



Line Walker



Flagship Entertainment Inaugural Press Conference



Singers of The Voice Entertainment Group



REVIEW OF OPERATIONS

OTHER HONG KONG OPERATIONS

INVESTMENTS IN MOVIE BUSINESSES

FLAGSHIP ENTERTAINMENT GROUP

As announced in September 2015, TVB has partnered with CMC and Warner Bros. Entertainment in investing in a new platform Flagship Entertainment Group for the purpose of developing and producing a slate of Chinese-language films, including global tent poles for distribution in Mainland China and internationally. Through a joint venture with CMC, TVB has an effective 5% interest in Flagship Entertainment Group.

SHAW BROTHERS PICTURES

Towards the end of 2015, a new movie *Line Walker* which is a spin-off from another hit TVB drama serial commenced production, with a strong line-up of major stars including Louis Koo, Nick Cheung, Francis Ng, Charmaine Sheh, Zhang Huiwen and Li Guangjie. *Line Walker* is targeted for release in the summer of 2016.

TVB has further invested in other movies which are at different stages of production or preparation. *From Vegas to Macau III* which is directed by Andrew Lau and Wong Jing and with a strong team including Chow Yun-fat, Andy Lau, Nick Cheung and Li Yuchun was released to the markets during the Chinese New Year period in early 2016. TVB is also producing other movies like *Girl of the Big House* starring Francis Ng, Miriam Yeung and Angela Wang, which is targeted for release in 2016. Another movie under production is *From Losers To Winners*, starring Alan Tam, Kenny Bee and other members of the band Wynners, is at its initial preparation stage.

Besides movie production, TVB will distribute an animated film *Monkey King: Hero Is Back* in the summer of 2016. The film is to date the highest-grossing animated film released in Mainland China, surpassing *Kung Fu Panda 2*.

Looking forward, TVB will continue to develop its movie production and remake hit TVB drama serials as well. With its distribution business in coming years, it is expected that the movie related income will have a stable growth.

HONG KONG PAY TV PLATFORM

As announced on 4 August 2015, our net interest in the Hong Kong pay TV platform, TVBPAH, was fully impaired as at 30 June 2015. Operating under the name of TVB Network Vision, this business is being progressively downsized, in view of the development of the new OTT service. Subscribers on this platform shall gradually be migrated into the new OTT service. During the year, TVB continued to equity pick-up a net loss of TVBPAH in the amount of approximately HK\$33 million (2014: HK\$72 million).

MUSIC ENTERTAINMENT

Operating under a wholly-owned subsidiary, The Voice Entertainment Group Limited engages in artistes' sound recordings, music productions, music copyrights management, music publishing and artistes management, which comprise primarily the production and the ownership of musical titles developed and written for TVB drama serials and programmes, and the management of a growing number of performing singers for the station's music platform. Over the years, a number of singers have successfully developed their career in musical performance in Hong Kong, through many TVB's platforms.

PUBLICATION

TVB publishes a magazine TVB Weekly, which carries an overall programme guide for all TV channels in Hong Kong, and news and promotional articles relating to our programmes and artistes. An electronic version of the magazine is also available through a mobile app TVB Zone.

Amid ongoing economic uncertainty and shrinking advertising budgets, particularly among the luxury brands, stringent cost control measures were implemented. As part of an overall cost control measure, publication of Live, an upmarket supplement of TVB Weekly, has been changed from weekly to monthly, since July 2015. The resulting savings in printing costs helped improve the profitability of this business.