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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 2021

2021 INTERIM RESULTS HIGHLIGHTS

- Revenue increased from RMB24,096,000 to RMB41,201,000, an increase of RMB17,105,000 or 71%.
- Loss attributable to owners of the Company amounted to RMB7,412,000 (2020: RMB8,749,000).
- Loss per share attributable to owners of the Company for the period was RMB0.52 cents (2020: RMB0.62 cents).
- Bank balances and cash amounted to RMB327,230,000 as at 30 June 2021 (31 December 2020: RMB293,029,000).
- Net assets value per share attributable to the owners of the Company as at 30 June 2021 was RMB28.31 cents (31 December 2020: RMB29.13 cents).
- The Board did not recommend the payment of interim dividend for the six months ended 30 June 2021 (2020: Nil).

The board of Directors (the “Board”) of Shaw Brothers Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021 together with the comparative figures for the corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	41,201	24,096
Cost of sales		<u>(28,498)</u>	<u>(12,501)</u>
Gross profit		12,703	11,595
Other income and gains		3,498	2,744
Selling and distribution expenses		(6,114)	(2,586)
Administrative expenses		(16,413)	(18,531)
Reversal of impairment loss of (impairment loss of) trade receivables		1,815	(2,844)
Finance costs	5	<u>(14)</u>	<u>(333)</u>
Loss before tax		(4,525)	(9,955)
Income tax expenses	6	<u>(4,636)</u>	<u>(142)</u>
Loss for the period	7	<u>(9,161)</u>	<u>(10,097)</u>
Loss for the period attributable to:			
– Owners of the Company		(7,412)	(8,749)
– Non-controlling interests		<u>(1,749)</u>	<u>(1,348)</u>
Loss for the period		<u>(9,161)</u>	<u>(10,097)</u>
Loss per share			
– Basic and diluted (RMB cents)	8	<u>(0.52)</u>	<u>(0.62)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	<u>(9,161)</u>	<u>(10,097)</u>
Other comprehensive (expense) income for the period		
<i>Item 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	<u>(4,004)</u>	<u>7,532</u>
Total comprehensive expenses for the period	<u>(13,165)</u>	<u>(2,565)</u>
Total comprehensive expenses for the period attributable to:		
– Owners of the Company	<u>(11,653)</u>	(730)
– Non-controlling interests	<u>(1,512)</u>	<u>(1,835)</u>
	<u>(13,165)</u>	<u>(2,565)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	<i>Notes</i>	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Non-current assets			
Plant and equipment		2,080	1,044
Equity instruments at fair value through other comprehensive income		–	–
Right-of-use assets		518	748
Television programme rights		3,807	4,107
Interest in an associate		400	–
		<u>6,805</u>	<u>5,899</u>
Current assets			
Investments in films, drama and non-drama		73,283	95,456
Films, drama and non-drama productions in progress		110,474	89,977
Trade and other receivables	10	88,282	101,411
Amounts due from related parties		856	1,161
Amount due from an associate		100	–
Bank balances and cash		327,230	293,029
		<u>600,225</u>	<u>581,034</u>
Current liabilities			
Trade and other payables	11	29,450	44,242
Contract liabilities	11	125,704	79,492
Income tax payables		8,413	4,429
Lease liabilities		454	449
Amounts due to related parties		50,742	52,656
		<u>214,763</u>	<u>181,268</u>
Net current assets		<u>385,462</u>	<u>399,766</u>
Total assets less current liabilities		<u>392,267</u>	<u>405,665</u>
Non-current liabilities			
Lease liabilities		78	311
Net assets		<u><u>392,189</u></u>	<u><u>405,354</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 June 2021

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Capital and reserves		
Share capital	12,322	12,322
Reserves	389,616	401,269
	<hr/>	<hr/>
Equity attributable to owners of the Company	401,938	413,591
Non-controlling interests	(9,749)	(8,237)
	<hr/>	<hr/>
Total equity	392,189	405,354
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Shaw Brothers Holdings Limited (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 Company and its subsidiaries (collectively referred to as the “Group”) are 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 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

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.

Except for described as below, 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 2020.

Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied the amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16	COVID-19 Related Rent Concessions
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

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.

Accounting policies newly applied by the Group

In addition, the Group has applied the following accounting policies which became relevant to the Group in the current interim period.

Interest in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The results and assets and liabilities of associates are incorporated in these condensed consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate. When the Group’s share of losses of an associate exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of HKAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. REVENUE

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Films, drama and non-drama production	3,934	12,449
Investments in films, drama and non-drama	22,891	–
Artiste management services income	11,918	10,804
Event management services income	8	564
Others	2,450	279
	41,201	24,096

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 goods 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;
- (ii) Artiste and event management – the provision of artiste and event management services; and
- (iii) Others – other activities.

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		Others		Total	
	Six months ended 30 June							
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Segment revenue	<u>26,825</u>	<u>12,449</u>	<u>11,926</u>	<u>11,368</u>	<u>2,450</u>	<u>279</u>	<u>41,201</u>	<u>24,096</u>
Segment profit (loss)	<u>2,549</u>	<u>847</u>	<u>1,549</u>	<u>1,940</u>	<u>2,156</u>	<u>(1,634)</u>	<u>6,254</u>	<u>1,153</u>
Unallocated income							<u>3,498</u>	<u>2,744</u>
Unallocated expenses							<u>(14,277)</u>	<u>(13,852)</u>
Loss before tax							<u>(4,525)</u>	<u>(9,955)</u>

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

5. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
Bank borrowings	–	307
Lease liabilities	<u>14</u>	<u>26</u>
	<u>14</u>	<u>333</u>

6. INCOME TAX EXPENSES

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
People's Republic of China ("PRC") Enterprise Income Tax ("EIT")	4,250	142
Hong Kong Profits Tax	<u>386</u>	<u>–</u>
	<u>4,636</u>	<u>142</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 2020 and 2021.

7. LOSS FOR THE PERIOD

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

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Directors' emoluments:		
Salaries and allowances	721	784
Contributions to retirement benefits scheme	8	8
	<u>729</u>	<u>792</u>
Staff costs:		
Salaries and allowances	8,397	8,661
Contributions to retirement benefits scheme	882	706
	<u>9,279</u>	<u>9,367</u>
Total staff costs	<u>10,008</u>	<u>10,159</u>
Amortisation of television programme rights	254	–
Loss on disposal of plant and equipment	17	–
Depreciation of plant and equipment	279	201
Depreciation of right-of-use assets	222	242
Interest income	(1,074)	(1,705)
Exchange (gain) loss, net	<u>(1,827)</u>	<u>3,503</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	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to the owners of the Company)	<u><u>(7,412)</u></u>	<u><u>(8,749)</u></u>
	2021	2020
	'000	'000
Number of shares		
Number of ordinary shares for the purpose of basic and diluted loss per share	<u><u>1,419,610</u></u>	<u><u>1,419,610</u></u>

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 2021 and 2020.

9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

10. TRADE AND OTHER RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables	75,289	97,385
<i>Less: allowance for impairment of trade receivables</i>	<u>(4,388)</u>	<u>(13,100)</u>
	<u>70,901</u>	<u>84,285</u>
Other receivables and deposits	1,629	1,604
<i>Less: allowance for impairment of other receivables</i>	<u>(27)</u>	<u>(27)</u>
	1,602	1,577
Prepayments	<u>15,779</u>	<u>15,549</u>
	<u>17,381</u>	<u>17,126</u>
Trade and other receivables	<u>88,282</u>	<u>101,411</u>

As at 30 June 2021, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB75,289,000 (31 December 2020: RMB97,385,000).

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 90 days	35,038	36,934
91 to 180 days	8,061	25,624
Over 181 days	<u>27,802</u>	<u>21,727</u>
Total	<u>70,901</u>	<u>84,285</u>

11. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables	<u>26,960</u>	<u>38,120</u>
Other payables	562	2,168
Accrued payroll and accruals	<u>1,928</u>	<u>3,954</u>
	<u>2,490</u>	<u>6,122</u>
Trade and other payables	<u><u>29,450</u></u>	<u><u>44,242</u></u>
Contract liabilities	<u><u>125,704</u></u>	<u><u>79,492</u></u>

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 90 days	8,665	13,683
91 to 180 days	–	24,437
Over 181 days	<u>18,295</u>	<u>–</u>
Total	<u><u>26,960</u></u>	<u><u>38,120</u></u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue increased from RMB24,096,000 to RMB41,201,000 in 2021, representing an increase of 71%. The following table sets out the revenue of the Group for the period as well as for 2020.

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Films, drama and non-drama	26,825	12,449
Artiste and event management	11,926	11,368
Others	2,450	279
	<u>41,201</u>	<u>24,096</u>

Films, Drama and Non-Drama

During the period, "All U Need Is Love" 《總是有愛在隔離》in which the Group invested was released both in Hong Kong and mainland China during the Easter Holiday. For enriching the business portfolio and broadening the income stream, the Group continued to invest and produce films, drama and non-drama in Hong Kong and mainland China. The collaboration with TVB Anywhere and MyTV Super successfully launched 3 variety shows including "Master's Talk" 《師父有請》, "Coffee, You and Me 2" 《緣來自咖啡2》and "Drive U To The Hell" 《鬼上你架車》during the period. The Group kept exploring investment opportunities in mainland China and 3 small-scale movie/variety shows projects were released in various Chinese portals and video web site during the period.

In the first half of 2020, the second cop thriller sequel titled “Flying Tiger 2”《飛虎之雷霆極戰》headlined by Michael Miu (苗僑偉), Bosco Wong (黃宗澤), Kenneth Ma (馬國明) and Ron Ng (吳卓羲) was telecasted on TVB platform in 2020. Riding on the success of the “Flying Tiger” drama series, the Group has commenced the shooting of the third “Flying Tiger” sequel titled “Flying Tiger 3”《飛虎之壯志英雄》led by Bosco Wong (黃宗澤), Michael Miu (苗僑偉), Ron Ng (吳卓羲), Eddie Cheung (張兆輝), Joe Ma (馬德鐘) and Roger Kwok (郭晉安) in July 2020. “Flying Tiger 3” is now in post-production stage and expected to be released on Youku platform in the third quarter of 2021. A 30-episode anti-corruption drama series 《廉政狙擊》starring Bosco Wong (黃宗澤), Shaun Tam (譚俊彥), Ron Ng (吳卓羲) and Nancy Wu (胡定欣), was kicked off the production since May 2021.

Artiste and Event Management

The COVID-19 pandemic in Hong Kong and Mainland China has improved, and physical commercial activities have gradually resumed. The performance of the artiste and event management business experienced improvement compared to the same period in 2020. Revenue from the artiste and event management business increased by 5% to RMB11,926,000. The Group now manages around 84 artistes (2020: 80 artistes).

Outlook and Prospect

The outbreak of COVID-19 since early 2020 has caused unprecedented challenges to the worldwide economy. Despite the challenging environment, the Group will keep seeking new talents to build up a strong artiste roster and further cooperation with various Chinese portals and online platform for new project development in films, drama and non-drama production. Those measures will strengthen the financial position of the Group for long-term growth through enhancing profitability and maintaining a solid cash flow.

Financial Review

During the period, the revenue of the Group increased from RMB24,096,000 to RMB41,201,000, representing an increase of 71%. Loss attributable to the owners of the Company amounted to RMB7,412,000 (2020: RMB8,749,000). The positive change for the period was attributable to the improvement from films, drama and non-drama, and artiste and event management businesses due to the relatively stable situation of COVID-19 in Hong Kong and Mainland China. For the period, loss per share amounted to RMB0.52 cents (2020: RMB0.62 cents).

Revenue from films, drama and non-drama increased from RMB12,449,000 to RMB26,825,000 due to the recognition of certain movie, TV drama and non-drama during the period. Artiste and event management service income increased from RMB11,368,000 to RMB11,926,000 due to the growing external commercial engagements during the period.

Other income and gains for the period amounting to RMB3,498,000 (30 June 2020: RMB2,744,000) mainly represented the bank interest income.

Cost of sales increased from RMB12,501,000 to RMB28,498,000 due to the release of certain movie, TV drama and non-drama during the period.

Selling and distribution expenses increased from RMB2,586,000 to RMB6,114,000, primarily due to the promotion and adverting activities incurred from the films, drama and non-drama and artiste management during the period.

Administrative expenses decreased by 11% from RMB18,531,000 to RMB16,413,000, primarily due to the implementation of cost tightening measures during the period in view of the difficult operating environment under the pandemic situation.

Reversal of impairment loss of trade receivables for the period amounting to RMB1,815,000 (30 June 2020: impairment loss RMB2,844,000) were mainly represented by the reversal of the impairment loss of trade receivables.

The income tax expenses for the period increased from RMB142,000 to RMB4,636,000. The income tax expenses incurred for the period was mainly due to the tax impact of the reversal on the payables of a subsidiary in PRC. Details of income tax are set out in Note 6 to this announcement.

Trade receivables from third parties, net of loss allowance, decreased from RMB84,285,000 as at 31 December 2020 to RMB70,901,000 as at 30 June 2021 due to the receipt of the box office income from the movie distributors.

Investments in films, drama and non-drama decreased from RMB95,456,000 as at 31 December 2020 to RMB73,283,000 as at 30 June 2021 due to the release of certain movie, TV drama and non-drama investments.

Films, drama and non-drama productions in progress increased from RMB89,977,000 as at 31 December 2020 to RMB110,474,000 as at 30 June 2021 due to the production in progress of certain drama projects.

Trade and other payables decreased from RMB44,242,000 as at 31 December 2020 to RMB29,450,000 as at 30 June 2021 due to the certain payment of share of box office movie income attributable to the other investors according to their percentages of investment during the period.

Contract liabilities increased from RMB79,492,000 as at 31 December 2020 to RMB125,704,000 as at 30 June 2021 due to the receipt in advance from a co-production drama.

Amounts due to related parties decreased from RMB52,656,000 as at 31 December 2020 to RMB50,742,000 as at 30 June 2021 due to the payment related to artistes and event service income, net of commission income receivable by the Group.

Liquidity and Financial Resources

The Group financed its operations with internal resources and bank borrowings. Bank balances and cash and short-term bank deposits increased from RMB293,029,000 as at 31 December 2020 to RMB327,230,000 as at 30 June 2021. As at 30 June 2021, the Group's bank and cash balances were denominated in RMB, Hong Kong Dollars ("HKD") and United States Dollars ("USD").

Capital Structure

As at 30 June 2021, the Group's equity attributable to owners of the Company decreased by 2.82% to RMB401,938,000 (31 December 2020: RMB413,591,000). Net assets value per share attributable to the owners of the Company as at 30 June 2021 was RMB28.31 cents (31 December 2020: RMB29.13 cents). Current ratio was 2.8 as at 30 June 2021 (31 December 2020: 3.2).

As at 30 June 2021 and 31 December 2020, the number of total issued shares of the Company was 1,419,610,000.

Capital Commitments

As at 30 June 2021, the Group had capital commitment on unpaid registered capital of an associate at RMB1,600,000 (31 December 2020: Nil).

Contingent Liabilities

As at 30 June 2021 and 31 December 2020, the Group did not have contingent liabilities.

Foreign Exchange Risk

The Group mainly operates in Hong Kong and Mainland China with most of its transactions settled in HKD and RMB. Part of the Group's cash and bank deposits is denominated in HKD, RMB and USD.

During the 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 Borrowings and Gearing Ratio

As at 30 June 2021, the Group did not have interest-bearing bank borrowings (31 December 2020: Nil).

Human Resources

As at 30 June 2021, the Group had a total of 64 employees (31 December 2020: 68 employees).

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the period (six months ended 30 June 2020: 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 period.

CORPORATE GOVERNANCE

The Company was in compliance with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange during the 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 10 of the Listing Rules (the “Model Code”) as the code of conduct regarding directors’ securities transactions. Having made specific enquiry with all Directors and all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the period.

EVENT AFTER THE REPORTING PERIOD

On 19 August 2021, Shaw Brothers Pictures Limited (“SBPL”), a wholly owned subsidiary of the Company and Big Big e-Commerce Group Limited (“Big Big e-Commerce”), a wholly-owned subsidiary of Television Broadcasts Limited and special purpose vehicle (“SPV”), entered into the a subscription agreement in relation to the investment in SPV, in which SBPL will hold a minority of shares and voting rights at completion. The aggregate consideration in respect of the shares of the SPV to be subscribed by SBPL is HK\$35,000,000, to be satisfied in cash.

In addition, the SPV will subscribe approximately 75% of the issued share capital of Ztore Investment Limited, which owns and operates two e-commerce platforms in Hong Kong, namely ztore.com and neigbuy.com.

Under the Rules Governing the Listing of Securities on the Stock Exchange, the transaction constitutes a discloseable transaction for the Company but is exempt from shareholders’ approval. For details, please refer to the Company’s announcement dated 19 August 2021.

REVIEW OF INTERIM RESULTS

The condensed consolidated financial information for the 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 period.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND THE INTERIM REPORT

This announcement is published on the website of the Stock Exchange and the website of the Company. The interim report of the Group for the six months ended 30 June 2021 will be despatched to shareholders at the appropriate time and will be available on the website of the Stock Exchange and the website of the Company in due course.

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

Hong Kong, 23 August 2021

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