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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

2024 RESULTS HIGHLIGHTS

- A 25-episode disciplined forces drama “Prism Breakers” (“執法者們”) has commenced and completed the shooting in February 2024 and May 2024 respectively. The drama is in the post-production stage and is expected to be released on the Youku platform in the first half of 2025.
- The Group participated in the drama projects “No Room for Crime” (“反黑英雄”), “Forensic Heroes VI: Redemption” (“法證先鋒VI：倖存者的救贖”), and “Darkside of the Moon” (“黑色月光”), all produced by TVB group. These dramas were successfully released on Tencent Video and Youku platforms in 2024.
- Revenue from the films, drama and non-drama segment decreased by 11.0% from RMB35,784,000 for the Previous Year to RMB31,839,000 for the Year. This decline in revenue was mainly due to the postponement of several projects that were initially scheduled for release in 2024, caused by extended production timelines and adjustments in the release schedules of streaming platforms.
- Revenue from the artiste and event management segment decreased by 31.1% from RMB28,752,000 for the Previous Year to RMB19,796,000 for the Year, was mainly due to decline in revenue generated from the livestream commerce operations by the artistes under the Group’s management; and decrease in number of participation in film or drama projects for the artistes under the Group’s management.
- Loss attributable to the owners of the Company was RMB5,779,000 for the Year (2023: RMB2,898,000).

- Fair value loss of the equity instruments at fair value through other comprehensive income of RMB25,809,000 recognised for the Year (2023: RMB8,328,000). The management considered that the decrease in fair value was mainly attributed to change of business model for the underlying business of the investee.
- Bank balances and cash, net of bank borrowing, amounted to RMB313,438,000 as at 31 December 2024 (31 December 2023: RMB301,641,000).
- Net assets value per share attributable to the owners of the Company as at 31 December 2024 was RMB30.33 cents (31 December 2023: RMB31.64 cents).
- The Board did not recommend the payment of final dividend for the Year.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2024	2023	Change
	<i>RMB</i>	<i>RMB</i>	
Revenue			
Film, drama and non-drama (<i>'000</i>)	31,839	35,784	-11.0%
Artiste and event management (<i>'000</i>)	19,796	28,752	-31.1%
Total (<i>'000</i>)	51,635	64,536	-20.0%
Segment (loss) profit			
Film, drama and non-drama (<i>'000</i>)	(8,598)	(8,906)	-3.5%
Artiste and event management (<i>'000</i>)	3,449	7,436	-53.6%
Total (<i>'000</i>)	(5,149)	(1,470)	250.3%
Performance			
Loss attributable to owners of the Company (<i>'000</i>)	(5,779)	(2,898)	99.4%
Loss per share (<i>RMB cents</i>) ⁽¹⁾	(0.41)	(0.20)	105.0%

	31 December 2024 <i>RMB</i>	2023 <i>RMB</i>	Change
Total assets ('000)	512,559	491,534	4.3%
Total liabilities ('000)	105,767	61,484	72.0%
Equity attributable to owners of the Company ('000)	430,508	449,214	-4.2%
Number of issued shares ('000)	1,419,610	1,419,610	—
Ratios			
Current ratio ⁽²⁾	4.8	7.8	N/A
Gearing ratio ⁽³⁾	0.92%	0.93%	N/A
Net asset value per share (<i>RMB cents</i>)⁽⁴⁾	30.33	31.64	-4.1%
<i>Notes:</i>			
(1) Loss per share was calculated by dividing the loss for the year attributable to owners of the Company by the number of the issued shares as at the respective dates.			
(2) Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.			
(3) Gearing ratio was calculated by dividing the total debt by total assets as at the respective dates.			
(4) Net asset value per share was calculated by dividing equity attributable to owners of the Company by the number of the issued shares as at the respective dates.			

The board (the “**Board**”) of Directors (the “**Directors**”) of Shaw Brothers Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

		2024	2023
	NOTES	RMB'000	RMB'000
Revenue	3	51,635	64,536
Cost of sales		<u>(29,693)</u>	<u>(34,251)</u>
Gross profit		21,942	30,285
Other income, gains and losses, net	5	13,772	14,376
Selling and distribution expenses		(1,906)	(1,456)
Administrative expenses		(33,565)	(35,186)
Impairment loss of investments in films, drama and non-drama		(8,493)	(9,140)
Impairment loss of trade and other receivables		(334)	(5,518)
Share of loss of an associate		(25)	(97)
Finance costs	6	<u>(608)</u>	<u>(816)</u>
Loss before tax		(9,217)	(7,552)
Income tax expenses	7	<u>(1,831)</u>	<u>(165)</u>
Loss for the year	8	<u><u>(11,048)</u></u>	<u><u>(7,717)</u></u>
Loss for the attributable to:			
– Owners of the Company		(5,779)	(2,898)
– Non-controlling interests		<u>(5,269)</u>	<u>(4,819)</u>
Loss for the year		<u><u>(11,048)</u></u>	<u><u>(7,717)</u></u>
Loss per share			
– Basic and diluted (<i>RMB cents</i>)	9	<u><u>(0.41)</u></u>	<u><u>(0.20)</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Loss for the year	(11,048)	(7,717)
Other comprehensive (expense) income for the year		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation of financial statements from functional currency to presentation currency	13,599	8,063
Fair value loss on investments in equity instruments at fair value through other comprehensive income	<u>(25,809)</u>	<u>(8,328)</u>
	<u>(12,210)</u>	<u>(265)</u>
Total comprehensive expense for the year	<u><u>(23,258)</u></u>	<u><u>(7,982)</u></u>
Total comprehensive expense for the year attributable to:		
– Owners of the Company	(18,706)	(3,569)
– Non-controlling interests	<u>(4,552)</u>	<u>(4,413)</u>
	<u><u>(23,258)</u></u>	<u><u>(7,982)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	NOTES	RMB'000	RMB'000
Non-current assets			
Plant and equipment		1,003	1,608
Equity instruments at fair value through other comprehensive income	11	—	24,960
Right-of-use assets		2,207	5,701
Deferred tax assets		105	141
Television programme rights		1,150	2,224
Interest in an associate		52	77
		<u>4,517</u>	<u>34,711</u>
Current assets			
Investments in films, drama and non-drama	12	55,250	85,373
Films, drama and non-drama productions in progress	12	73,946	4,294
Trade and other receivables	13	20,484	35,609
Amounts due from related parties		40,212	25,349
Bank balances and cash		318,150	306,198
		<u>508,042</u>	<u>456,823</u>
Current liabilities			
Trade and other payables	14	34,794	39,353
Contract liabilities	14	60,819	6,827
Income tax payables		292	282
Lease liabilities		1,883	3,256
Amounts due to related parties		2,521	4,199
Bank borrowing		4,712	4,557
		<u>105,021</u>	<u>58,474</u>
Net current assets		<u>403,021</u>	<u>398,349</u>
Total assets less current liabilities		<u>407,538</u>	<u>433,060</u>
Non-current liabilities			
Lease liabilities		746	3,010
Net assets		<u>406,792</u>	<u>430,050</u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Capital and reserves		
Share capital	12,322	12,322
Reserves	<u>418,186</u>	<u>436,892</u>
Equity attributable to owners of the Company	430,508	449,214
Non-controlling interests	<u>(23,716)</u>	<u>(19,164)</u>
Total equity	<u><u>406,792</u></u>	<u><u>430,050</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands, under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 25 June 2009 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 1 February 2010. The substantial shareholder of the Company is Mr. Li Ruigang.

The Group are principally engaged in investments in films, drama and non-drama and productions in progress and artiste and event management. The Company acts as an investment holding company.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

The application of the above amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²

1. Effective for annual periods beginning on or after 1 January 2025

2. Effective for annual periods beginning on or after 1 January 2026

3. Effective for annual periods beginning on or after 1 January 2027

4. Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of these new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

3. REVENUE

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Films, drama and non-drama productions	5,991	24,508
Investments in films, drama and non-drama	25,848	11,276
Artiste management services income	19,381	25,044
Event management services income	415	3,708
	<u>51,635</u>	<u>64,536</u>

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

4. SEGMENT INFORMATION

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

Segment Revenues, Results, Assets and Liabilities

The directors of the Company have chosen to organise the Group around differences in products and services. The Group is principally engaged in films, drama and non-drama and artiste and event management.

- (i) Films, drama and non-drama – investments, productions and distribution of films, drama and non-drama; and
- (ii) Artiste and event management – the provision of artiste and event management services.

The Group's reportable segments are strategic business units that offer different products or services. They are managed separately because each business requires different expertise and marketing strategies.

Segment Revenues and Results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Films, drama and non-drama		Artiste and event management		Total	
			Year ended 31 December			
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Segment revenue	<u>31,839</u>	<u>35,784</u>	<u>19,796</u>	<u>28,752</u>	<u>51,635</u>	<u>64,536</u>
Segment (loss) profit	<u>(8,598)</u>	<u>(8,906)</u>	<u>3,449</u>	<u>7,436</u>	<u>(5,149)</u>	<u>(1,470)</u>
Unallocated income					13,636	12,985
Unallocated expenses					<u>(17,704)</u>	<u>(19,067)</u>
Loss before tax					<u>(9,217)</u>	<u>(7,552)</u>

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

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
SEGMENT ASSETS		
Films, drama and non-drama	167,908	93,701
Artiste and event management	19,588	31,738
	<hr/>	<hr/>
Total segment assets	187,496	125,439
Unallocated assets	325,063	366,095
	<hr/>	<hr/>
	512,559	491,534
	<hr/> <hr/>	<hr/> <hr/>
SEGMENT LIABILITIES		
Films, drama and non-drama	69,363	7,394
Artiste and event management	31,621	45,397
	<hr/>	<hr/>
Total segment liabilities	100,984	52,791
Unallocated liabilities	4,783	8,693
	<hr/>	<hr/>
	105,767	61,484
	<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than plant and equipment, equity instruments at fair value through other comprehensive income ("FVTOCI"), right-of-use assets, deferred tax assets, certain amounts due from related parties, bank balances and cash and certain other receivables and prepayments as these assets are managed on a group basis; and
- all liabilities are allocated to operating segments other than lease liabilities and certain accruals and other payables as these liabilities are managed on a group basis.

Other Segment Information

Amounts regularly provided to the CODM are as follows:

	Films, drama and non-drama <i>RMB'000</i>	Artiste and event management <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024				
<i>Amounts included in the measure of segments results or segment assets:</i>				
Impairment loss of investments in films, drama and non-drama	<u>8,493</u>	<u>–</u>	<u>–</u>	<u>8,493</u>
(Reversal of the impairment loss) Impairment loss of trade and other receivables	<u>(700)</u>	<u>1,034</u>	<u>–</u>	<u>334</u>
<i>Amounts regularly provided to the CODM but not included in the measure of segment results:</i>				
Additions to non-current assets (<i>Note</i>)	<u>–</u>	<u>–</u>	<u>145</u>	<u>145</u>
Interest income	<u>–</u>	<u>–</u>	<u>(12,428)</u>	<u>(12,428)</u>
Depreciation of plant and equipment	<u>–</u>	<u>–</u>	<u>755</u>	<u>755</u>
Depreciation of right-of-use assets	<u>–</u>	<u>–</u>	<u>1,880</u>	<u>1,880</u>
Finance costs	<u>–</u>	<u>–</u>	<u>608</u>	<u>608</u>

	Films, drama and non-drama <i>RMB'000</i>	Artiste and event management <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2023				
<i>Amounts included in the measure of segments results or segment assets:</i>				
Impairment loss of investments in films, drama and non-drama	9,140	—	—	9,140
Impairment loss of trade receivables	5,518	—	—	5,518
<i>Amounts regularly provided to the CODM but not included in the measure of segment results:</i>				
Additions to non-current assets (Note)	—	—	3,600	3,600
Interest income	—	—	(10,305)	(10,305)
Depreciation of plant and equipment	—	—	729	729
Depreciation of right-of-use assets	—	—	2,287	2,287
Finance costs	—	—	816	816

Note: Non-current assets exclude equity instruments at FVTOCI and deferred tax assets.

Geographical Information

The Group's operation is mainly located in the People's Republic of China ("PRC") and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	PRC RMB'000	Hong Kong RMB'000	Others RMB'000	Total RMB'000
<i>Revenue from external customers</i>				
Year ended 31 December 2024	14,839	36,415	381	51,635
Year ended 31 December 2023	39,979	23,041	1,516	64,536
<i>Non-current assets (Note)</i>				
As at 31 December 2024	3,125	1,287	–	4,412
As at 31 December 2023	7,223	2,387	–	9,610

Note: Non-current assets excluded equity instruments at FVTOCI and deferred tax assets.

5. OTHER INCOME, GAINS AND LOSSES, NET

	2024 RMB'000	2023 RMB'000
Management fee income	–	1,112
Net exchange (loss) gain	(188)	192
Interest income	12,428	10,305
Government grants and other subsidies	106	182
Other income in respect of insurance claims received for its film productions	–	557
Written off of trade and other payables	143	423
Others	1,283	1,605
	13,772	14,376

6. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interests on:		
Bank borrowing	335	317
Lease liabilities	273	499
	<u>608</u>	<u>816</u>

7. INCOME TAX EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
Hong Kong Profits Tax	—	344
PRC Enterprise Income Tax (“EIT”)	149	156
	<u>149</u>	<u>500</u>
Underprovision (Overprovision) in prior years:		
Hong Kong Profits Tax	1,646	(9)
EIT	—	(185)
	<u>1,646</u>	<u>(194)</u>
Deferred tax charge (credit)	<u>36</u>	<u>(141)</u>
Total	<u>1,831</u>	<u>165</u>

- (i) Pursuant to the rule and regulations of the Cayman Island and the British Virgin Island (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) 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 years ended 31 December 2024 and 2023.

8. LOSS FOR THE YEAR

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Directors' emoluments:		
Fees	1,894	1,855
Contributions to retirement benefits scheme	—	—
	<u>1,894</u>	<u>1,855</u>
Staff costs:		
Salaries and allowances	17,756	17,821
Contributions to retirement benefits scheme	1,639	2,161
	<u>19,395</u>	<u>19,982</u>
Total staff costs (including director's emoluments)	<u><u>21,289</u></u>	<u><u>21,837</u></u>
Amortisation of television programme rights	1,126	1,103
Impairment loss of investments in films, drama and non-drama	8,493	9,140
Impairment loss of trade and other receivables	334	5,518
Bad debts	2,275	—
Auditors' remuneration	879	977
Depreciation of plant and equipment	755	729
Depreciation of right-of-use assets	1,880	2,287
Net exchange loss (gain)	<u><u>188</u></u>	<u><u>(192)</u></u>

9. 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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss for the purpose of basic and diluted loss per share		
Loss for the year attributable to the owners of the Company	<u><u>(5,779)</u></u>	<u><u>(2,898)</u></u>
	2024 '000	2023 '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 was equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2024 and 2023.

10. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Unlisted investments:		
Equity securities	—	24,960

The above unlisted equity investments represented the Group's equity interest in private entities. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that they are not held for trading and are held for long-term investment purpose.

The movements of equity instruments at FVTOCI are as follows:

	<i>RMB'000</i>
Equity instruments at FVTOCI – unlisted:	
At 1 January 2023	32,629
Fair value loss	(8,328)
Exchange realignment	659
At 31 December 2023 and 1 January 2024	24,960
Fair value loss (<i>Note</i>)	(25,809)
Exchange realignment	849
At 31 December 2024	—

Note: During the year ended 31 December 2024, fair value loss of approximately RMB25,809,000 (2023: RMB8,328,000) was recognised in other comprehensive income. The directors of the Company considered that the decrease in fair value was mainly attributed to change of business model for the underlying business of the investee.

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Investments in films, drama and non-drama	101,164	121,549
Less: accumulated impairment	<u>(45,914)</u>	<u>(36,176)</u>
	<u><u>55,250</u></u>	<u><u>85,373</u></u>

The amount represents investments in films, drama and non-drama. The investments are governed by the relevant agreements whereby the Group is entitled to benefits generated from the distribution of these films, drama and non-drama based on the percentage of capital contribution in the films, drama and non-drama projects.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Films, drama and non-drama productions in progress	<u><u>73,946</u></u>	<u><u>4,294</u></u>

Films, drama and non-drama productions in progress represents the production costs, costs of services, direct labour costs, facilities and raw materials consumed under production. It is accounted for on a project-by-project basis. Films, drama and non-drama productions in progress is stated at cost incurred to date, less any identified impairment losses.

13. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	18,863	31,410
Less: allowance for impairment of trade receivables	<u>(14,030)</u>	<u>(14,860)</u>
	4,833	16,550
Other receivables and deposits	4,082	3,355
Prepayments	<u>11,569</u>	<u>15,704</u>
Trade and other receivables	<u><u>20,484</u></u>	<u><u>35,609</u></u>

As at 31 December 2024, the gross amount of trade receivables arising from contracts with customers amounted to RMB18,863,000 (2023: RMB31,410,000).

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 90 days	2,375	12,646
91 to 180 days	213	393
181 to 365 days	219	2,386
Over 365 days	<u>2,026</u>	<u>1,125</u>
Total	<u><u>4,833</u></u>	<u><u>16,550</u></u>

14. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	<u>18,387</u>	<u>29,086</u>
Other payables	12,439	7,574
Accrued payroll and accruals	<u>3,968</u>	<u>2,693</u>
	<u>16,407</u>	<u>10,267</u>
Trade and other payables	<u><u>34,794</u></u>	<u><u>39,353</u></u>
Contract liabilities	<u><u>60,819</u></u>	<u><u>6,827</u></u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 90 days	9,809	14,636
91 to 180 days	1,251	5,360
181 to 365 days	827	6,311
Over 365 days	<u>6,500</u>	<u>2,779</u>
Total	<u><u>18,387</u></u>	<u><u>29,086</u></u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2024, Hong Kong's box office revenue exceeded HK\$1.34 billion, despite a 6% decline compared to 2023. Notably, the box office revenue of local Hong Kong films surpassed that of Hollywood films for the first time since 2004, highlighting the potential of local productions, even as the overall market remains constrained. (Source: Press release titled "Overview of Hong Kong Film Market 2024" by Hong Kong Box Office Ltd.)

According to Gower Street Analytics, mainland China was the world's second largest film market in 2024, grasping more than 19% of the global box office and ranking just behind to the North American market. Given the limited size of Hong Kong's domestic market, the film industry in Hong Kong mainly relies on revenue from Asian markets, particularly the Chinese market. According to the 2023 Policy Address, the Hong Kong Government proposed injecting HK\$4.3 billion into the Film Development Fund and the CreateSmart Initiative. Additionally, they introduced the Filming Financing Scheme for Mainland Market and the Hong Kong-Europe-Asia Film Collaboration Funding Scheme. These initiatives aim to support investment projects that targeted the film markets in mainland China and overseas, as well as the film promoting production in Hong Kong for further industry development.

With the increasing popularity of high-speed internet and smart devices, the market for the over-the-top streaming platforms has been further expanded. By broadcasting programmes on these platforms, film production companies are able to reach a wider audience and create more business opportunities, generating higher profitability for the film and television industry.

PROSPECT

Building upon the success of action crime drama series like "Flying Tiger" ("飛虎"), "Mission Run" ("廉政狙擊") and "Line Walker Series" ("使徒行者"), the Group has completed the shooting of a 25-episode disciplined forces drama titled "Prism Breakers" ("執法者們") and expected to be released in the first half of 2025. The Group is also actively seeking collaborations with business partners and investors, especially in mainland China, to jointly develop high-quality films and dramas.

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

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

BUSINESS REVIEW

During the Year, the Group recorded revenue of RMB51,635,000, a decrease by 20.0% as compared to the revenue of RMB64,536,000 for the year ended 31 December 2023 (the “**Previous Year**”), resulting from less production of films, drama and non-drama projects, and a reduction in commercial engagements and participation in films or drama projects for the artistes under the Group’s management. Films, drama and non-drama and artiste and event management are the two business segments of the Group. Below is an analysis of the Group’s revenue by business segment.

	Year ended 31 December	
	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>
	Audited	Audited
Films, drama and non-drama	31,839	35,784
Artiste and event management	19,796	28,752
	51,635	64,536

Films, Drama and Non-Drama

Released productions

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

Productions in progress

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

Investments in films, drama and non-drama

The Group participated in the drama projects “No Room for Crime” (“反黑英雄”), “Forensic Heroes VI: Redemption” (“法證先鋒VI：倖存者的救贖”), and “Darkside of the Moon” (“黑色月光”), all produced by TVB group. These dramas were successfully released on Tencent Video and Youku platforms in 2024.

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

ARTISTE AND EVENT MANAGEMENT

As at 31 December 2024, around 50 artistes were under the Group’s management. Artistes managed by the wholly-owned subsidiaries included famous artistes such as Bosco Wong (黃宗澤), Joel Chan (陳山聰), Nancy Wu (胡定欣), Rosina Lam (林夏薇), Jeannie Chan (陳滢) and Kelvin Kwan (關楚耀); and popular singers such as Hubert Wu (胡鴻鈞) and James Ng (吳業坤). Artistes managed by the subsidiary Tailor Made Production Limited included famous artistes such as Wong Cho Lam (王祖藍), Roger Kwok (郭晉安) and Eliza Sam (岑麗香), as well as popular singer Teresa Carpio (杜麗莎).

Given the great potential of the Chinese market, the Group actively seeks opportunities for commercial activities, performances, and advertising endorsements for our artistes in mainland China. In 2024, over 50% of the revenue from artiste and event management was derived from mainland China.

FINANCIAL REVIEW

Revenue of the Group decreased from RMB64,536,000 for the Previous Year to RMB51,635,000 for the Year, representing a decrease of RMB12,901,000 or by 20.0%. It was mainly due to the decreased revenue contribution from both films, drama and non-drama segment and artiste and event management segment during the Year.

Films, Drama and Non-Drama

Year ended 31 December	2024	2023	Change	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	%
	Audited	Audited		
Revenue	31,839	35,784	-3,945	-11.0
Segment loss	(8,598)	(8,906)	308	-3.5
Segment profit margin	N/A	N/A		

Revenue from the films, drama and non-drama segment decreased by 11.0% from RMB35,784,000 for the Previous Year to RMB31,839,000 for the Year. This decline in revenue was mainly due to the postponement of several projects that were initially scheduled for release during the Year, caused by extended production timelines and adjustments in the release schedules of streaming platforms. The decrease in the reportable segment loss of the films, drama and non-drama segment was mainly due to the decrease in impairment loss of investments in films, drama and non-drama for the Year.

Artiste and Event Management

Year ended 31 December	2024	2023	Change	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	%
	Audited	Audited		
Revenue	19,796	28,752	-8,956	-31.1%
Segment profit	3,449	7,436	-3,987	-53.6%
Segment profit margin	17.4%	25.9%		

Revenue from the artiste and event management segment decreased by 31.1% from RMB28,752,000 for Previous Year to RMB19,796,000 for the Year, was mainly due to (1) decline in revenue generated from the livestream commerce operations by the artistes under the Group's management; and (2) decrease in number of participation in film and drama projects and commercial activities for the artistes under the Group's management. The low profit margin at the artiste and event management segment was due to higher absorption of selling and distribution expenses, the increase in impairment loss of trade and other receivables, and the provision for non-recurring bad debts of trade receivables during the Year.

Cost of Sales

Cost of sales decreased by 13.3% from RMB34,251,000 for the Previous Year to RMB29,693,000 for the Year due to (1) lower absorption of films, drama and non-drama distribution costs; and (2) lower absorption of artiste and event management service costs during the Year.

Other Income, Gain and Losses, Net

Other income, gain and losses decreased from RMB14,376,000 for the Previous Year to RMB13,772,000 for the Year, a decrease by 4.2% due to one-off write back of cost provisions and insurance claim received for its film productions in Previous Year, compensated by increase in interest income on bank deposits resulted from high interest rates during the Year.

Selling and Distribution Expenses

Selling and distribution expenses increased from RMB1,456,000 for the Previous Year to RMB1,906,000 for the Year, an increase of 30.9% due to more advertising and promotional activities related to artiste and event management business during the Year.

Administrative Expenses

Administrative expenses decreased from RMB35,186,000 for the Previous Year to RMB33,565,000 for the Year, a decrease of 4.6% due to (1) decrease in legal and professional fees in respect of corporate matters; (2) decrease in depreciation of right-of-use assets due to the earlier termination of tenancy agreements; and (3) decrease in other operating expenses during the Year, to offset the impact of non-recurring bad debts provided in artiste and event management segment.

Impairment Losses

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

Impairment loss of investments in films, drama and non-drama of RMB8,493,000 recognised for the Year (2023: RMB9,140,000). The impairment loss of investments in films, drama and non-drama was made based on the management's estimation of the recoverable amount against the carrying amount of the investments in films, drama and non-drama. The impairment loss was determined based on the present value of expected future revenues and related cash flows arising from the investments in films, drama and non-drama.

Impairment loss of trade and other receivables

Impairment loss of trade and other receivables of RMB334,000 recognised for the Year (2023: RMB5,518,000). The decrease in provision for impairment of trade and other receivables was mainly due to the expected credit loss ("ECL") resulting from the increase in recoverability of long outstanding trade and other receivables and the Group's prudent practice of adopting the ECL model.

Income Tax Expenses

Income tax expenses increased from RMB165,000 for the Previous Year to RMB1,831,000 for the Year, which was mainly due to the under provision of income tax from a major subsidiary in Hong Kong in respect of prior years in result of reaching a consensus on the inter-company transactions with the Inland Revenue Department.

Loss for the year and Loss Attributable to the Owners of the Company

Loss for the year increased from RMB7,717,000 for the Previous Year to RMB11,048,000 for the Year. Loss attributable to the owners of the Company for the Year amounted to RMB5,779,000, an increase of RMB2,881,000 or 99.4% from RMB2,898,000 for the Previous Year. The loss was caused by (1) the decrease in overall revenue generated from both films, drama and non-drama segment and artiste and event management segment; and (2) the increase in income tax expenses for the Year.

Fair value loss on equity instruments at FVTOCI

Fair value loss on equity instruments at FVTOCI of RMB25,809,000 recognised in other comprehensive income for the Year (2023: RMB8,328,000). The management considered that the decrease in fair value was mainly attributed to change of business model for underlying business of the investee, downsize of the investee's business operations and decline in retail market in Hong Kong.

Investments in Films, Drama and Non-Drama

Investments in films, drama and non-drama decreased from RMB85,373,000 as at 31 December 2023 to RMB55,250,000 as at 31 December 2024. It was mainly attributable to (1) the recognition of investment costs of the co-productions in certain dramas as cost of sales, which resulted from the broadcasts of the co-productions in certain dramas; and (2) the additional impairment loss of investments in films, drama and non-drama during the Year.

Films, Drama and Non-Drama Productions in Progress

Films, drama and non-drama productions in progress increased from RMB4,294,000 as at 31 December 2023 to RMB73,946,000 as at 31 December 2024. It was mainly attributable to the additional production costs of a disciplined forces drama “Prism Breakers” (“執法者們”) and pre-production costs of new dramas incurred during the Year.

Trade Receivables

Trade receivables from third parties, net of loss allowance, significantly decreased from RMB16,550,000 as at 31 December 2023 to RMB4,833,000 as at 31 December 2024, mainly due to the receipt of payments from customers during the Year. The management reviews the aging trade receivables regularly and follows up with the respective general managers and/or customers on the collection of such trade receivables. Details of the trade and other receivables as at 31 December 2024 are set out in Note 13 to the consolidated financial statements in this announcement.

Trade and Other Payables

Trade and other payables decreased from RMB39,353,000 as at 31 December 2023 to RMB34,794,000 as at 31 December 2024, mainly due to the settlement of payments for commercial engagements for the artistes under the Group's management. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe. Details of the trade and other payables as at 31 December 2024 are set out in the Note 14 to the consolidated financial statements in this announcement.

Contract Liabilities

Contract liabilities significantly increased by 790.9% from RMB6,827,000 as at 31 December 2023 to RMB60,819,000 as at 31 December 2024, which was mainly attributable to the receipt in advance from drama production and the artiste and event management.

Amounts Due to Related Parties

Amounts due to related parties decreased from RMB4,199,000 as at 31 December 2023 to RMB2,521,000 as at 31 December 2024. It was mainly due to the settlement of the payment for certain artiste engagements during the Year.

Liquidity and Financial Resources

The Group financed its operations with internal resources and bank borrowing, whenever necessary. As at 31 December 2024, the Group holds RMB318,150,000 in bank balances and cash (31 December 2023: RMB306,198,000), indicating that a healthy and sound financial position was maintained. The Group's bank balances and cash were denominated in HK\$, RMB and United States dollars ("USD").

Pledge of Assets

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

Capital Structure

As at 31 December 2024, the Group's equity attributable to owners of the Company slightly decreased by 4.2% to RMB430,508,000 (31 December 2023: RMB449,214,000). Net asset value per share attributable to owners of the Company decreased to RMB30.33 cents (31 December 2023: RMB31.64 cents). Current ratio was 4.8 (31 December 2023: 7.8). As at 31 December 2024 and 31 December 2023, the number of total issued shares of the Company was 1,419,610,000.

Capital Commitments and Contingent Liabilities

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

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year. The Company believes that this measure is a prudent and responsible means of preserving cash for the long-term financial health of the Group.

FOREIGN EXCHANGE RISK

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

During the Year, the Group did not hedge any exposure in foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against RMB may cause financial impacts on the Group. The Group closely monitors its foreign exchange exposures and uses suitable hedging arrangements, where necessary.

BANK BORROWING AND GEARING RATIO

The Group's interest-bearing bank borrowing denominated in HK\$ increased from RMB4,557,000 as at 31 December 2023 to RMB4,712,000 due to the depreciation of RMB against HKD during the Year. The gearing ratio of the Group, calculated on the basis of interest-bearing debts over total assets, was 0.92% as at 31 December 2024 (31 December 2023: 0.93%).

HUMAN RESOURCES

As at 31 December 2024, the Group had a total of 51 employees (excluded directors) (31 December 2023: 58 employees). The basic remunerations of the employees are determined with reference to the industry's remuneration benchmark, the employees' experience and their performance, and equal opportunities will be offered to all staff. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. Directors' remuneration is determined based on a variety of factors such as market conditions and responsibilities assumed by each Director. Apart from the basic remuneration and statutory benefits required by laws, the Group also provides discretionary bonuses based upon the Group's results and the individual performance of the staff. The Group maintains a good relationship with its employees. The Group adopted a share option scheme as incentive for its employees.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management of the Company are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

The Group's business operations are subject to various applicable laws and regulations, including those governing copyright, intellectual property, labor, and environmental standards. Specifically, films, dramas, and non-dramatic productions intended for release in mainland China must adhere to the relevant laws and regulations of the PRC. These productions require review and approval from the appropriate PRC authorities to ensure compliance with local standards and requirements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives and measures have been adopted in the Group. Such initiatives include recycling of used papers and energy saving. Details of the environmental policies and performance of the Group will be disclosed in the “Environmental, Social and Governance Report” which will be published on the website of the Company at www.shawbrotherspictures.com (the “**Corporate Website**”) and the website of the Stock Exchange for listed issuers information at www.hkexnews.hk (the “**Stock Exchange’s Website**”) in April 2025.

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. Thus, the Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard. The Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the Year, there was no material and significant dispute between the Group and its business partners or bank enterprises.

CORPORATE GOVERNANCE

The Board and management of the Company recognise the importance of maintaining high standards of corporate governance. The Company had adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as its code which gives guidance on how corporate governance principles are applied to the Group. The Board reviews its corporate governance practices continuously to cope with the evolving needs of the Group. During the year, the Company was in compliance with the CG Code. The Corporate Governance Report of the Company will be included in the Company’s annual report for the Year which will be available on the Corporate Website and the Stock Exchange’s Website.

AUDIT COMMITTEE

The Audit Committee was established on 6 January 2010 with written terms of reference, which is available on the Corporate Website and the Stock Exchange’s Website. It has three members comprising Mr. Poon Kwok Hing Albert (chairman), Mr. Pang Hong and Miss Szeto Wai Ling Virginia, all are independent non-executive Directors.

The primary duties of the Audit Committee are to review the material investment, capital operation and material financial system of the Company; to review the accounting policy, financial position and financial reporting procedures of the Company; to communicate with external audit firms; to assess the performance of internal financial and audit personnel; and to assess the risk management and internal control systems of the Company.

The Audit Committee had reviewed the announcement of the annual results of the Company and the annual report of the Company for the Year, and confirmed that the said announcement and annual report with the applicable standard as required by the Listing Rules and other applicable legal requirements and that adequate disclosures have been made. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditor.

PURCHASE, SALE 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 Year.

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 (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code regarding Directors' securities transactions during the Year.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This announcement is published on the Corporate Website and the Stock Exchange's Website. The annual report of the Company for the Year will be despatched to shareholders at the appropriate time and will be available on the Corporate Website at and the Stock Exchange's Website in due course.

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

Hong Kong, 25 March 2025

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

Chairman and Non-executive Director

Mr. Li Ruigang

Executive Directors

Miss Lok Yee Ling Virginia

Mr. Gu Jiong

Non-executive Director

Mr. Hui To Thomas, *JP*

Independent Non-executive Directors

Mr. Pang Hong

Mr. Poon Kwok Hing Albert

Miss Szeto Wai Ling Virginia