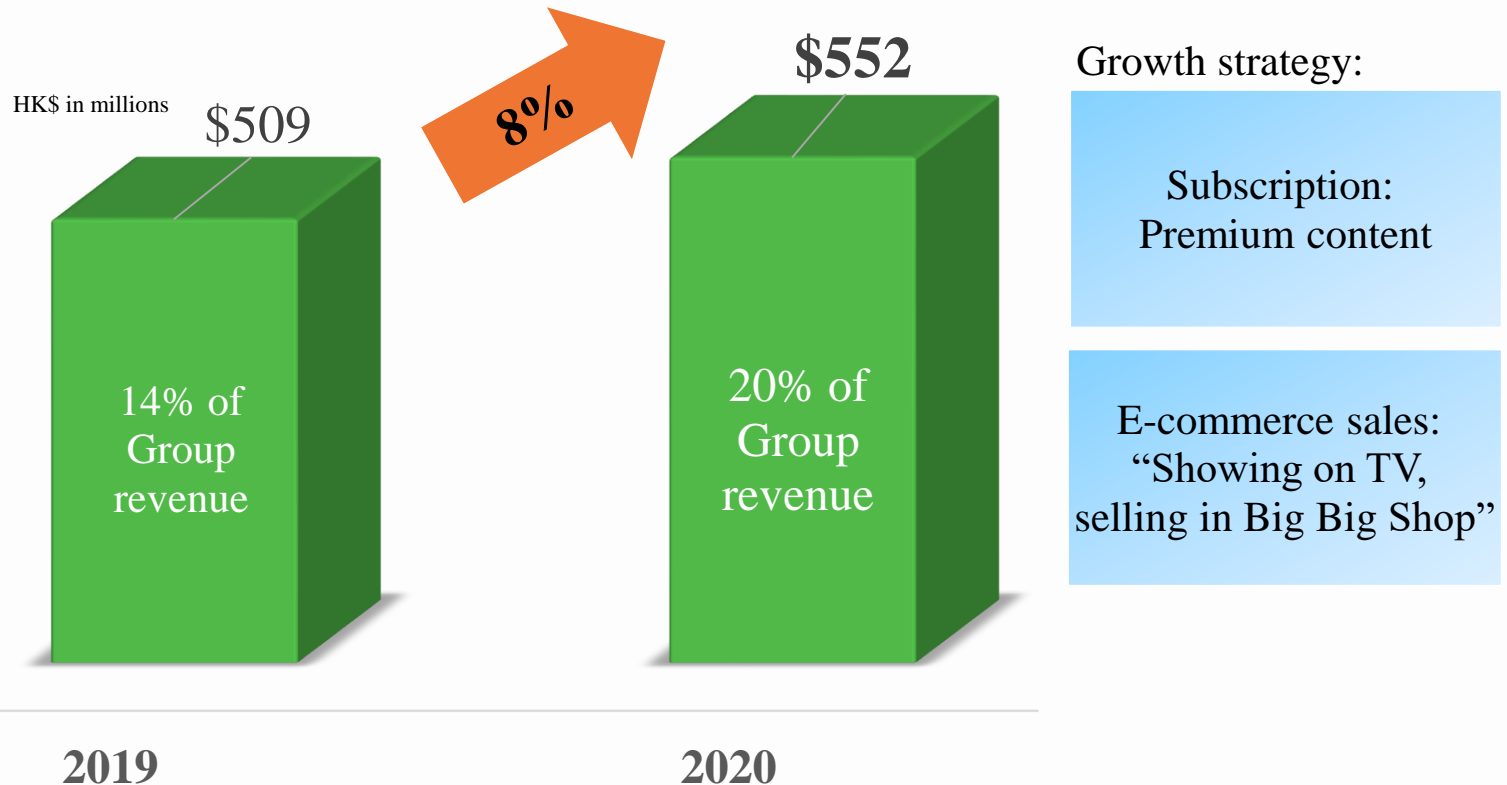




Business Highlights: Direct-to-consumer revenue

Non-advertising income from TVB's digital platforms increased 8%, fueled by steady growth in subscription business and e-commerce sales

Non-advertising income from TVB's digital platforms

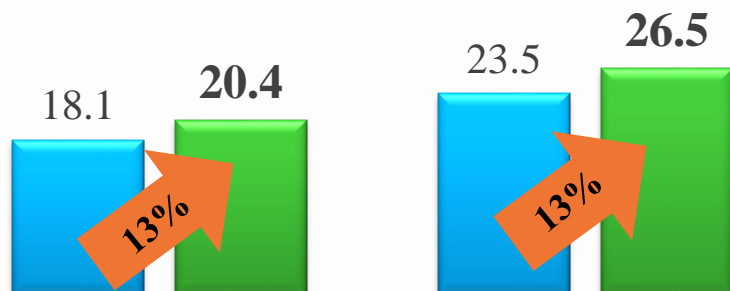


Business Highlights

KPIs improved across all platforms



Terrestrial TV Prime Time Ratings (TVRs)

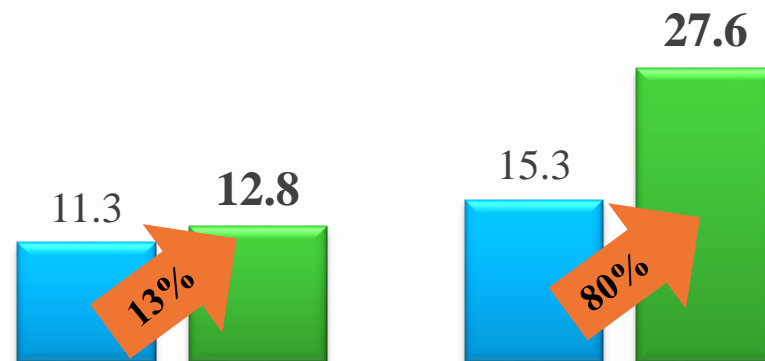


Jade

All Channels

■ 2019 ■ 2020

Social Media

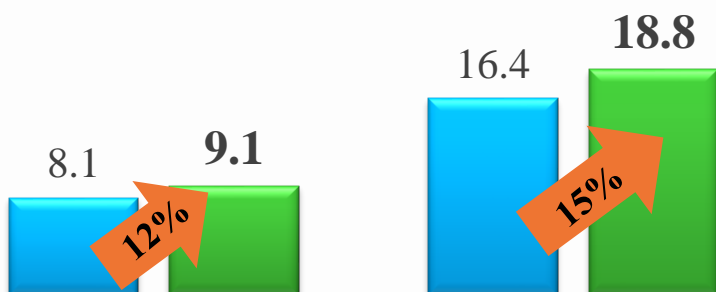


No of followers (million)

Average weekly stream views (million)

■ 2019 ■ 2020

myTV SUPER (HK OTT)

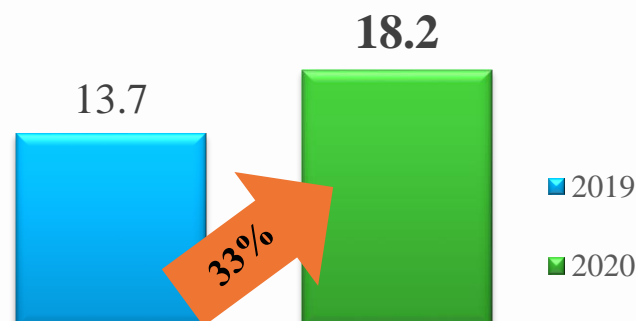


No of users (million)

Average weekly time spent per unique stream viewer (hours)

■ 2019 ■ 2020

Global Viewers of all TVB platforms



No of users (million)
Including users consuming TVB content via 3rd party platforms

■ 2019 ■ 2020



High TV ratings of Jade's prime time blockbuster Top 3 TVB-produced drama series in 2020



Forensic

Average rating
36.3 TVRs

Simultaneous
release on

YOUKU 优酷



Airport Strikers

Average rating
33.2 TVRs

Simultaneous
release on

YOUKU 优酷



Death By Zero

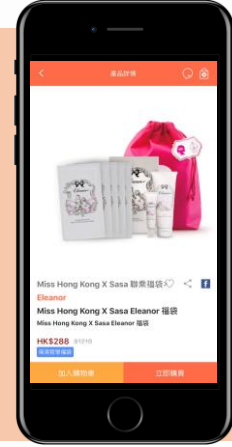
Average rating
30.1 TVRs

“Showing on TV, Selling in Big Big Shop” model to boost sales

GMV soared 350% to HK\$142m



Marketing programme *Big Big Shopping Nite* (big big shop 感謝祭) to showcase selected goods on sale




Circle K
(300+ stores in HK) as fulfilment partner



sasa™
Electric Living Massager
Eleanor
Gold Energizing
FusionWater Cleanse

肌膚護理 任君選擇
+ \$42
全方位 面部及身體防曬噴霧 150ml
神秘精選貨品
*每單交易限購一個價\$42 或 \$99 貨品

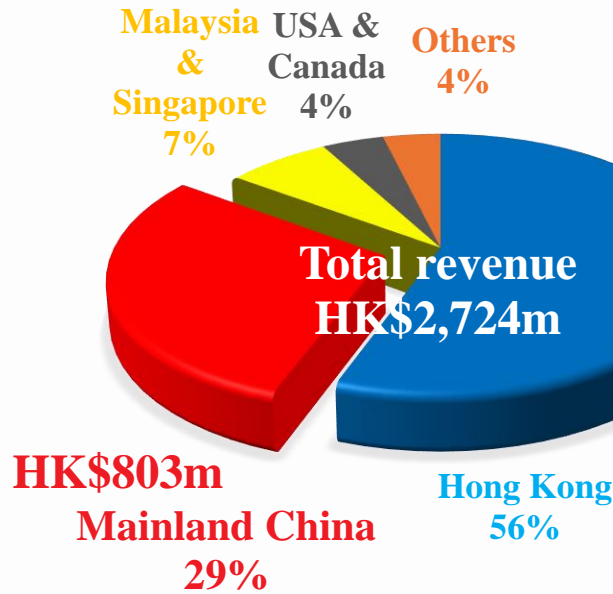


大昌行集團
DAH CHONG HONG HOLDINGS

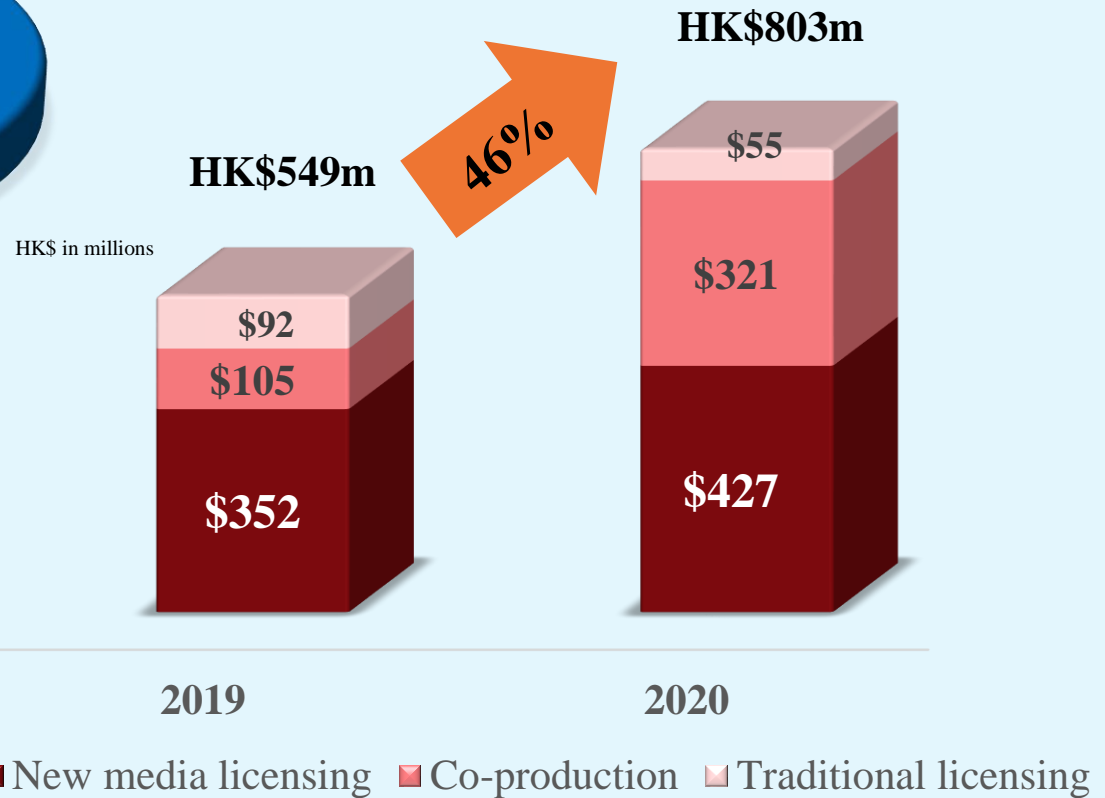
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Business Highlights

China Revenue increased 46% to HK\$803m



China business exhibited robust growth in 2020; contributing 29% of Group's Revenue



Drama co-production with leading Chinese online streaming platforms

Line Walker: Bull Fight, Legal Mavericks 2020, Armed Reaction 2021 were broadcast during 2020 and post year-end



Tencent 腾讯



iQIYI 爱奇艺



Tencent 腾讯

Three co-production titles are under production for delivery in 2021 and

more projects are under discussion

Murder Diary (刑侦日記)

Barrack O'Karma 2 (金宵大廈2)

Big White Duel 2 (白色強人II)

COMING
SOON





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Outlook and Opportunities



- Advertising businesses under HK TV Broadcasting and myTV SUPER remain challenging in the near term. Advertising and events management services should be a beneficiary when pandemic comes under control.
- Building a solid pipeline of drama projects under co-production agreements with Youku and with other major players in China. Exploring new content genres/formats to expand offerings.
- myTV SUPER is on track to grow subscription using original programmes as a differentiator.
- Further increase the scale of cross platform promotions in 2021 by recruiting new merchants and advertisers for Big Big Shop.



Strategies

- Content creation (drama serials and other genres);
- Content licensing (short-form and long-form content);
- Form strategic working relationship with other major platforms to expand our business/reach in China
- App monetisation;
- Develop talent and technology resources;
- Develop “live streaming e-commerce” using KOLs and artistes;
- Expand e-commerce and events management businesses beyond Hong Kong.

Vision: To grow TVB into a world-class media organisation, with extensive digital and direct-to-customer capabilities, amplifying our long tradition to entertain, inform and enrich audiences



Strategic initiatives

- 1 Enhance our content creation capability by focusing on premium contents that are locally relevant
- 2 Invest in development of our talent resources
- 3 Migrate to a multi-platform distribution model balancing direct-to-customer digital and traditional free-to-air platforms
- 4 Enhance and broaden our presence in mainland China while extending our direct-to-customer footprint in other markets overseas

Appendix (for reference)



Consolidated Income Statement

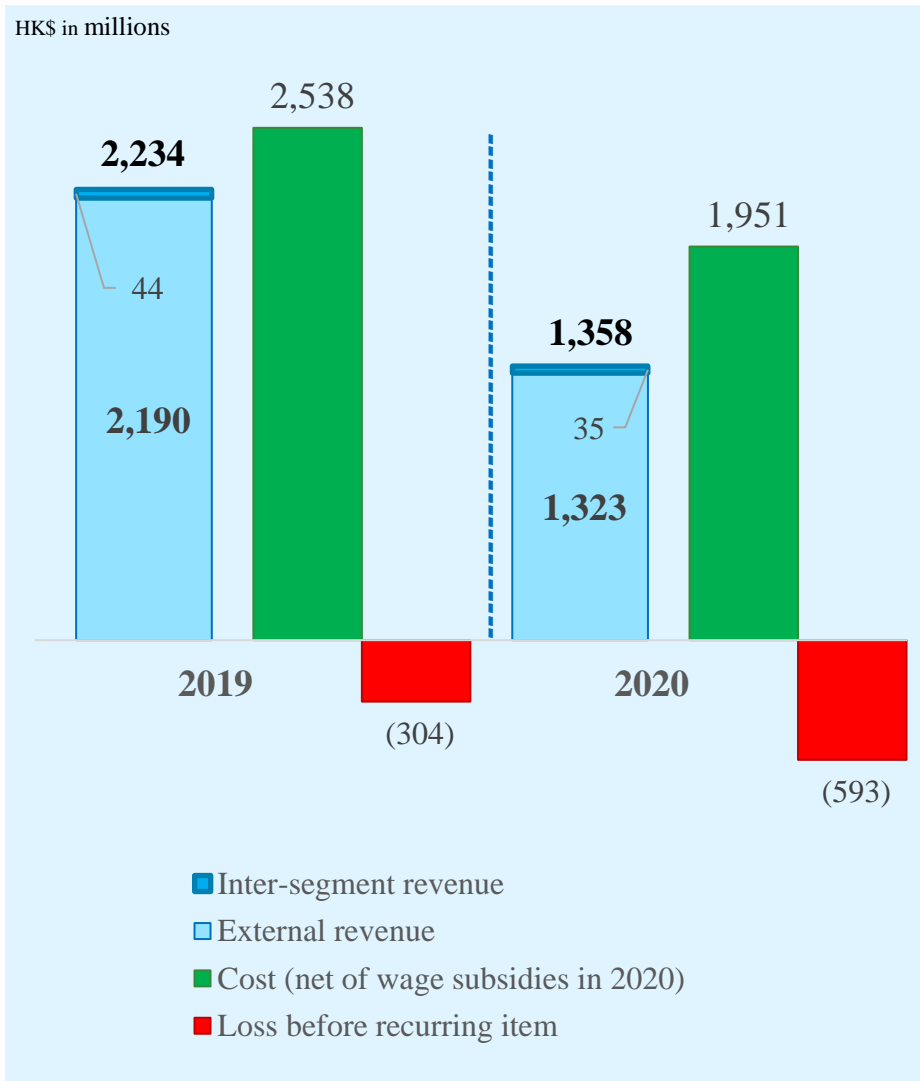


HK\$ million	2020	2019	yoy chg
Revenue	2,724	3,649	-25%
Total costs	<u>(3,253)</u>	<u>(3,698)</u>	-12%
	(529)	(49)	
Other revenues & other gains, net	247	65	282%
Interest income	161	180	-11%
Gain on disposal of other financial assets	22	21	4%
Impairment loss on other financial assets	(118)	(88)	34%
(Impairment loss)/reversal of impairment loss on receivables (trade & JV)	(27)	66	NM
Fair value loss on financial assets	-	(330)	NM
Finance costs	(101)	(107)	-6%
Share of losses of JV & associates	<u>(0.4)</u>	<u>(55)</u>	-99%
Loss before income tax	(345)	(297)	16%
Income tax credit	<u>88</u>	<u>18</u>	379%
Loss for the year	<u>(257)</u>	<u>(279)</u>	-8%
Loss attributable to equity holders	(281)	(295)	-5%
Loss per share (HK\$)	<u>(0.64)</u>	<u>(0.67)</u>	-5%

Note: NM – not meaningful

HK TV Broadcasting

Higher co-production income offset by lower advertising income



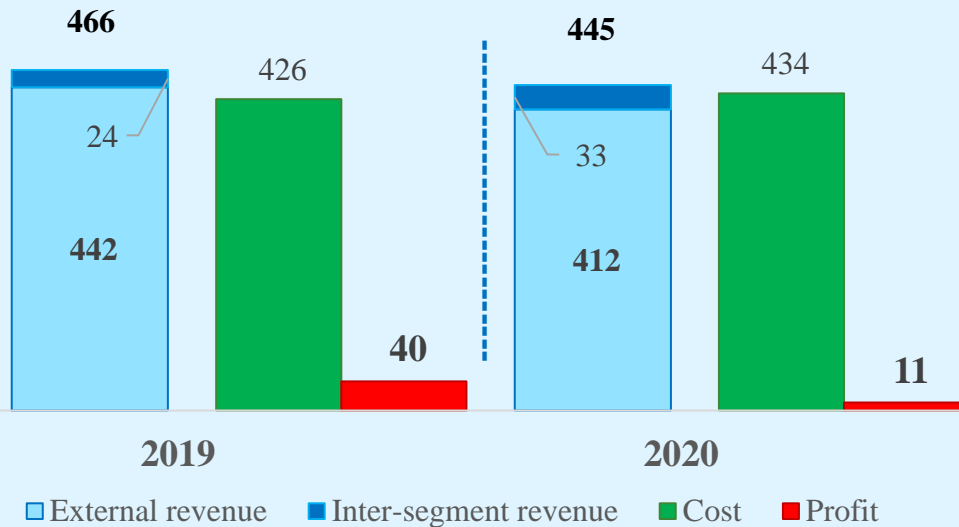
- Revenue dropped by 40% to HK\$1,323m
 - Advertising income declined 54% to HK\$881m
 - 1H20 advertising income was HK\$351m; 2H20 was HK\$530m, a 51% improvement from 1H20
 - Co-production income from China's online video platforms increased 205% to HK\$321m
- Costs declined 16% to HK\$2,124m before netting wage subsidies from Government's Employment Support Scheme amounting to HK\$173m
- Impairment loss on other financial assets of HK\$96m booked as a non-recurring item

myTV SUPER: Subscriber base expanded to 9.1m

Higher subscription revenue but lower advertising income



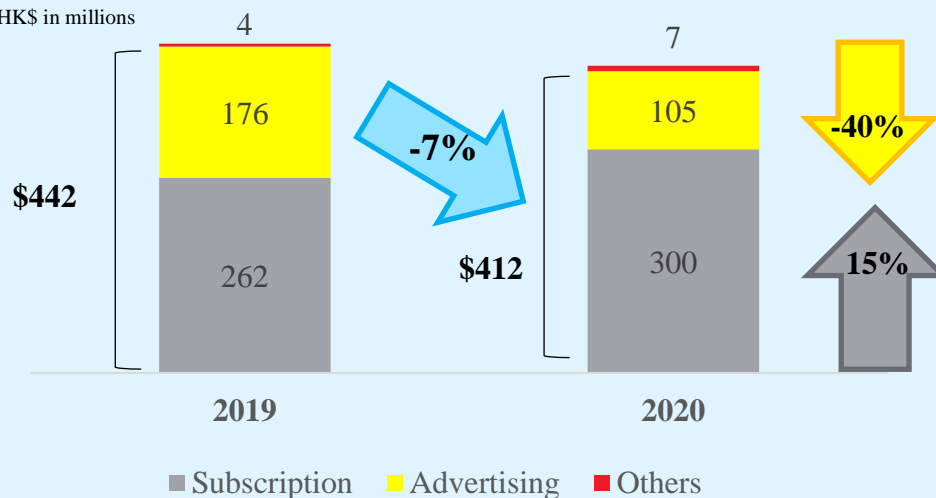
HK\$ in millions



- Revenue declined by 7% to HK\$412m
 - Subscription income increased 15%
 - expanding user base;
 - increase in ARPU (fee increase and launch of myTV Gold premium service)
 - Advertising income declined 40%
- Launched all-in-one OTT-commerce solution (named myTV Shops) to convert views into sales
- Higher costs incurred for enriching content

Revenue Mix

HK\$ in millions

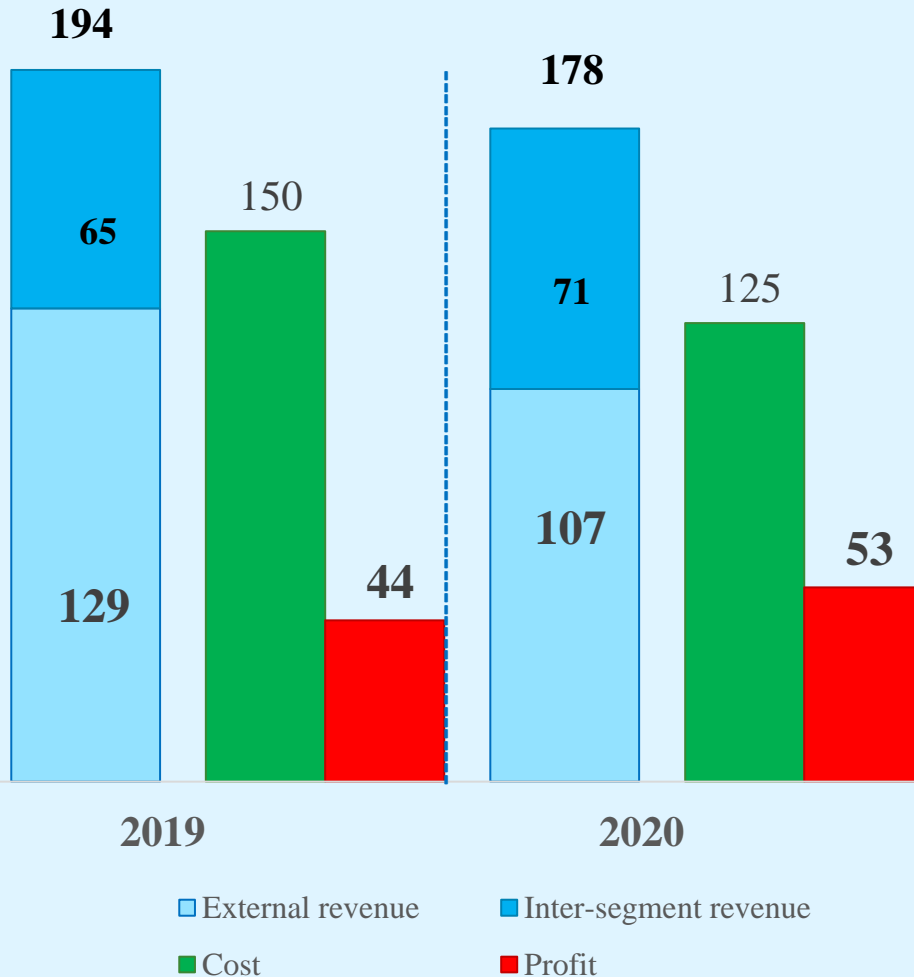


BBC & E-Commerce: Big Big Shop sales soared

Social media income increased; events management disrupted



HK\$ in millions

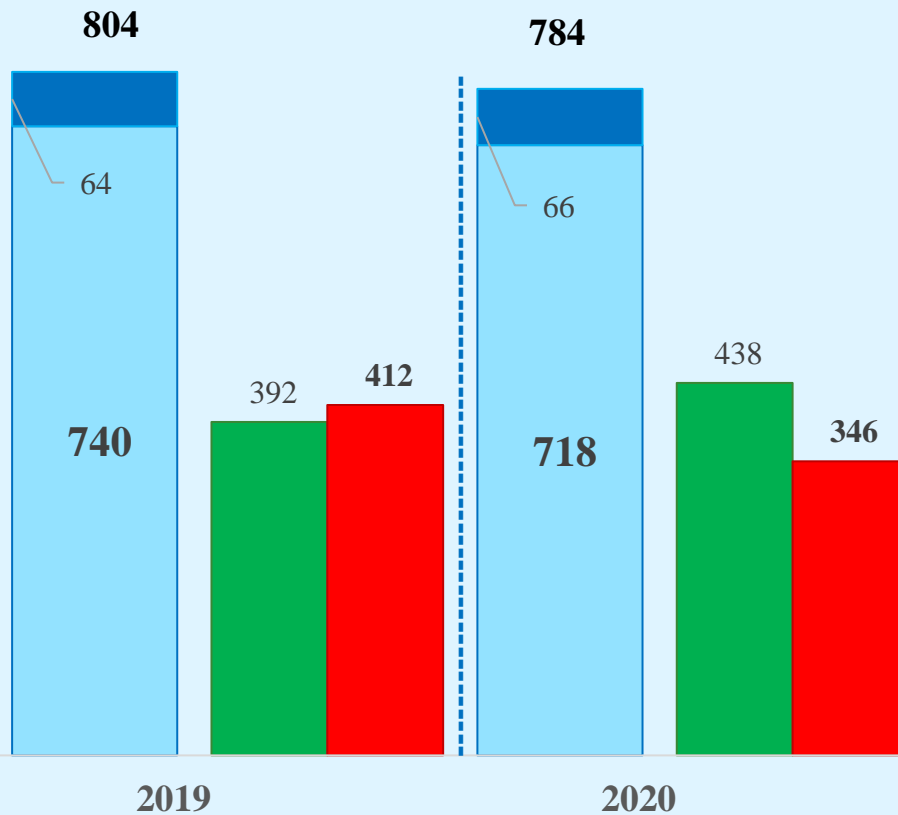


- Revenue declined 16% to HK\$107m:
 - E-commerce revenue rose as GMV soared by 350%, thanks to “Show and Sell” model
 - Social media income increased as stream view rose by 80%
 - Events management income dropped
- Segment profit increased by 20% to HK\$53m
- Supply short videos to:
 - China Mobile for customers in HK
 - Huawei Video App, a pre-loaded app on Huawei mobile devices in 26 markets

Programme Licensing and Distribution



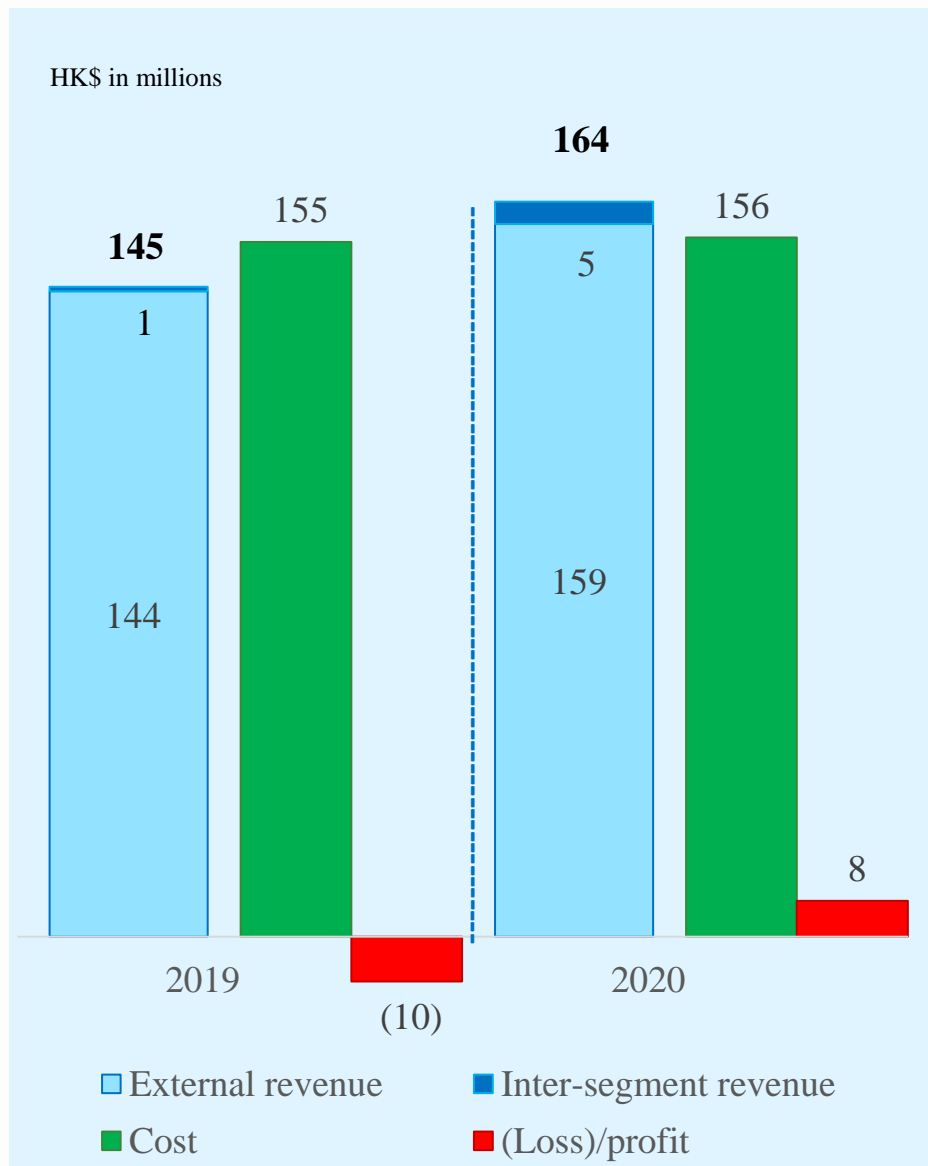
HK\$ in millions



- Inter-segment revenue
- External revenue
- Cost (net of a reversal of impairment loss of HK\$46m in 2019)
- Profit

- Revenue decreased by 3% to HK\$718m
 - Higher licensing income from new media platforms in mainland China amounting to HK\$427m (2019: HK\$352m)
 - Lower license fees from pay TV customers in Malaysia

Overseas Pay TV & TVB Anywhere: Business Turnaround



- Revenue increased 11% to HK\$159m
 - Solid growth in user base
 - Advertising income increased with multi-channel distribution strategy (i.e.: YouTube)
- Subscription based together with localised advertising;
- STB, mobile app and TV app: work with mobile device makers and smart TV manufacturers
 - TVB Anywhere SVOD service available as a pre-loaded app on Huawei mobile devices in 26 markets
 - Launched TV app on Samsung smart TVs in Singapore



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Thank you