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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 2025**

#### **2025 RESULTS HIGHLIGHTS**

- A 22-episode family drama titled “Behind the Queens” (“風華背後”) was commenced and completed in September 2025 and December 2025 respectively. The drama is currently in the post-production stage and is expected to be released on the Tencent Video platform in 2026.
- A 25-episode drama series titled “Prism Breakers” (“執法者們”), was broadcast in 2025 and reached its highest viewership on terrestrial free-to-air TV channels in Hong Kong of 24.5 points, equivalent to 1.58 million viewers. In mainland China, this series has accumulated over 477 million views on the Youku platform and received various accolades from Maoyan Entertainment, including Champion of Maoyan Crime Drama Monthly Effective Plays, Champion of Maoyan Crime Drama Weekly Heat, and Champion of Maoyan Crime Drama Weekly Effective Plays. The drama is also hailed by mainland Chinese media as “revival of Hong Kong dramas”. These achievements demonstrate the strong appeal and market potential of locally produced content.
- Revenue from the films, drama and non-drama segment significantly increased by 312.2% from RMB31,839,000 for the Previous Year to RMB131,233,000 for the Year. The growth was mainly driven by the production of drama “Prism Breakers” (“執法者們”), the investment in “Zhao Jiadi S2” (“我叫趙甲第第二季”), as well as its participation in several drama projects with TVB in 2025, including “D.I.D. 12” (“刑偵12”), “The Queen of Castle” (“巨塔之后”) and “The Queen of News 2” (“新聞女王2”) during the Year.

- Revenue from the artiste and event management segment increased by 13.6% from RMB19,796,000 for Previous Year to RMB22,489,000 for the Year. This growth was mainly due to the increase in number of concerts performed by the artistes under the Group's management, partially offset by a decline in revenue generated from the livestream commerce operations and a decrease in number of participation in film and drama projects and commercial activities for the artistes under the Group's management.
- Loss for the year increased from RMB11,048,000 for the Previous Year to RMB14,503,000 for the Year. Loss attributable to owners of the Company for the Year amounted to RMB14,211,000, an increase of RMB8,432,000 or 145.9% from RMB5,779,000 for the Previous Year. The loss was caused by the increase in the provision of impairment losses on (1) investments in films, drama and non-drama; (2) films, drama and non-drama productions in progress; and (3) trade and other receivables for the Year.
- Bank balances and cash, net of bank borrowing, amounted to RMB262,388,000 as at 31 December 2025 (31 December 2024: RMB313,438,000).
- Net assets value per share attributable to owners of the Company as at 31 December 2025 was RMB28.16 cents (31 December 2024: RMB30.33 cents).
- The Board did not recommend the payment of final dividend for the Year.

## FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change
	2025 RMB	2024 RMB	
<b>Revenue</b>			
Film, drama and non-drama ('000)	131,233	31,839	312.2%
Artiste and event management ('000)	22,489	19,796	13.6%
<b>Total ('000)</b>	<b>153,722</b>	<b>51,635</b>	<b>197.7%</b>
<b>Segment (loss) profit</b>			
Film, drama and non-drama ('000)	(13,945)	(8,598)	62.2%
Artiste and event management ('000)	9,438	3,449	173.6%
<b>Total ('000)</b>	<b>(4,507)</b>	<b>(5,149)</b>	<b>-12.5%</b>
<b>Performance</b>			
Loss attributable to owners of the Company ('000)	(14,211)	(5,779)	145.9%
Loss per share (RMB cents) <sup>(1)</sup>	(1.00)	(0.41)	143.9%

	<b>31 December</b>		<b>Change</b>
	<b>2025</b>	2024	
	<b>RMB</b>	<b>RMB</b>	
Total assets ('000)	<b>444,367</b>	512,559	-13.3%
Total liabilities ('000)	<b>69,632</b>	105,767	-34.2%
Equity attributable to owners of the Company ('000)	<b>399,710</b>	430,508	-7.2%
Number of issued shares ('000)	<b>1,419,610</b>	1,419,610	—
<b>Ratios</b>			
Current ratio <sup>(2)</sup>	<b>6.8</b>	4.8	N/A
Gearing ratio <sup>(3)</sup>	<b>1.01%</b>	0.92%	N/A
<b>Net asset value per share attributable to owners of the Company (RMB cents)<sup>(4)</sup></b>	<b><u>28.16</u></b>	<u>30.33</u>	<u>-7.2%</u>

*Notes:*

- (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 attributable to owners of the Company 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 2025 (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 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	3	153,722	51,635
Costs of sales		<u>(114,714)</u>	<u>(29,693)</u>
Gross profit		39,008	21,942
Other income, gains and losses, net	5	8,625	13,772
Selling and distribution expenses		(374)	(1,906)
Administrative expenses		(25,576)	(33,565)
Impairment loss of investments in films, drama and non-drama		(29,005)	(8,493)
Impairment loss of films, drama and non-drama productions in progress		(4,123)	–
Impairment loss of trade and other receivables		(2,214)	(334)
Share of loss of an associate		(1)	(25)
Finance costs	6	<u>(379)</u>	<u>(608)</u>
Loss before tax		(14,039)	(9,217)
Income tax expenses	7	<u>(464)</u>	<u>(1,831)</u>
Loss for the year	8	<u><u>(14,503)</u></u>	<u><u>(11,048)</u></u>
Loss for the attributable to:			
– Owners of the Company		(14,211)	(5,779)
– Non-controlling interests		<u>(292)</u>	<u>(5,269)</u>
Loss for the year		<u><u>(14,503)</u></u>	<u><u>(11,048)</u></u>
Loss per share			
– Basic and diluted (RMB cents)	9	<u><u>(1.00)</u></u>	<u><u>(0.41)</u></u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the year	<u>(14,503)</u>	<u>(11,048)</u>
<b>Other comprehensive (expense) income for the year</b>		
<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	(17,554)	13,599
Fair value loss on investments in equity instruments at fair value through other comprehensive income	<u>—</u>	<u>(25,809)</u>
	<u>(17,554)</u>	<u>(12,210)</u>
Total comprehensive expense for the year	<u><u>(32,057)</u></u>	<u><u>(23,258)</u></u>
Total comprehensive expense for the year attributable to:		
– Owners of the Company	(30,798)	(18,706)
– Non-controlling interests	<u>(1,259)</u>	<u>(4,552)</u>
	<u><u>(32,057)</u></u>	<u><u>(23,258)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Plant and equipment		3,327	1,003
Equity instruments at fair value through other comprehensive income		—	—
Right-of-use assets		6,309	2,207
Deferred tax assets		46	105
Television programme rights		—	1,150
Interest in an associate		51	52
		<u>9,733</u>	<u>4,517</u>
<b>Current assets</b>			
Investments in films, drama and non-drama	11	67,473	55,250
Films, drama and non-drama productions in progress	11	57,714	73,946
Trade and other receivables	12	20,720	20,484
Amounts due from related parties		21,845	40,212
Bank balances and cash		266,882	318,150
		<u>434,634</u>	<u>508,042</u>
<b>Current liabilities</b>			
Trade and other payables	13	30,951	34,794
Contract liabilities	13	20,028	60,819
Income tax payables		405	292
Lease liabilities		1,041	1,883
Amounts due to related parties		7,170	2,521
Bank borrowing		4,494	4,712
		<u>64,089</u>	<u>105,021</u>
<b>Net current assets</b>		<u>370,545</u>	<u>403,021</u>
<b>Total assets less current liabilities</b>		<u>380,278</u>	<u>407,538</u>
<b>Non-current liabilities</b>			
Lease liabilities		5,543	746
<b>Net assets</b>		<u>374,735</u>	<u>406,792</u>

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Capital and reserves</b>		
Share capital	<b>12,322</b>	12,322
Reserves	<b>387,388</b>	418,186
	<u>          </u>	<u>          </u>
Equity attributable to owners of the Company	<b>399,710</b>	430,508
Non-controlling interests	<b>(24,975)</b>	(23,716)
	<u>          </u>	<u>          </u>
<b>Total equity</b>	<b>374,735</b>	406,792
	<u>          </u>	<u>          </u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 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 HKFRS ACCOUNTING STANDARDS

### Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKAS 21 in the current year 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 consolidated financial statements.

### New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

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

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> 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 HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

### HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “*Statement of Cash Flows*” and HKAS 33 “*Earnings per Share*” are also made. HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

### 3. REVENUE

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

	<b>2025</b>	2024
	<b><i>RMB’000</i></b>	<i>RMB’000</i>
Films, drama and non-drama productions	<b>88,050</b>	5,991
Investments in films, drama and non-drama	<b>43,183</b>	25,848
Artiste management services income	<b>14,499</b>	19,381
Event management services income	<b>7,990</b>	415
	<hr/>	<hr/>
	<b>153,722</b>	51,635
	<hr/> <hr/>	<hr/> <hr/>

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					
	2025	2024	2025	2024	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Segment revenue	<u>131,233</u>	<u>31,839</u>	<u>22,489</u>	<u>19,796</u>	<u>153,722</u>	<u>51,635</u>
Segment (loss) profit	<u>(13,945)</u>	<u>(8,598)</u>	<u>9,438</u>	<u>3,449</u>	<u>(4,507)</u>	<u>(5,149)</u>
Unallocated income					8,564	13,636
Unallocated expenses					<u>(18,096)</u>	<u>(17,704)</u>
Loss before tax					<u>(14,039)</u>	<u>(9,217)</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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>SEGMENT ASSETS</b>		
Films, drama and non-drama	151,672	167,908
Artiste and event management	<u>13,663</u>	<u>19,588</u>
Total segment assets	165,335	187,496
Unallocated assets	<u>279,032</u>	<u>325,063</u>
	<u><u>444,367</u></u>	<u><u>512,559</u></u>
<b>SEGMENT LIABILITIES</b>		
Films, drama and non-drama	24,902	69,363
Artiste and event management	<u>35,862</u>	<u>31,621</u>
Total segment liabilities	60,764	100,984
Unallocated liabilities	<u>8,868</u>	<u>4,783</u>
	<u><u>69,632</u></u>	<u><u>105,767</u></u>

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, certain accruals and other payables and certain amounts due to related parties as these liabilities are managed on a group basis.

## Other Segment Information

Amounts regularly provided to the CODM are as follows:

	<b>Films, drama and non-drama RMB'000</b>	<b>Artiste and event management RMB'000</b>	<b>Unallocated RMB'000</b>	<b>Total RMB'000</b>
<b>Year ended 31 December 2025</b>				
<i>Amounts included in the measure of segments results or segment assets:</i>				
Impairment loss of investments in films, drama and non-drama	<u>29,005</u>	<u>–</u>	<u>–</u>	<u>29,005</u>
Impairment loss of films, drama and non-drama productions in progress	<u>4,123</u>	<u>–</u>	<u>–</u>	<u>4,123</u>
Impairment loss of trade and other receivables	<u>1,968</u>	<u>246</u>	<u>–</u>	<u>2,214</u>
<i>Amounts regularly provided to the CODM but not included in the measure of segment results:</i>				
Additions to non-current assets (Note)	<u>–</u>	<u>–</u>	<u>10,346</u>	<u>10,346</u>
Interest income	<u>–</u>	<u>–</u>	<u>(7,477)</u>	<u>(7,477)</u>
Depreciation of plant and equipment	<u>–</u>	<u>–</u>	<u>860</u>	<u>860</u>
Depreciation of right-of-use assets	<u>–</u>	<u>–</u>	<u>948</u>	<u>948</u>
Finance costs	<u>–</u>	<u>–</u>	<u>379</u>	<u>379</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>
<b>Year ended 31 December 2024</b>				
<i>Amounts included in the measure of segments results or segment assets:</i>				
Impairment loss of investments in films, drama and non-drama	8,493	–	–	8,493
(Reversal of the impairment loss) Impairment loss of trade and other receivables	(700)	1,034	–	334
<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> )	–	–	145	145
Interest income	–	–	(12,428)	(12,428)
Depreciation of plant and equipment	–	–	755	755
Depreciation of right-of-use assets	–	–	1,880	1,880
Finance costs	–	–	608	608

*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 <i>RMB'000</i>	Hong Kong <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<i>Revenue from external customers</i>				
<b>Year ended 31 December 2025</b>	<b>96,474</b>	<b>49,098</b>	<b>8,150</b>	<b>153,722</b>
Year ended 31 December 2024	14,839	36,415	381	51,635
<i>Non-current assets (Note)</i>				
<b>As at 31 December 2025</b>	<b>808</b>	<b>8,879</b>	–	<b>9,687</b>
As at 31 December 2024	3,125	1,287	–	4,412

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

## 5. OTHER INCOME, GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	7,477	12,428
Net exchange gain (loss)	102	(188)
Government grants and other subsidies	97	106
Written off of other payables	–	143
Others	949	1,283
	<b>8,625</b>	<b>13,772</b>

## 6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interests on:		
Bank borrowing	263	335
Lease liabilities	116	273
	<u>379</u>	<u>608</u>

## 7. INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Hong Kong Profits Tax	408	–
PRC Enterprise Income Tax (“EIT”)	44	149
	<u>452</u>	<u>149</u>
(Overprovision) Underprovision in prior years:		
Hong Kong Profits Tax	(46)	1,646
	<u>(46)</u>	<u>1,646</u>
Deferred tax charge	58	36
Total	<u>464</u>	<u>1,831</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 of Hong Kong Profits Tax, 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%. Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 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 2025 and 2024.

## 8. LOSS FOR THE YEAR

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Directors' emoluments:		
Fees	2,517	1,894
Contributions to retirement benefits scheme	—	—
	<u>2,517</u>	<u>1,894</u>
Staff costs:		
Salaries and allowances	13,325	17,756
Contributions to retirement benefits scheme	912	1,639
	<u>14,237</u>	<u>19,395</u>
Total staff costs (including directors' emoluments)	<u><u>16,754</u></u>	<u><u>21,289</u></u>
Amortisation of television programme rights	1,123	1,126
Impairment loss of investments in films, drama and non-drama	29,005	8,493
Impairment loss of films, drama and non-drama productions in progress	4,123	—
Impairment loss of trade and other receivables	2,214	334
Bad debts	—	2,275
Auditors' remuneration	874	879
Depreciation of plant and equipment	860	755
Depreciation of right-of-use assets	948	1,880
Net exchange (gain) loss	<u>(102)</u>	<u>188</u>

## 9. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the purpose of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	<u>(14,211)</u>	<u>(5,779)</u>

	2025 <i>'000</i>	2024 <i>'000</i>
<b>Number of shares</b>		
Number of ordinary shares for the purpose of basic and diluted loss per share	<u>1,419,610</u>	<u>1,419,610</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 years ended 31 December 2025 and 2024.

## 10. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Investments in films, drama and non-drama	139,941	101,164
Less: accumulated impairment	<u>(72,468)</u>	<u>(45,914)</u>
	<u>67,473</u>	<u>55,250</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.

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Films, drama and non-drama productions in progress	<b>61,741</b>	73,946
Less: accumulated impairment	<b>(4,027)</b>	—
	<b>57,714</b>	73,946

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.

## 12. TRADE AND OTHER RECEIVABLES

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Trade receivables	<b>23,877</b>	18,863
Less: allowance for impairment of trade receivables	<b>(14,254)</b>	(14,030)
	<b>9,623</b>	4,833
Other receivables and deposits	<b>1,928</b>	4,082
Prepayments	<b>9,169</b>	11,569
Trade and other receivables	<b>20,720</b>	20,484

As at 31 December 2025, the gross amount of trade receivables arising from contracts with customers amounted to RMB23,877,000 (2024: RMB18,863,000).

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:

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Within 90 days	<b>7,967</b>	2,375
91 to 180 days	<b>663</b>	213
181 to 365 days	<b>488</b>	219
Over 365 days	<b>505</b>	2,026
Total	<b>9,623</b>	4,833

### 13. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u>18,013</u>	<u>18,387</u>
Other payables	6,660	12,439
Accrued payroll and accruals	<u>6,278</u>	<u>3,968</u>
	<u>12,938</u>	<u>16,407</u>
Trade and other payables	<u><u>30,951</u></u>	<u><u>34,794</u></u>
Contract liabilities	<u><u>20,028</u></u>	<u><u>60,819</u></u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	11,479	9,809
91 to 180 days	1,766	1,251
181 to 365 days	3,183	827
Over 365 days	<u>1,585</u>	<u>6,500</u>
Total	<u><u>18,013</u></u>	<u><u>18,387</u></u>

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

### 14. EVENTS AFTER THE REPORTING PERIOD

On 21 January 2026, the Company announced the proposed acquisition of the entire issued share capital of CMC Moon Holdings Limited (the “**Sale Shares**”) from CMC Inc. (“**CMC**”, which is a substantial shareholder of the Company) through a wholly-owned subsidiary of CMC. The purchase price for the Sale Shares is RMB4,576.50 million (equivalent to approximately HK\$5,097.52 million, based on the exchange rate agreed by the Company and CMC), which will be settled by the Company allotting and issuing the consideration shares (being an aggregate of 15,929,741,365 shares of the Company (each a “**Share**”), representing approximately 91.82% of the issued share capital of the Company as enlarged by the issue of the consideration shares at closing) to CMC Moon Group Limited and certain other designated recipients at the issue price of HK\$0.320 per Share.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

Hong Kong's film industry boasts a long and rich history, evolving since the first film screening in Hong Kong in 1897 to become a major filmmaking hub in the Chinese Community and East Asia. With a highly experienced pool of professionals, Hong Kong has produced numerous iconic films and television dramas that have had a profound and lasting impact on both local and international audiences. Notwithstanding this solid foundation, the industry currently faces significant structural challenges, with traditional revenue streams and operational models under considerable pressure.

In recent years, Hong Kong's box office revenue has experienced a sustained decline. In 2025, total box office revenue fell to HK\$1.131 billion from HK\$1.344 billion in 2024, representing a 15% year on year decline. This trend reflects mounting pressures on cinema attendance and traditional theatrical distribution.

Given the limited scale of the local market, the Hong Kong film industry heavily relies on regional markets, especially mainland China. According to Gower Street Analytics, mainland China remained the world's second-largest film market in 2025, accounting for one-fifth of global box office revenue, second only to North America. As reported in PwC's Global Entertainment and Media Outlook 2025-2029, China's entertainment and media sector is projected to reach approximately USD561 billion by 2029, representing about 16% of the global market. Its compound annual growth rate (CAGR) between 2024 and 2029 is expected to be 4.46%, outpacing the global average of 3.66% and Hong Kong's 2.26%. These trends underscore the critical importance of cross-border collaboration and overseas market expansion as key strategies for the sustainable development of Hong Kong's film industry.

In 2026-27 Budget, the government indicated it has so far injected over HK\$9 billion into the Film Development Fund and CreateSmart Initiative to promote the development of arts, culture and creative industries. The government is also committed to supporting investment in Hong Kong films looking to enter the mainland and international film markets through initiatives such as the *Filming Financing Scheme for the Mainland Market*.

With the rise of streaming media and the over-the-top ("OTT") platforms, the entertainment consumption landscape is undergoing profound transformation. The widespread availability of high-speed internet and smart devices has expanded access beyond traditional cinemas, creating new revenue streams. According to PwC's Global Entertainment and Media Outlook 2025-2029, Hong Kong's OTT market is expected to grow at a CAGR of 4.6% over years 2024-2029, driving steady growth in the entertainment and media industry.

In summary, despite challenges such as declining box office revenues, and changing audience behaviors, Hong Kong’s film industry continues to hold broad development prospects and significant growth potential. Supported by government initiatives, regional market expansion, and opportunities arising from new media, the industry’s future will rely heavily on cross-border collaborations and digital transformation to sustain and enhance its prosperity.

## PROSPECT

Building on the success of past productions such as “Flying Tiger” (“飛虎”), “Mission Run” (“廉政狙擊”) and “Line Walker Series” (“使徒行者”), the Group has established a reputable brand presence in Hong Kong’s film and television market. A 25-episode drama series titled “Prism Breakers” (“執法者們”), disciplined forces on Hong Kong’s three major enforcement divisions – the Police Force, the Department of Justice and the Independent Commission Against Corruption, was broadcast in 2025 and reached its highest viewership on terrestrial free-to-air TV channels in Hong Kong of 24.5 points, equivalent to 1.58 million viewers, making it the top-tier TV viewership drama series of 2025. In mainland China, this series has accumulated over 478 million views on the Youku platform and received various accolades from Maoyan Entertainment, including Champion of Maoyan Crime Drama Monthly Effective Plays, Champion of Maoyan Crime Drama Weekly Heat, and Champion of Maoyan Crime Drama Weekly Effective Plays. The drama is also hailed by mainland Chinese media as “revival of Hong Kong dramas”. These achievements demonstrate the strong appeal and market potential of locally produced content.

Looking ahead, the Group has completed the shooting of production of a 22-episode drama series titled “Behind the Queens” (“風華背後”) in 2025 and expected to be released on the Tencent Video platform in 2026. The drama features a special appearance by Liza Wang (汪明荃), and stars Ada Choi (蔡少芬), Athena Chu (朱茵), Bosco Wong (黃宗澤), Shaun Tam (譚俊彥), John Chiang (姜大衛), Yumiko Cheng (鄭希怡) and Jacky Cai (蔡潔) in leading roles. At the same time, the Group is actively expanding collaborative opportunities with business partners and investors across mainland China and the Asia-Pacific region to jointly develop competitive film and television projects, driving business diversification and regional integration.

Furthermore, the Group places great emphasis on the strategic management of artiste resources, proactively positioning its roster of actors in various film and television projects to enhance their market exposure and public recognition. By integrating film and television production with artiste and event management, the Group maximizes talent potential and further consolidates its overall competitive advantage.

Amid ongoing challenges in the film industry, the Hong Kong government has injected over HK\$9 billion into the Film Development Fund and CreateSmart Initiative to promote the development of arts, culture, and creative industries. The government remains committed to supporting investments in Hong Kong films targeting the mainland and international markets through initiatives such as the Filming Financing Scheme for the Mainland Market.

To provide more entertainment and media development opportunities, the Group signed a cooperation framework agreement in June 2025 with CMC Inc. and 華人文化有限責任公司 (English transliteration for identification purpose: Huaren Wenhua Limited Liability Company). By leveraging their extensive resources in film development, production, distribution, and marketing, along with robust networks in China and globally, this partnership enables the Group to participate in higher-budget projects, broaden its market presence, and strengthen brand recognition internationally.

In summary, despite facing industry challenges, the Group remains optimistic and proactive. Leveraging its solid production capabilities, rich talent resources, and strong strategic partnerships, the Group continues to invest in the production of high-quality film and television content. Committed to seizing the vast potential of the Greater Bay Area and the Chinese communities all over the world, the Group strives to become one of the leading content producers and curators in the Asia-Pacific region, achieving sustainable development and steady growth.

## BUSINESS REVIEW

During the Year, the Group recorded revenue of RMB153,722,000, an increase by 197.7% as compared to the revenue of RMB51,635,000 for the year ended 31 December 2024 (the “**Previous Year**”). This growth was primarily driven by the release of the production of drama “Prism Breakers” (“**執法者們**”), the investment in “Zhao Jiadi S2” (“**我叫趙甲第第二季**”), as well as its participation in several drama projects with Television Broadcasts Limited (“**TVB**”) in 2025, including “D.I.D. 12” (“**刑偵12**”), “The Queen of Castle” (“**巨塔之后**”) and “The Queen of News 2” (“**新聞女王2**”). 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	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
	Audited	Audited
Films, drama and non-drama	131,233	31,839
Artiste and event management	22,489	19,796
	<u>153,722</u>	<u>51,635</u>

## **Films, Drama And Non-Drama**

### ***Released productions***

The Group successfully released a 25-episode series titled “Prism Breakers” (“執法者們”) disciplined forces on Hong Kong’s three major enforcement divisions – the Police Force, the Department of Justice and the Independent Commission Against Corruption on the Youku platform in mainland China in May 2025. It was subsequently broadcast on the OTT media service platform myTV SUPER and the free-to-air channel of TVB in Hong Kong in June 2025. 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).

### ***Productions in progress***

A 22-episode family drama titled “Behind the Queens” (“風華背後”) tells the story about an affluent family being torn apart by an intense succession battle fought between two close sisters when their father is diagnosed with cancer. Shooting of the drama was commenced and completed in September 2025 and December 2025 respectively. The drama features a special appearance by Liza Wang (汪明荃), and stars Ada Choi (蔡少芬), Athena Chu (朱茵), Bosco Wong (黃宗澤), Shaun Tam (譚俊彥), John Chiang (姜大衛), Yumiko Cheng (鄭希怡) and Jacky Cai (蔡潔) as the leading cast. The drama is currently in the post-production stage and is expected to be released on the Tencent Video platform in 2026.

### ***Investments in films, drama and non-drama***

The Group participated in the several drama projects “D.I.D. 12” (“刑偵12”), “The Queen of Castle” (“巨塔之后”) and “The Queen of News 2” (“新聞女王2”), produced by TVB group. The dramas were successfully released on the Tencent Video and Youku platforms in mainland China in 2025.

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 2025, 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), Rosina Lam (林夏薇), Jeannie Chan (陳滢) and Jacky Cai (蔡潔); 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), Leanne Li (李亞男) and Eliza Sam (岑麗香), as well as popular singer Teresa Carpio (杜麗莎).

## FINANCIAL REVIEW

Revenue of the Group increased from RMB51,635,000 for the Previous Year to RMB153,722,000 for the Year, representing an increase of RMB102,087,000, or by 197.7%. It was mainly due to the increased 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	2025 <i>RMB'000</i> <i>Audited</i>	2024 <i>RMB'000</i> <i>Audited</i>	Change <i>RMB'000</i>	%
Revenue	131,233	31,839	99,394	312.2
Segment loss	(13,945)	(8,598)	(5,347)	62.2
Segment profit margin	N/A	N/A		

Revenue from the films, drama and non-drama segment significantly increased by 312.2% from RMB31,839,000 for the Previous Year to RMB131,233,000 for the Year. The growth was mainly driven by the production of drama “Prism Breakers” (“執法者們”), the Group's investment in “Zhao Jiadi S2” (“我叫趙甲第第二季”), as well as its participation in several drama projects with TVB in 2025, including “D.I.D. 12” (“刑偵12”), “The Queen of Castle” (“巨塔之后”) and “The Queen of News 2” (“新聞女王2”) during the Year. The increase in the reportable segment loss of the films, drama and non-drama segment was mainly due to the increase in impairment loss of investments in films, drama and non-drama and impairment loss of films, drama and non-drama productions in progress and impairment loss of trade and other receivables for the Year.

## Artiste And Event Management

Year ended 31 December	2025 <i>RMB'000</i> <i>Audited</i>	2024 <i>RMB'000</i> <i>Audited</i>	Change <i>RMB'000</i>	%
Revenue	22,489	19,796	2,693	13.6
Segment profit	9,438	3,449	5,989	173.6
Segment profit margin	42.0%	17.4%		

Revenue from the artiste and event management segment increased by 13.6% from RMB19,796,000 for Previous Year to RMB22,489,000 for the Year. This growth was mainly due to the increase in number of concerts performed by the artistes under the Group's management, partially offset by a decline in revenue generated from the livestream commerce operations and a decrease in number of participation in film and drama projects and commercial activities for the artistes under the Group's management. The higher project margin in the artiste and event management segment was due to low absorption of administrative expenses during the Year.

### Cost Of Sales

Cost of sales significantly increased by 286.3% from RMB29,693,000 for the Previous Year to RMB114,714,000 for the Year due to (1) the recognition of production cost of drama "Prism Breakers" ("執法者們") as cost of sales, which resulted from the release of the drama; (2) the recognition of co-production cost in dramas as cost of sales, which resulted from the broadcast of the co-production cost of dramas; and (3) more of event management service costs absorbed by the performance of the concerts during the Year.

### Other Income, Gain And Losses, Net

Other income, gain and losses decreased by 37.4% from RMB13,772,000 for the Previous Year to RMB8,625,000 for the Year. This decline was mainly due to lower interest income from bank deposits resulted from reducing interest rates and decrease in time deposit placement during the Year.

### Selling And Distribution Expenses

Selling and distribution expenses decreased from RMB1,906,000 for the Previous Year to RMB374,000 for the Year, a decrease of 80.4% due to decrease in advertising and promotional activities related to artiste and event management business during the Year.

## **Administrative Expenses**

Administrative expenses decreased from RMB33,565,000 for the Previous Year to RMB25,576,000 for the Year, a decrease of 23.8% due to (1) the decrease in staff headcount; (2) the decrease in depreciation of right-of-use assets was due to the earlier termination of tenancy agreements; and (3) the decrease in other operating expenses, offset by an increase in directors' fee resulting from the appointment of new directors during the Year.

## **Impairment Losses**

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

Impairment loss of investments in films, drama and non-drama of RMB29,005,000 recognised for the Year (2024: RMB8,493,000). 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 films, drama and non-drama productions in progress***

Impairment loss of films, drama and non-drama productions in progress of RMB4,123,000 recognised for the Year (2024: Nil). The impairment loss of films, drama and non-drama productions in progress was made based on the management's estimation of the recoverable amount against the carrying amount of the films, drama and non-drama productions in progress.

### ***Impairment loss of trade and other receivables***

Impairment loss of trade and other receivables of RMB2,214,000 recognised for the Year (2024: RMB334,000). The increase in provision for impairment of trade and other receivables was mainly due to the expected credit loss ("ECL") resulting from the decrease 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 decreased from RMB1,831,000 for the Previous Year to RMB464,000 for the Year, which was mainly due to the decrease in profitability from the major subsidiaries in Hong Kong.

## **Loss For The Year And Loss Attributable To Owners Of The Company**

Loss for the year increased from RMB11,048,000 for the Previous Year to RMB14,503,000 for the Year. Loss attributable to owners of the Company for the Year amounted to RMB14,211,000, an increase of RMB8,432,000 or 145.9% from RMB5,779,000 for the Previous Year. The loss was caused by the increase in the provision of impairment losses on (1) investments in films, drama and non-drama; (2) films, drama and non-drama productions in progress, and (3) trade and other receivables for the Year.

## **Investments In Films, Drama And Non-Drama**

Investments in films, drama and non-drama increased from RMB55,250,000 as at 31 December 2024 to RMB67,473,000 as at 31 December 2025. It was mainly attributable to (1) the additional co-productions in certain new dramas during the Year, and (2) net of the recognition of co-production cost in certain dramas as cost of sales, which resulted from the broadcast of the co-production in certain dramas; and 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 decreased from RMB73,946,000 as at 31 December 2024 to RMB57,714,000 as at 31 December 2025. It was mainly attributable to (1) the recognition of production cost of drama “Prism Breakers” (“執法者們”) as cost of sales, which resulted from the release of the drama on the Youku platform; (2) the provision for impairment loss in film, drama and non-drama productions in progress; and (3) partially offset by the additional production costs of a new drama “Behind the Queens” (“風華背後”) incurred during the Year.

## **Trade Receivables**

Trade receivables from third parties, net of loss allowance, significantly increased from RMB4,833,000 as at 31 December 2024 to RMB9,623,000 as at 31 December 2025, mainly due to the receivables from a customer for the release of investment in a drama 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 2025 are set out in Note 12 to the consolidated financial statements in this announcement.

## **Amounts Due From Related Parties**

Amounts due from related parties significantly decreased from RMB40,212,000 as at 31 December 2024 to RMB21,845,000 as at 31 December 2025. It was mainly due to the receipt of payments from the related parties during the Year.

## **Trade And Other Payables**

Trade and other payables decreased from RMB34,794,000 as at 31 December 2024 to RMB30,951,000 as at 31 December 2025. It was mainly due to the settlement of payments related to artiste fees and drama production costs, partially offset by provisions for administrative expenses and the receipt of a deposit securing a trade receivable during the Year. 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 2025 are set out in the Note 13 to the consolidated financial statements in this announcement.

## **Contract Liabilities**

Contract liabilities significantly decreased by 67.1% from RMB60,819,000 as at 31 December 2024 to RMB20,028,000 as at 31 December 2025. It was mainly attributable to the release of “Prism Breakers” (“執法者們”) on the Youku platform, partially offset by the receipt in advance from drama production and the artiste and event management during the Year.

## **Amounts Due To Related Parties**

Amounts due to related parties increased from RMB2,521,000 as at 31 December 2024 to RMB7,170,000 as at 31 December 2025. It was mainly due to the advance payment received from the related parties during the Year.

## **Liquidity And Financial Resources**

The Group financed its operations with internal resources and bank borrowing, whenever necessary. As at 31 December 2025, the Group holds RMB266,882,000 in bank balances and cash (31 December 2024: RMB318,150,000), indicating that a healthy and sound financial position was maintained. The Group’s bank balances and cash were denominated in HK\$ and RMB.

## **Pledge Of Assets**

As at 31 December 2025, the Group did not have any pledge of assets (31 December 2024: nil).

## **Capital Structure**

As at 31 December 2025, the Group’s equity attributable to owners of the Company decreased by 7.2% to RMB399,710,000 (31 December 2024: RMB430,508,000). Net asset value per share attributable to owners of the Company decreased to RMB28.16 cents (31 December 2024: RMB30.33 cents. Current ratio was 6.8 (31 December 2024: 4.8). As at 31 December 2025 and 31 December 2024, the number of total issued shares of the Company was 1,419,610,000.

## **Capital Commitments And Contingent Liabilities**

As at 31 December 2025, the Group had a capital commitment of RMB1,000,000 in the form of the unpaid registered capital of an associate (31 December 2024: RMB1,000,000).

## **FINAL DIVIDEND**

The Board of the Company 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\$ and RMB.

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**

As at 31 December 2025, the Group's interest-bearing bank borrowing denominated in HK\$ decreased from RMB4,712,000 as at 31 December 2024 to RMB4,494,000 due to the appreciation 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 1.01% as at 31 December 2025 (31 December 2024: 0.92%).

## **HUMAN RESOURCES**

As at 31 December 2025, the Group had a total of 32 employees (excluded directors) (31 December 2024: 51 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, labour, 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 environmental policies and performance of the Group will be disclosed in the "Environmental, Social and Governance Report" which will be published on the websites of the Company at [www.shawbrotherspictures.com](http://www.shawbrotherspictures.com) (the "**Corporate Website**") and the website of the Stock Exchange for listed issuers information at [www.hkexnews.hk](http://www.hkexnews.hk) (the "**Stock Exchange's Website**") in April 2026.

## **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.

## EVENTS AFTER THE REPORTING PERIOD

On 21 January 2026, the Company and CMC Inc. (“**CMC**”, which is a substantial shareholder of the Company), entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to acquire, and CMC has conditionally agreed to sell (through its wholly-owned subsidiary), the entire issued share capital of CMC Moon Holdings Limited (the “**Sale Shares**”). The purchase price for the Sale Shares is RMB4,576.50 million (equivalent to approximately HK\$5,097.52 million, based on the exchange rate agreed by the Company and CMC), which will be settled by the Company allotting and issuing the consideration shares (being an aggregate of 15,929,741,365 shares of the Company (each a “**Share**”), representing approximately 91.82% of the issued share capital of the Company as enlarged by the issue of the consideration shares at closing) to certain designated recipients at the issue price of HK\$0.320 per Share. Further details are disclosed in the Company’s announcements dated 21 January 2026, 11 February 2026 and 11 March 2026.

Saved as disclosed above, there were no other significant events that have occurred subsequent to the end of the reporting period and up to the date of this announcement.

## 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 four members comprising Mr. Poon Kwok Hing Albert (chairman), Mr. Pang Hong, Miss Szeto Wai Ling Virginia and Mr. Ge Jun, 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 (including sale of treasury shares) during the Year. As at 31 December 2025, the Company did not hold any treasury shares.

## **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 for 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, 24 March 2026

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

Mr. Ge Jun