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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

INSIDE INFORMATION PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

The Board wishes to inform Shareholders and potential investors that for the six months ended 30 June 2023, the Group's unaudited consolidated revenue declined by 14% to HK\$1,560 million, compared to HK\$1,820 million in the same period of 2022. As such, the Group expects to record an EBITDA loss of between HK\$180 million and HK\$190 million, and a loss attributable to equity holders of the Company of between HK\$400 million and HK\$420 million, for the Period. This compares to EBITDA losses of HK\$72 million and HK\$266 million in the first half and second half of 2022 respectively; and losses attributable to equity holders of the Company of HK\$224 million and HK\$583 million in the first half and second half of 2022 respectively.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors (the "Board") of Television Broadcasts Limited (the "Company", together with its subsidiaries, the "Group") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 (the "Period"), the Group's revenue declined by 14% to HK\$1,560 million, compared to HK\$1,820 million in the same period of 2022.

As such, the Group expects to record an EBITDA loss of between HK\$180 million and HK\$190 million, and a loss attributable to equity holders of the Company of between HK\$400 million and HK\$420 million, for the Period. This compares to EBITDA losses of HK\$72 million and HK\$266 million in the first half and second half of 2022 respectively and losses attributable to equity holders of the Company of HK\$224 million and HK\$583 million in the first half and second half of 2022 respectively.

In the first six months of 2023, as Hong Kong's post-COVID economic recovery continued at a modest pace, we saw improved demand for advertising on our TV platforms, which led to an increase in our advertising income. However, as Hong Kong's shoppers returned to more traditional shopping habits after the pandemic, the environment for our e-commerce business was less favourable. This, coupled with our decision to focus on higher margin products in order to boost profitability, led to an overall decline in e-commerce revenue during the Period. Meanwhile, in Mainland China, due to scheduling of our co-production and simulcast drama releases in 2023 being skewed towards the second half, we also booked less revenue during the Period.

As a result of the above factors, the Company's overall revenue declined in the six months ended 30 June 2023 compared to the same period last year. This led to an increase in both our EBITDA loss and loss attributable to equity holders for the Period. However, both EBITDA loss and loss attributable to equity holders improved sequentially when compared with the financial results in the second half of 2022.

Furthermore, the Group expects continued improvement in our financial performance for the second half of 2023. Earlier in the year, the Group signed a RMB700 million content output and supply contract with Youku, a leading video streaming platform in Mainland China. As we begin to deliver on this contract in the latter half of this year, the Group will recognize incremental revenue. Similarly, the Group entered into a livestreaming partnership earlier this year with Mainland e-commerce platform Taobao, and initial results have been positive. As we gradually ramp up our livestreaming sessions in the second half, the Group expects a larger revenue contribution from this activity. Last but not least, we expect the cost-cutting measures we announced earlier in March this year will continue to contribute to the improvement of the Group's financial performances in the second half of the year.

The Company is in the process of finalising the results of the Group for the Period. The information contained in this announcement is only based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the Period and information currently available to the Board, which have not been agreed, audited or reviewed by the Company's auditor and its Audit Committee, and may be adjusted upon further review. An announcement setting forth details of the interim results of the Group for the Period is expected to be published in late August 2023.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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By Order of the Board
CHAN Shu Hung
Acting Company Secretary

Hong Kong, 14 August 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