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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

ANNOUNCEMENT OF 2022 ANNUAL RESULTS

RESULTS HIGHLIGHTS

For the year ended 31 December 2022 (the “Year”)

- Group revenue increased by HK\$687 million or 24% from HK\$2,899 million to HK\$3,586 million in 2022, driven by the full year e-Commerce revenue contribution from Ztore Group, which we acquired in late August 2021.
- Gross profit increased by HK\$286 million or 40% from HK\$722 million to HK\$1,008 million.
- Group negative EBITDA increased from HK\$314 million to HK\$338 million.
- The Group made a non-cash impairment provision of HK\$212 million during the Year (2021: nil) on the promissory note it holds in Imagine Tiger Television LLC, its US-based joint venture with Imagine. Thus, net of interest income (HK\$113 million) the Group recognised from ITT, the Group realised a pre-tax loss of HK\$99 million on its investment in ITT for the Year (2021: income of HK\$100 million).
- Loss attributable to equity holders of the Company was HK\$807 million (2021: HK\$647 million).
- Loss per share was HK\$1.84 (2021: Loss per share of HK\$1.48).
- The Board did not recommend the payment of a dividend for the Year (2021: nil).

BUSINESS HIGHLIGHTS

- 2022, being the 25th anniversary of the HKSAR and also TVB’s 55th anniversary, was a busy year for our production studios. To mark these historic milestones, we produced a rich slate of dramas, variety shows and documentary features throughout the year for our audiences in Hong Kong and around the world. With a 77% share of viewership, our TV channels remain Hong Kong’s most watched by a large margin. And despite a tough economic climate, our Hong Kong TV Broadcasting business which accounted for 36% of Group revenue delivered a 6% top-line growth from HK\$1,225 million to HK\$1,294 million.
- In mainland China, the 25th anniversary of Hong Kong’s handover also heightened enthusiasm for Hong Kong culture, entertainment and artistes. We took this opportunity to showcase our creative talents and artistes to mainland audiences. *Infinity and Beyond* (聲生不息), a singing show we co-produced with Mango TV featuring Hong Kong artistes and music, was among China’s top variety shows in 2022 by viewership. *Memories Beyond Horizon* (無限超越班), an acting talent show we co-produced with Zhejiang Television and Youku, also garnered strong ratings. Overall, revenue from our Mainland China Operations grew 5% to HK\$698 million, from HK\$666 million last year.

- Our e-Commerce Business revenues grew from HK\$238 million to HK\$863 million, following our full year consolidation of Ztore Group which we acquired in August 2021. In 2022, this segment contributed 24% of Group revenue, as Hong Kong's fifth Covid wave drove homebound consumers to shop online in the early part of the Year, boosting our Ztore and Neigbuy platforms. We took the opportunity to integrate e-commerce products and services ever more deeply into our popular shows like *Super Trio Returns* (開心無敵獎門人) and *Lo and Behold* (愛•回家之開心速遞) to further drive sales.
- myTV SUPER OTT segment revenue declined 5% to HK\$349 million following our discontinuation in 2022 of certain premium sports channels, which led to a one-off loss of subscribers. However, due to the resultant savings in content cost and also continued growth in subscribers of our myTV Gold premium service, segment EBITDA jumped 78% to HK\$66 million. During the Year, myTV SUPER also saw the launch of a new *Scoop+* (東張+) infotainment segment, which led to an increase of registered users to 10.4 million, and an increase of MAU to 2.5 million.
- International Operations revenue decreased by 5% to HK\$382 million as income from pay-TV licensees in Malaysia, Singapore and North America remained under pressure. However, growth in revenue from Vietnam and social media helped mitigate the shortfall. Our aggregate users on TVB Anywhere and TVB's YouTube channels increased to 12.3 million. MAU of these YouTube channels also grew to 28.6 million.

OUTLOOK

- With Hong Kong having phased out its pandemic restrictions and reopened to the world, the city's economy is poised to grow strongly in 2023. The reopening of mainland China's borders should also boost Hong Kong's retail, tourism and property sectors. As the city's businesses and companies increase their marketing and promotional efforts to capitalise on new opportunities, TVB as the leading player in the city's TV advertising market is well positioned to benefit.
- China's exit from pandemic restrictions also creates a favorable outlook for our Mainland China Operations. We expect our drama co-production business to benefit as content buying activity by the major video platforms picks up. In this regard, on 22 March 2023 we entered into a supply agreement with Chinese video platform Youku, whereby the Group will co-produce a certain number of drama titles and also supply simulcast and library dramas to Youku worth approx. RMB700 million in aggregate, over a two year period. And while our Mai Dui Dui direct-to-consumer streaming services continues to grow, we are also creating new opportunities such as our recently announced livestreaming partnership with Taobao. In this respect, the strength of TVB's brand makes us uniquely suited for cross-border marketing and distribution of high-value consumer products into the mainland market.
- While the outlook for our business has undoubtedly improved, other challenges such as geo-political tensions, rising interest rates, and changing viewer habits remain. As such, the Company has taken steps to reduce costs by adjusting the volume and nature of our content production in 2023. Lower-impact programmes are being discontinued, and we are also trimming our staff costs and overheads. Through these steps, which we began implementing in early 2023, we target to save over HK\$260 million in annualised cash expenses and overheads. (Due to timing differences between our incurrence of production costs and its eventual recognition, savings in production costs will only accrue in the Company's income statement over the next 1-2 years.) 5% of the Company's staff will be affected.

KEY FINANCIALS

	2022 HK\$'000	2021 HK\$'000
Revenue	3,585,750	2,898,622
– Hong Kong TV Broadcasting	1,294,099	1,224,522
– OTT Streaming	349,405	367,286
– e-Commerce Business	862,595	238,067
– Mainland China Operations	697,777	665,509
– International Operations	381,874	403,238
Total operating costs	4,355,628	3,707,223
– Cost of sales	2,578,029	2,176,788
– Selling, distribution and transmission costs	818,258	640,456
– General and administrative expenses	959,341	889,979
Other revenues	52,165	14,183
Other (losses)/gains, net	(51,199)	73,471
EBITDA	(338,407)	(313,621)
– Hong Kong TV Broadcasting	(513,750)	(604,691)
– OTT Streaming	65,847	36,801
– e-Commerce Business	(100,153)	(58,640)
– Mainland China Operations	159,407	189,425
– International Operations	50,242	123,484
<u>Reconciliation from EBITDA to loss before income tax:</u>		
EBITDA	(338,407)	(313,621)
Depreciation and amortisation	(427,252)	(413,407)
Finance costs	(81,098)	(106,372)
Interest income	124,560	153,204
Impairment loss on receivables from a joint venture	(211,800)	–
Impairment loss net of gain/loss on disposal of other financial assets at amortised cost	(28,588)	(80,450)
Share of profits of joint ventures	198	290
Share of profits of associates	24	1,621
Loss before income tax	(962,363)	(758,735)
Income tax credit	76,428	101,639
Loss for the Year	(885,935)	(657,096)
Loss attributable to equity holders of the Company	(807,132)	(646,735)
Loss per share (basic and diluted) for loss attributable to equity holders of the Company during the Year	HK\$(1.84)	HK\$(1.48)
	31 December 2022 HK\$'000	31 December 2021 HK\$'000
Total assets	7,045,048	7,649,790
Total liabilities	3,440,813	3,056,630
Total equity	3,604,235	4,593,160

FINANCIAL REVIEW

Revenue of the Group increased from HK\$2,899 million to HK\$3,586 million, an increase of HK\$687 million or 24%, which was mainly driven by:

- (a) expansion of e-Commerce revenue from HK\$238 million to HK\$863 million with the full year consolidation of the results of Ztore Investment Limited and its subsidiaries (“Ztore Group”) which we acquired in late August 2021, representing an increase of HK\$625 million;
- (b) growth in revenue of Mainland China Operations by HK\$32 million or 5%, from HK\$666 million to HK\$698 million;
- (c) improvement in income from advertisers from the Hong Kong TV Broadcasting segment by HK\$37 million or 3%, from HK\$1,141 million to HK\$1,178 million; offset by
- (d) decrease in revenue from OTT Streaming and International Operations amounted to HK\$39 million, from HK\$770 million to HK\$731 million.

Cost of sales increased from HK\$2,177 million to HK\$2,578 million, an increase of 18%. Included in cost of sales were the cost of programmes and film rights (both self-produced and acquired) which amounted to HK\$1,457 million (2021: HK\$1,498 million). In addition to content costs, our cost of sales in 2022 also includes Ztore Group’s cost of goods sold of HK\$657 million on a full year consolidated basis (2021: HK\$143 million on a partial year basis from August 2021).

Selling, distribution and transmission costs increased from HK\$640 million to HK\$818 million, an increase of 28%. This increase was mainly related to the full year consolidation of Ztore Group’s selling and distribution costs. Excluding the effect of the Ztore Group acquisition, our selling, distribution and transmission cost decreased by 5%.

General and administrative expenses increased from HK\$890 million to HK\$959 million, an increase of 8%. The increase was partly due to our consolidation of Ztore Group’s general and administrative expenses on a full year basis. Excluding this effect, our general and administrative expenses increased by 5%.

Overall, total costs (comprising cost of sales, selling, distribution and transmission costs and general and administrative expenses) increased from HK\$3,707 million to HK\$4,356 million, or 18%, after acquisition of Ztore Group. Excluding the effect of the Ztore Group acquisition, our total cost decreased by 4%.

Other revenues increased from HK\$14 million in 2021 to HK\$52 million in 2022, mainly due to one-off pandemic wage subsidies from the Hong Kong government in 2022 of HK\$37 million.

Other net losses of HK\$51 million were recorded in 2022 due to unfavourable movements in the RMB/HKD exchange rate, whereas in 2021 the Group enjoyed net gains of HK\$73 million due to a one-off refund of HK\$70 million for capital gains tax from the disposal of our Taiwan properties.

Due to the above factors, the Group’s negative EBITDA for the Year increased to HK\$338 million, from HK\$314 million in 2021.

OUTLOOK

With Hong Kong having phased out its pandemic restrictions and reopened to the world, the city's economy is poised to grow strongly in 2023. The reopening of mainland China's borders should also boost Hong Kong's retail, tourism and property sectors. As the city's businesses and companies increase their marketing and promotional efforts to capitalise on new opportunities, TVB as the leading player in the city's TV advertising market is well positioned to benefit.

China's exit from pandemic restrictions also creates a favorable outlook for our Mainland China Operations. We expect our drama co-production business to benefit as content buying activity by the major video platforms picks up. In this regard, on 22 March 2023 we entered into a supply agreement with Chinese video platform Youku, whereby the Group will co-produce a certain number of drama titles and also supply simulcast and library dramas to Youku worth approx. RMB700 million in aggregate, over a two year period. And while our Mai Dui Dui direct-to-consumer streaming service continues to grow, we are also creating new opportunities such as our recently announced livestreaming partnership with Taobao. In this respect, the strength of TVB's brand makes us uniquely suited for cross-border marketing and distribution of high-value consumer products into the mainland market.

While the outlook for our business has undoubtedly improved, other challenges such as geopolitical tensions, rising interest rates, and changing viewer habits remain. As such, the Company has taken steps to reduce costs by adjusting the volume and nature of our content production in 2023. Lower-impact programmes are being discontinued, and we are also trimming our staff costs and overheads. Through these steps, which we began implementing in early 2023, we target to save over HK\$260 million in annualised cash expenses and overheads. (Due to timing differences between our incurrence of production costs and its eventual recognition, savings in production costs will only accrue in the Company's income statement over the next 1-2 years.) 5% of the Company's staff will be affected.

SEGMENT RESULTS

Hong Kong TV Broadcasting

For the year ended 31 December	2022 HK\$ million	2021 HK\$ million	Year-on- year change
Segment revenue	1,294	1,225	6%
Segment EBITDA	(514)	(605)	15%

Hong Kong TV Broadcasting segment mainly comprises our broadcast television, digital media and music businesses.

Segment revenue from Hong Kong TV Broadcasting increased from HK\$1,225 million to HK\$1,294 million, a growth of HK\$69 million or 6%. Income from advertisers grew by HK\$37 million or 3% from HK\$1,141 million to HK\$1,178 million, while income from digital media, music and other activities grew by HK\$32 million to HK\$116 million. With the increase in income from advertisers and decrease in content cost, this segment reported an improvement in negative EBITDA from HK\$605 million in 2021 to HK\$514 million in 2022.

OTT Streaming

For the year ended 31 December	2022 HK\$ million	2021 HK\$ million	Year-on- year change
Segment revenue	349	367	-5%
Segment EBITDA	66	37	78%

OTT Streaming segment represents our myTV SUPER streaming service in Hong Kong, which earns both advertising and subscription revenue.

Segment revenue from OTT Streaming decreased by HK\$18 million or 5%, from HK\$367 million to HK\$349 million. The decrease was mainly due to our discontinuation in 2022 of certain premium sports channels, which led to a one-off loss of subscribers. However, due to the resultant savings in content cost and also continued growth in subscribers of our myTV Gold premium service, segment EBITDA jumped 78% to HK\$66 million.

e-Commerce Business

For the year ended 31 December	2022 HK\$ million	2021 HK\$ million	Year-on- year change
Segment revenue	863	238	263%
Segment EBITDA	(100)	(59)	-69%

Segment revenue from e-Commerce increased from HK\$238 million to HK\$863 million after our acquisition of Ztore Group in late August 2021. However, due to this full-year consolidation effect, this segment also reported a larger negative EBITDA of HK\$100 million (2021: a negative EBITDA of HK\$59 million) due to Ztore Group continuing to operate at a loss during the Year.

Mainland China Operations

For the year ended 31 December	2022 HK\$ million	2021 HK\$ million	Year-on- year change
Segment revenue	698	666	5%
Segment EBITDA	160	189	-15%

Mainland China Operations mainly comprises drama co-production with mainland Chinese partners, and distribution of our simulcast drama and library content to major online video platforms. In addition, through our digital media subsidiary, Mai Dui Dui, we operate a direct-to-consumer (DTC) content streaming service and a multi-channel network (MCN) business.

Segment revenue from Mainland China Operations increased from HK\$666 million to HK\$698 million, mainly driven by higher revenue from digital media businesses including Mai Dui Dui, which helped overcome weakness in our drama co-production business in the second half of the Year, when widespread pandemic restrictions in mainland China resulted in slower buying activity by our platform partners. Overall, this segment recorded an EBITDA of HK\$160 million during the Year, representing a decrease of HK\$29 million or 15% from HK\$189 million.

International Operations

For the year ended 31 December	2022 HK\$ million	2021 HK\$ million	Year-on- year change
Segment revenue	382	403	-5%
Segment EBITDA	50	123	-59%

International Operations refers to our business activities around the world outside of Hong Kong and mainland China. This segment comprises programme licensing to pay-TV partners, our TVB Anywhere streaming service, and our social media channels and accounts that serve an international audience. During the Year, we continued to diversify from traditional programme licensing to digital businesses.

Segment revenue from International Operations decreased from HK\$403 million to HK\$382 million, mainly due to lower licensing fees from Malaysia and North America, partially offset by higher income from Vietnam and social media. Overall, this segment recorded a drop in EBITDA of HK\$73 million from HK\$123 million in 2021 to HK\$50 million in 2022, mainly because in 2021 we received a one-off refund of HK\$70 million for capital gains tax on the disposal of our Taiwan properties.

LOSS ATTRIBUTABLE TO EQUITY HOLDERS

The Group's loss attributable to equity holders of the Company for the Year totalled HK\$807 million, an increase of HK\$160 million or 25% from HK\$647 million in 2021, which was mainly attributable to an impairment loss on receivables from a joint venture of HK\$212 million.

LOSS PER SHARE

Loss per share is calculated based on the Group's loss attributable to equity holders of the Company of HK\$807 million (2021: HK\$647 million) and 438,000,000 shares in issue throughout the years ended 31 December 2022 and 2021, giving a basic and diluted loss per share of HK\$1.84 respectively (2021: loss per share of HK\$1.48).

DIVIDENDS PER SHARE

The Board of Directors did not recommend the payment of a dividend for the year ended 31 December 2022.

INTEREST INCOME

Interest income totalled HK\$125 million for the Year (2021: HK\$153 million), which comprised interest income from the Company's investment portfolio and fixed bank deposits as well as interest income from the promissory note instrument through which we hold our investment in Imagine Tiger Television LLC ("ITT") which amounted to HK\$113 million for the Year (2021: HK\$100 million).

FINANCE COSTS

Finance costs mainly comprised interest expense on our US\$250 million term loan with Shanghai Commercial Bank which we drew down in July 2020. Finance costs decreased from HK\$106 million to HK\$81 million, mainly due to a reduction in our average outstanding debt following the maturity and repayment of our US\$500 million 3.625% notes in October 2021.

IMPAIRMENT LOSS ON RECEIVABLES FROM A JOINT VENTURE

Due to changes in the US market for scripted TV drama series, which has been increasingly dominated by the content buying activity of streaming platforms in recent years, we believe there are fewer immediate opportunities for ITT, our joint venture with Imagine, to invest in the type of independent deficit-financing productions it was originally set up to pursue.

As such, on 22 December 2022, we restructured our investment in ITT by securing a US\$35 million repayment on our promissory note, a US\$20 million portion of which we then re-invested in a minority stake in Imagine. According to the terms of the restructuring, the Group is expected to receive another US\$5 million cash repayment on our promissory note from ITT in 2023.

On 29 December 2022, the Group also entered into an agreement with CMC, Inc. ("CMC"), whereby CMC agreed to purchase 10% of our interests in the ITT promissory note and the share capital in ITT, at a consideration of US\$10 million. The Group has already received US\$10 million in cash as pre-payment for this transaction, which is expected to complete by mid-2023.

As for ITT itself, given its reduced potential in the near term, the Group made a HK\$212 million non-cash impairment provision on the promissory note instrument that we continue to hold. Including the HK\$113 million in interest income recognised from ITT during the Year as disclosed under “INTEREST INCOME” above, the net impact to the Group’s profit and loss arising from our investment in ITT was a loss of HK\$99 million for the Year (2021: income of HK\$100 million).

INCOME TAX

The Group recorded an income tax credit of HK\$76 million (2021: HK\$102 million) mainly due to recognition of deferred income tax assets arising from the tax losses of the Hong Kong TV Broadcasting segment during the Year. Whilst TVB’s main business in Hong Kong is subject to a profits tax rate at 16.5%, the Group’s major overseas subsidiaries have effective tax rates varying from 0% to 30%. The Group’s overall effective tax rate for the Year was 7.9% (2021: 13.3%).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2022, the total equity of the Group was HK\$3,604 million (31 December 2021: HK\$4,593 million). There has been no change in the share capital of the Company, with 438,000,000 ordinary shares in issue.

As at 31 December 2022, the Group had unrestricted bank and cash balances of HK\$1,020 million (31 December 2021: HK\$1,177 million). About 58% of the unrestricted bank and cash balances (approximately HK\$590 million) were maintained in overseas subsidiaries for their daily operations. Unrestricted bank and cash balances held by the Group were denominated mainly in Hong Kong dollars, Renminbi and US dollars.

At 31 December 2022, the Group’s net current assets amounted to HK\$2,298 million (31 December 2021: HK\$1,243 million), mainly due to the extension to July 2025 of a US\$200 million portion of our US\$250 million loan facility with Shanghai Commercial Bank, obtained in August 2022, which had been reflected as a current liability on our balance sheet on 31 December 2021. The current ratio, expressed as the ratio of current assets to current liabilities, was 2.3 at 31 December 2022 (31 December 2021: 1.4).

Borrowings at 31 December 2022 totalled HK\$2,176 million (31 December 2021: HK\$2,009 million) which comprised bank loans of HK\$1,951 million being our fully drawn US\$250 million loan facility with Shanghai Commercial Bank, bank overdrafts of HK\$199 million and other borrowings of HK\$26 million. At 31 December 2022, the Group’s gearing ratio, expressed as a ratio of net debt to total equity, was 34.4% (31 December 2021: 19.2%).

BOND PORTFOLIO

As at 31 December 2022, the Company's remaining portfolio of fixed income securities, net of expected credit losses amounted to HK\$30 million (31 December 2021: HK\$234 million), which were classified under "Bond securities at amortised cost". Issuers of these securities include listed or unlisted companies in Hong Kong and overseas. Around 75% of bond securities were disposed of during the Year, which resulted in a gain of HK\$0.1 million (2021: loss of HK\$3 million).

As at 31 December 2022, the investment portfolio consisted of fixed income securities of four (31 December 2021: eight) separate issuers, of fixed income securities of which the bonds issued by Master Glory Group Limited and SMI Holding Group Limited had been fully impaired in prior years. The interest income recognised during the Year from the bond securities at amortised cost amounted to HK\$4.3 million (2021: HK\$14 million).

In the process of winding down the bond portfolio, a further non-cash impairment losses of HK\$29 million (2021: HK\$77 million) were recognised for the remaining 2 legacy bonds during the Year. These additional impairment losses were made after considering the gradual increase in credit risk of the bond portfolio under the COVID-19 environment and the latest development of certain credit-impaired bond securities.

CAPITAL COMMITMENTS

At 31 December 2022, the Group had capital commitments totalling HK\$78 million (2021: HK\$101 million), mainly for the enhancement or replacement of transmission and production related equipments.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	2	3,585,750	2,898,622
Cost of sales		(2,578,029)	(2,176,788)
Gross profit		1,007,721	721,834
Other revenues	2	52,165	14,183
Interest income	2	124,560	153,204
Selling, distribution and transmission costs		(818,258)	(640,456)
General and administrative expenses		(959,341)	(889,979)
Other (losses)/gains, net		(51,199)	73,471
Gain/(loss) on disposal of other financial assets at amortised cost	10	129	(3,450)
Impairment loss on other financial assets at amortised cost		(28,717)	(77,000)
Reversal of/(provision for) impairment loss on trade and other receivables		3,253	(6,081)
Finance costs	4	(81,098)	(106,372)
Share of profits of joint ventures		198	290
Impairment loss on receivables from a joint venture		(211,800)	–
Share of profits of associates		24	1,621
Loss before income tax	5	(962,363)	(758,735)
Income tax credit	6	76,428	101,639
Loss for the year		(885,935)	(657,096)
Loss attributable to:			
Equity holders of the Company		(807,132)	(646,735)
Non-controlling interests		(78,803)	(10,361)
		(885,935)	(657,096)
Loss per share (basic and diluted) for loss attributable to equity holders of the Company during the year	7	HK\$(1.84)	HK\$(1.48)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	HK\$'000	HK\$'000
Loss for the year	(885,935)	(657,096)
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations		
– Subsidiaries	(45,579)	25,293
– Joint ventures	(290)	(1,210)
Share of other comprehensive (loss)/income of an associate	(13,828)	4,474
Change in fair value of equity instruments at FVOCI	(11,590)	–
Reclassification adjustments of exchange differences to profit or loss on liquidation of subsidiaries	31	(1,347)
Other comprehensive (losses)/income for the year, net of tax	(71,256)	27,210
Total comprehensive loss for the year	(957,191)	(629,886)
Total comprehensive loss attributable to:		
Equity holders of the Company	(865,165)	(624,641)
Non-controlling interests	(92,026)	(5,245)
Total comprehensive loss for the year	(957,191)	(629,886)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 HK\$'000	2021 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,277,936	1,396,753
Investment properties		1,896	5,710
Intangible assets		255,145	284,874
Goodwill		85,131	85,131
Interests in joint ventures	9	556,863	928,154
Interests in associates		164,159	177,963
Financial assets at fair value through other comprehensive income		161,634	17,052
Bond securities at amortised cost	10	30,425	205,270
Financial assets at fair value through profit or loss		17,259	17,259
Deferred income tax assets		391,102	283,917
Prepayments		36,660	48,798
Total non-current assets		<u>2,978,210</u>	<u>3,450,881</u>
Current assets			
Programmes and film rights		1,546,023	1,326,003
Stocks		96,216	83,605
Trade receivables	11	840,052	1,001,696
Other receivables, prepayments and deposits		474,453	556,013
Movie investments		73,582	18,152
Tax recoverable		16,253	7,752
Bond securities at amortised cost	10	—	28,434
Bank deposits maturing after three months		56,397	2,536
Cash and cash equivalents		963,862	1,174,718
Total current assets		<u>4,066,838</u>	<u>4,198,909</u>
Total assets		<u>7,045,048</u>	<u>7,649,790</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		664,044	664,044
Other reserves		931	47,872
Retained earnings		2,834,042	3,647,038
		<u>3,499,017</u>	<u>4,358,954</u>
Non-controlling interests		<u>105,218</u>	<u>234,206</u>
Total equity		<u>3,604,235</u>	<u>4,593,160</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2022

	Note	2022 HK\$'000	2021 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	12	1,577,240	15,934
Lease liabilities		36,698	18,038
Deferred income tax liabilities		58,067	66,801
		<u>1,672,005</u>	<u>100,773</u>
Total non-current liabilities		<u>1,672,005</u>	<u>100,773</u>
Current liabilities			
Trade and other payables and accruals	13	974,295	768,198
Written put option liabilities		140,000	140,000
Current income tax liabilities		8,543	22,927
Borrowings	12	599,115	1,992,687
Lease liabilities		46,855	32,045
		<u>1,768,808</u>	<u>2,955,857</u>
Total current liabilities		<u>1,768,808</u>	<u>2,955,857</u>
Total liabilities		<u>3,440,813</u>	<u>3,056,630</u>
Total equity and liabilities		<u>7,045,048</u>	<u>7,649,790</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and requirements of the Hong Kong Companies Ordinance Cap. 622. They have been prepared under the historical cost convention, except that some financial assets are stated at their fair values.

The financial information relating to the years ended 31 December 2022 and 2021 included in this preliminary announcement of annual results 2022 do not constitute the Company’s statutory annual consolidated financial statements for those years 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 is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2022 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. For the year ended 31 December 2022, the auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

During the year ended 31 December 2022, the Group incurred a loss for the year of HK\$886 million (2021: HK\$657 million) and a net cash used in operating activities of HK\$303 million (2021: HK\$302 million).

During the year and as at 31 December 2022, 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 US\$250 million which stated in note 12 in relation to the ratio of consolidated net debt to consolidated EBITDA (“EBITDA covenant”) in the financial year 2022. During the year, the Group has successfully obtained written waiver from the bank to waive the EBITDA covenant for the year ended 31 December 2022 and not to exercise their rights to demand immediate repayment of the loan to the end of 31 December 2023. Based on cashflow projections for a period of not less than 12 months after 31 December 2022, 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 consolidated financial statements on a going concern basis.

(a) New and amended standards adopted by the Group

A number of new or amended standards 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) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2. Revenue, interest income and other revenues

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

The amount of each significant category of revenue recognised during the year is as follows:

	2022 HK\$'000	2021 HK\$'000
Revenue		
Advertising income, net of agency deductions	1,372,691	1,284,012
e-Commerce income	866,170	239,835
Licensing income	527,230	560,193
Subscription income	437,018	416,058
Co-production income	159,154	194,709
Others	223,487	203,815
	<u>3,585,750</u>	<u>2,898,622</u>
Interest income	<u>124,560</u>	<u>153,204</u>
Other revenues		
Government subsidies from Employment Support Scheme (note)	37,306	–
Others	14,859	14,183
	<u>52,165</u>	<u>14,183</u>
	<u><u>3,762,475</u></u>	<u><u>3,066,009</u></u>

Note:

During the year ended 31 December 2022, the HKSAR Government launched the “Employment Support Scheme” to provide certain financial incentives to eligible employers to retain employees amidst the COVID-19 pandemic in Hong Kong.

3. Segment information

The Group is principally engaged in terrestrial television broadcasting, OTT Streaming, e-Commerce, Mainland China Operations and International Operations.

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 on receivables from a joint venture, impairment loss net of gain/loss on disposal of other financial assets at amortised cost, share of profits 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 consolidated financial statements.

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.

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

	Hong Kong TV Broadcasting		OTT Streaming		e-Commerce Business		Mainland China Operations		International Operations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	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	14,218	12,466	2,022	4,223	862,467	237,916	207,656	161,346	13,853	13,348	1,100,216	429,299
Over time	1,279,881	1,212,056	347,383	363,063	128	151	490,121	504,163	368,021	389,890	2,485,534	2,469,323
External customers	1,294,099	1,224,522	349,405	367,286	862,595	238,067	697,777	665,509	381,874	403,238	3,585,750	2,898,622
Reportable segment												
EBITDA	(513,750)	(604,691)	65,847	36,801	(100,153)	(58,640)	159,407	189,425	50,242	123,484	(338,407)	(313,621)
Additions to non-current assets*	130,528	135,696	69,043	37,183	64,705	149,626	1,620	5,879	3,211	1,414	269,107	329,798

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

3. Segment information (continued)

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

	2022 HK\$'000	2021 HK\$'000
Reportable segment EBITDA	(338,407)	(313,621)
Depreciation and amortisation	(427,252)	(413,407)
Finance costs	(81,098)	(106,372)
Interest income	11,916	52,712
Interest income from joint ventures	112,644	100,492
Impairment loss on receivables from a joint venture (Note 9)	(211,800)	–
Impairment loss net of gain/loss on disposal of other financial assets at amortised cost	(28,588)	(80,450)
Share of profits of joint ventures	198	290
Share of profits of associates	24	1,621
	<u> </u>	<u> </u>
Loss before income tax	<u><u>(962,363)</u></u>	<u><u>(758,735)</u></u>

For the year ended 31 December 2022, revenue generated from a single customer of the Group from the segment of Mainland China Operations amounting to approximately HK\$382,197,000 (2021: HK\$314,332,000) in aggregate has accounted for over 10% of the total revenue.

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

	2022 HK\$'000	2021 HK\$'000
Hong Kong	2,515,149	1,821,850
Mainland China	702,207	672,352
Malaysia and Singapore	155,938	170,971
USA and Canada	116,675	118,289
Vietnam	33,490	30,795
Australia	15,279	15,678
Europe	3,773	4,672
Other territories	43,239	64,015
	<u> </u>	<u> </u>
	<u><u>3,585,750</u></u>	<u><u>2,898,622</u></u>

4. Finance costs

	2022 HK\$'000	2021 HK\$'000
Interest on bank loans, overdraft and other borrowings	78,974	47,523
Interest on TVB Notes	—	51,645
Amortised amount of transaction costs on TVB Notes	—	5,603
Interest expense on lease liabilities	2,124	1,601
	<u>81,098</u>	<u>106,372</u>

5. Loss before income tax

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

	2022 HK\$'000	2021 HK\$'000
Net exchange losses/(gains)	51,199	(3,829)
Cost of programmes and film rights	1,457,399	1,498,176
Depreciation	337,305	346,794
Amortisation of intangible assets	89,947	66,613
Short-term leases		
- Equipment and transponders	4,184	8,389
- Land and buildings	7,704	7,285
Employee benefit expense (excluding directors' emoluments)	1,524,231	1,449,140
Government subsidies from Employment Support Scheme	<u>(37,306)</u>	<u>—</u>

6. Income tax credit

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

	2022 HK\$'000	2021 HK\$'000
Current income tax:		
- Hong Kong	1,410	(760)
- Overseas	34,840	31,667
- Under provisions in prior years	<u>3,579</u>	<u>1,083</u>
Total current income tax expense	<u>39,829</u>	31,990
Deferred income tax:		
- Origination and reversal of temporary differences	(117,612)	(132,970)
- Under/(over) provisions in prior years	<u>1,355</u>	<u>(659)</u>
Total deferred income tax credit	<u>(116,257)</u>	<u>(133,629)</u>
	<u>(76,428)</u>	<u>(101,639)</u>

7. Loss per share

Loss per share is calculated based on the Group's loss attributable to equity holders of the Company of HK\$807,132,000 (2021: HK\$646,735,000) and 438,000,000 shares in issue throughout the years ended 31 December 2022 and 2021.

During the years ended 31 December 2022 and 2021, 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 a dividend for the years ended 31 December 2022 and 2021.

9. Interests in joint ventures

	2022 HK\$'000	2021 HK\$'000
Non-current		
Investment costs (note)	206,479	206,189
Funds advanced to joint ventures	17,731	17,731
Less: accumulated share of losses	<u>(223,153)</u>	<u>(223,061)</u>
	----- 1,057	----- 859
Loan and interest receivable from a joint venture (note)	781,106	940,795
Less: impairment loss on receivables from a joint venture	<u>(225,300)</u>	<u>(13,500)</u>
	----- 555,806	----- 927,295
	<u><u>556,863</u></u>	<u><u>928,154</u></u>

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 has 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. 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.

9. Interests in joint ventures (continued)

Note: (continued)

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 less than 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 million investment. The investment in Imagine provides the Group with a shareholding of a successful player in the US film and TV industry. The investment has been recognised as financial assets at fair value through other comprehensive income.

Due to changes in the US market for scripted TV drama series, which has been increasingly dominated by the content buying activity of streaming platforms in recent years, the Company believes there are fewer immediate opportunities for ITT to invest in the type of independent deficit-financing productions it was originally set up to pursue. As such, the Company considered it prudent to measure the balance under a stage 2 ECL (expected credit loss) model and certain forward looking assumptions to estimate a probability of default, and make an impairment provision of HK\$211,800,000 on the carrying value of the Promissory Note. As such, as at 31 December 2022 the accumulated lifetime ECL provision on the Promissory Note was HK\$225,300,000 (31 December 2021: HK\$13,500,000) which the Group considers adequate and not excessive.

On 29 December 2022, the Group also entered into an agreement with CMC, Inc. ("CMC"), whereby CMC agreed to purchase 10% of the Group's interest in ITT, being (i) the Promissory Note in the principal amount together with the accrued but unpaid interest of approximately US\$10.0 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 before the year end. The disposal is expected to be completed by 30 June 2023, or earlier.

10. Bond securities at amortised cost

	2022 HK\$'000	2021 HK\$'000
Non-current		
Bond securities at amortised cost:		
Unlisted	426,982	504,901
Listed in Hong Kong	—	39,147
Listed in other countries	70,285	150,347
Less: provision for impairment loss on bond securities	<u>(466,842)</u>	<u>(489,125)</u>
	<u>30,425</u>	<u>205,270</u>
Current		
Bond securities at amortised cost:		
Unlisted	—	5,001
Listed in other countries	<u>—</u>	<u>23,433</u>
	<u>—</u>	<u>28,434</u>
	<u>30,425</u>	<u>233,704</u>

Note:

As at 31 December 2022, the Company's remaining portfolio of fixed income securities, net of expected credit losses amounted to HK\$30,425,000 (31 December 2021: HK\$233,704,000). They were issued by issuers which are listed or unlisted in Hong Kong or overseas. Around 75% of bond securities with the aggregate carrying amount of HK\$175,542,000 (2021: HK\$201,719,000) were disposed of during the Year which recorded a gain of HK\$129,000 (2021: loss of HK\$3,450,000).

As at 31 December 2022, the investment portfolio consisted of the fixed income securities of four (31 December 2021: eight) separate issuers, of which the bonds issued by Master Glory Group Limited and SMI Holding Group Limited had been fully impaired in prior years. The interest income recognised during the Year from the bond securities at amortised cost amounted to HK\$4,289,000 (2021: HK\$14,463,000).

In the process of winding down the bond portfolio where certain legacy investment were fully written down or disposed of, a further non-cash impairment losses of HK\$28,717,000 (2021: HK\$77,000,000) were recognised for the remaining 2 legacy bonds during the year. These additional impairment losses were made after considering the gradual increase in credit risk of the bond portfolio under the COVID-19 environment and the latest development of certain credit-impaired bond securities.

11. Trade receivables

At 31 December 2022, the ageing of trade receivables, net of provision for impairment based on invoice dates was as follows:

	2022 HK\$'000	2021 HK\$'000
Up to 1 month	470,781	567,264
1-2 months	152,093	180,884
2-3 months	40,575	50,796
3-4 months	25,234	48,961
4-5 months	67,151	29,423
Over 5 months	84,218	124,368
	<u>840,052</u>	<u>1,001,696</u>

12. Borrowings

	2022 HK\$'000	2021 HK\$'000
Non-current		
Bank borrowings, unsecured (note)	1,561,306	–
Other borrowings, unsecured	15,934	15,934
	<u>1,577,240</u>	<u>15,934</u>
Current		
Bank borrowings, unsecured (note)	390,475	1,947,687
Bank overdrafts, unsecured	198,640	–
Other borrowings, unsecured	10,000	45,000
	<u>599,115</u>	<u>1,992,687</u>
	<u>2,176,355</u>	<u>2,008,621</u>

Note:

On 30 June 2020, the Group entered into a new 3-year term loan facility with the amount of US\$250 million. The entire amount under the facility was drawn down on 6 July 2020, which will mature on 6 July 2023 and bears a variable interest rate of approximately 6.6% (2021: 2.4%) per annum as at 31 December 2022.

On 22 August 2022, the Group entered into a supplementary agreement in relation to the loan facility of US\$250 million principal amount, pursuant to which the maturity date for a US\$200 million portion of that loan was extended from 6 July 2023 to 6 July 2025 and a US\$50 million portion would be repaid upon original maturity.

12. Borrowings (continued)

Note: (continued)

Based on the maturity terms of the bank loans, as at 31 December 2022, the amounts repayable in respect of the bank loans of the Group were US\$50 million and US\$200 million payable within one year and in the third year respectively.

13. Trade and other payables and accruals

	2022 HK\$'000	2021 HK\$'000
Trade payables to:		
Associates	1,520	523
A joint venture	—	609
Third parties	<u>275,361</u>	<u>178,868</u>
	276,881	180,000
Contract liabilities	184,286	171,381
Provision for employee benefits and other expenses	71,037	90,121
Accruals and other payables	<u>442,091</u>	<u>326,696</u>
	<u>974,295</u>	<u>768,198</u>

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

	2022 HK\$'000	2021 HK\$'000
Up to 1 month	107,685	124,404
1-2 months	63,354	27,086
2-3 months	52,972	12,551
3-4 months	20,069	2,472
4-5 months	11,902	1,558
Over 5 months	<u>20,899</u>	<u>11,929</u>
	<u>276,881</u>	<u>180,000</u>

14. Comparative figures

Certain comparative figures have been reclassified to conform with current period's presentation. These reclassifications have no impact on the Group's total equity as at 31 December 2022 and 31 December 2021, or on the Group's results for the year ended 31 December 2022 and 2021.

ADDITIONAL INFORMATION

SHARE OPTION SCHEME

The Company and its subsidiary, TVB e-Commerce Group Limited (formerly known as Big Big e-Commerce Group Limited) (“TVBECGL”) adopted the Share Option Scheme and the Subsidiary Option Scheme (collectively “Share Option Schemes”) respectively on 29 June 2017. These Share Option Schemes are valid and effective for a period of ten years from the date of adoption. 17,700,000 options were granted by the Company under the Share Option Scheme during the Year and no options had been granted by TVBECGL under the Subsidiary Option Scheme. As a result of the resignation of a grantee, 600,000 options under the Share Option Scheme lapsed during the Year. Together with the 9,250,000 options granted in 2018 and outstanding at the beginning of the Year, 26,350,000 options under the Share Option Scheme remained outstanding at the end of the Year.

HUMAN RESOURCES

At the year end, the Group employed a total of 3,854 full-time employees (31 December 2021: 3,870), 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 TVBECGL.

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 Year 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.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 3 May 2023 to Wednesday, 31 May 2023, both dates inclusive, (“Book Close Period”) for the purpose of determining shareholders’ entitlement to attend and vote at the annual general meeting of the Company to be held on Wednesday, 31 May 2023 (“2023 AGM”). During the Book Close Period, no transfer of shares will be registered. The Register of Members of the Company will be re-opened on Thursday, 1 June 2023.

In order to be entitled to attend and vote at the 2023 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 2 May 2023.

COMPLIANCE WITH 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”) throughout 2022.

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 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 2022.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee has four members, namely Dr. William Lo Wing Yan (chairman), Mr. Anthony Lee Hsien Pin, Mr. Felix Fong Wo and Ms. Belinda Wong Ching Ying, the majority of whom are Independent Non-executive Directors of the Company, and is chaired by an Independent Non-executive Director. Most of the members are experienced in reviewing and analysing financial information and possess appropriate accounting and related financial management expertise.

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 consolidated financial statements for the Year, before such statements were presented to the Board for approval.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently, no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

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 Year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the designated issuer website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (<https://corporate.tvb.com>). The Company's 2022 Annual Report containing the information required by the Listing Rules will be despatched to shareholders of the Company and made available on the above websites in April 2023.

ANNUAL GENERAL MEETING

The 2023 AGM of the Company will be held at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong on Wednesday, 31 May 2023.

By Order of the Board
Chan Shu Hung
Acting Company Secretary

Hong Kong, 28 March 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

Belinda WONG Ching Ying