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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Television Broadcasts Limited**, you should at once hand this circular and the accompanying proxy form, declaration form and explanatory notes thereto to the purchaser or transferee or to the licensed securities dealer, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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### **Television Broadcasts Limited**

**電視廣播有限公司**

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

**(1) CONNECTED TRANSACTION IN RELATION TO THE  
ALLOTMENT OF NEW SHARES UNDER SPECIFIC MANDATE**

**AND**

**(2) NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**(3) PROPOSALS FOR RE-ELECTION OF DIRECTORS**

**AND**

**(4) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

**Independent Financial Adviser**

**to the Independent Board Committee and Independent Shareholders**



**SOMERLEY CAPITAL LIMITED**

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A letter from the Board is set out on pages 6 to 20 of this circular. A letter from the Independent Board Committee is set out on pages 21 to 22 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 41 of this circular.

A notice convening the AGM to be held at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong on Friday, 28 June 2024 at 4:00 p.m. is set out on pages 42 to 46 of this circular. A proxy form for the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event, not later than forty-eight (48) hours (excluding public holidays) before the time appointed for the holding of the AGM (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM (or at any adjournment thereof) should you so wish and in such event, the proxy form shall be deemed to be revoked.

24 May 2024

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## DEFINITIONS

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In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened at 4:00 p.m. on Friday, 28 June 2024 at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong for the purposes of, among other things, considering and, if thought fit, approving the resolutions contained in the notice of AGM which is set out on pages 42 to 46 of this circular, or any adjournment thereof
“Announcement”	the announcement of the Company dated 13 May 2024 in relation to the Subscription and the GF Subscription
“Articles of Association”	the articles of association of the Company, as amended, modified or supplemented from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the Audit Committee of the Board
“Board”	the board of Directors of Company
“Broadcasting Ordinance”	the Broadcasting Ordinance (Chapter 562 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“Business Day(s)”	a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general commercial business
“CMC M&E Acquisition”	CMC M&E Acquisition Co. Limited, a company incorporated in the British Virgin Islands which is ultimately controlled by Mr. Li Ruigang, a non-executive Director

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## DEFINITIONS

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“Communications Authority”	the Communications Authority of Hong Kong, an independent statutory body established under the Communications Authority Ordinance (Chapter 616 of the Laws of Hong Kong) on 1 April 2012
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“Company” or “TVB”	Television Broadcasts Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 00511)
“Completion Date”	the 5th Business Day after the last condition is satisfied in accordance with the Subscription Agreement, or such other date as the parties may agree in writing
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bond(s)”	the convertible bonds in the aggregate principal amount of HK\$156 million issued by the Company to Cardy Oval Limited pursuant to the subscription agreement dated 16 August 2023, details of which are set out in the Company’s announcements dated 16 August 2023 and 8 September 2023
“Director(s)”	the director(s) of the Company
“EPL”	Ever Port Limited, a company incorporated in the British Virgin Islands which is wholly owned by Mr. Kenneth Hsu Kin, a non-executive Director
“Executive Committee”	the Executive Committee of the Board
“Existing Issue Mandate”	the existing general mandate granted to the Directors by the Shareholders on 31 May 2023 to allot, issue and deal with additional Shares not exceeding 10% of the number of Shares in issue at the date of passing the relevant ordinary resolution

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## DEFINITIONS

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“Existing Repurchase Mandate”	the existing general mandate granted to the Directors by the Shareholders on 31 May 2023 to exercise the powers of the Company to repurchase Shares not exceeding 5% of the number of Shares in issue at the date of passing the relevant ordinary resolution
“GF Subscription”	subscription by GF Global Capital Limited for 8,743,836 new Shares pursuant to and in accordance with the terms and conditions of the subscription agreement between the Company and GF Global Capital Limited dated 13 May 2024, details of which are set out in the Announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising Dr. William Lo Wing Yan, Dr. Allan Zeman and Mr. Felix Fong Wo, being the independent non-executive Directors, established to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription
“Independent Shareholders”	the Shareholders, other than the Subscriber and its associates
“Latest Practicable Date”	20 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the Nomination Committee of the Board
“PRC”	the People’s Republic of China, which for the purpose of this document only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Regulatory Committee”	the Regulatory Committee of the Board
“Remuneration Committee”	the Remuneration Committee of the Board
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“Share Issue Mandate”	the general mandate proposed to be granted to the Directors to allot, issue and deal with additional Shares not exceeding 10% of the number of Shares in issue at the date of passing the proposed ordinary resolution as set out in the notice of the AGM
“Share Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares not exceeding 5% of the number of Shares in issue at the date of passing the proposed ordinary resolution as set out in the notice of the AGM
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Share Option(s)”	a right to subscribe for Shares pursuant to the Share Option Scheme or any share option granted thereunder
“Share Option Scheme”	the share option scheme adopted by the Company on 29 June 2017

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## DEFINITIONS

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“Specific Mandate”	the specific mandate for the allotment and issue of the Subscription Shares, which is subject to approval by the Independent Shareholders’ voting by way of poll at the AGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “SBL”	Shaw Brothers Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company
“Subscription”	subscription by the Subscriber for the Subscription Shares pursuant to and in accordance with the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 13 May 2024 entered into between the Company and Subscriber in respect of the subscription of 20,000,000 new Shares at the Subscription Price
“Subscription Price”	HK\$4.00 per Subscription Share
“Subscription Share(s)”	the 20,000,000 new Shares to be subscribed for by the Subscriber and to be issued and allotted by the Company pursuant to and in accordance with the terms and conditions of the Subscription Agreement
“YLA”	Young Lion Acquisition Co. Limited, a company incorporated in the British Virgin Islands which is wholly-owned by YLH
“YLH”	Young Lion Holdings Limited, a company incorporated in the British Virgin Islands which is ultimately controlled by EPL
“%”	per cent.

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## LETTER FROM THE BOARD

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### **Television Broadcasts Limited**

**電視廣播有限公司**

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

Board of Directors:

**Executive Chairman**

Thomas HUI To

**Non-executive Directors**

LI Ruigang

Anthony LEE Hsien Pin

Kenneth HSU Kin

**Independent Non-executive Directors**

Dr. William LO Wing Yan JP

Dr. Allan ZEMAN GBM, GBS, JP

Felix FONG Wo BBS, JP

Registered office:

TVB City

77 Chun Choi Street

Tseung Kwan O Industrial Estate

Kowloon

Hong Kong

24 May 2024

Dear Shareholders,

**(1) CONNECTED TRANSACTION IN RELATION TO THE  
ALLOTMENT OF NEW SHARES UNDER SPECIFIC MANDATE  
AND  
(2) NOTICE OF ANNUAL GENERAL MEETING  
AND  
(3) PROPOSALS FOR RE-ELECTION OF DIRECTORS  
AND  
(4) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

**1. INTRODUCTION**

On behalf of the Board, I would like to invite you to the AGM to be held at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong on Friday, 28 June 2024 at 4:00 p.m.



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information in relation to, among other things (i) the connected transaction in relation to the Subscription under Specific Mandate, (ii) the notice of the AGM, (iii) the proposals for re-election of the Directors, (iv) the proposal for the Share Issue Mandate, and (v) the proposal for the Share Repurchase Mandate.

### 2. CONNECTED TRANSACTION IN RELATION TO THE ALLOTMENT OF NEW SHARES UNDER SPECIFIC MANDATE

#### 2.1 BACKGROUND

The Company refers to its Announcement dated 13 May 2024 in relation to, among others, the Subscription Agreement between the Company and the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 20,000,000 Subscription Shares at the Subscription Price of HK\$4.00 per Subscription Share in accordance with the terms and conditions as set out in the Subscription Agreement.

#### 2.2 PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised below:

##### **Date**

13 May 2024

##### **Parties**

- (i) The Company
- (ii) The Subscriber

##### **Subscription Shares**

The number of Subscription Shares represents:

- (i) approximately 4.56% of the total number of issued Shares as at the date of the Announcement;

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## LETTER FROM THE BOARD

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- (ii) approximately 4.36% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately following the completion of Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of the Announcement and the Completion Date); and
- (iii) approximately 3.86% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately following the completion of Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of the Announcement and the Completion Date, other than the new Shares to be allotted and issued pursuant to the GF Subscription and pursuant to the full exercise of outstanding Share Options and full conversion of the Convertible Bonds).

### **Subscription Price**

The Subscription Price of HK\$4.00 per Subscription Share represents:

- (i) a premium of approximately 7.24% to the closing price of HK\$3.73 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a premium of approximately 12.68% to the average closing price of approximately HK\$3.55 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to (i) the recent market price of the Shares; (ii) the recent trading volume of the Shares; and (iii) the current market conditions.

The total Subscription Price of HK\$80.00 million will be payable by the Subscriber in cash at the completion of the Subscription.

Specifically, the Company and the Subscriber referred to the average closing market prices of the Shares in the 1-month, 3-month and 6-month periods prior to the date of the Subscription Agreement, which were HK\$3.279, HK\$3.283 and HK\$3.254 respectively. The Subscription Price represents a premium of 21.8% to 22.9% over these average closing prices.

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## LETTER FROM THE BOARD

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The Company and the Subscriber also referred to the average closing market prices of the Shares, as weighed by the daily trading volumes of the Shares, over the 1-month, 3-month and 6-month periods prior to the date of the Subscription Agreement, which were HK\$3.364, HK\$3.342 and HK\$3.321 respectively. The Subscription Price represents a premium of 18.9% to 20.5% over these volume-weighted average closing prices.

Furthermore, the Company and the Subscriber referred to the subscription price of HK\$3.36 agreed by GF Global Capital Limited, a third-party investor, in respect of the subscription of 8,743,836 Shares pursuant to the GF Subscription announced on the same date as the Subscription Agreement. The Subscription Price represents a premium of 19.0% over this subscription price agreed by GF Global Capital Limited.

Finally, the Company and the Subscriber referred to the Company's net asset value per Share of HK\$6.28, based on its latest reported shareholders' equity of HK\$2,751 million as at 31 December 2023. The Subscription Price represents a discount of 36.3% to this latest calculated net asset value per Share. The closing price of the Shares had been below the net asset value per Share in approximately 98% of the trading days during the period of 2 May 2023 and 13 May 2024 and had been continuously below the net asset value per Share since 5 June 2023.

In view of the above, the Directors (including the independent non-executive Directors) observed that the Subscription Price represents a significant premium over (i) the closing market prices of the Shares over recent historical periods, including on a volume-weighted basis; and (ii) the price a third-party investor such as GF Global Capital Limited, with no significant prior history of investing in the Shares, and with access only to publicly available information of the Company, is willing to pay. Considering that the Subscriber is already the Company's largest single shareholder, and the Subscription will add further to the Subscriber's already significant voting rights, the Directors (including the independent non-executive Directors) believed such a premium is appropriate.

The Directors (including the independent non-executive Directors) were therefore of the view that although the Subscription Price represents a discount to the Company's net asset value per Share, it is fair and reasonable, and in the interests of the Company and its shareholders.

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## LETTER FROM THE BOARD

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### **Ranking of the Subscription Shares**

The Subscription Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

### **Conditions precedent**

Completion of the Subscription is subject to the fulfilment of the following conditions:

- (i) the passing by the Independent Shareholders at the AGM of resolutions approving the Subscription Agreement and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares;
- (ii) the grant by the Communications Authority of the relevant notice of waiver in relation to the revised shareholding structure of the Company as a result of the Subscription; and
- (iii) the Listing Committee having granted the listing of and the permission to deal in the Subscription Shares, and such approval and granting of permission not having been withdrawn or revoked.

None of the conditions stated above can be waived. In the event that the conditions are not fulfilled on or before 30 September 2024 or such other date as may be agreed by the Company and the Subscriber, the Subscription Agreement shall automatically terminate and no party shall have any claim under the Subscription Agreement of any nature whatsoever against the other party (except in respect of any rights and liabilities which have accrued before termination or under any of the surviving provisions). For the avoidance of doubt, the completion of the GF Subscription and the Subscription are not inter-conditional upon each other.

As of the Latest Practicable Date, none of the conditions stated above have been fulfilled.

The Company will make an application to (i) the Communications Authority in relation to the revised shareholding structure of the Company and (ii) the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange in due course.

Completion of the Subscription Agreement is expected to take place by 30 September 2024.

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## LETTER FROM THE BOARD

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### **Termination**

The Subscriber may terminate the Subscription Agreement by notice to the Company at any time before completion if any of the following circumstances arises or occurs at any time before completion, namely:

- (a) the Shares ceasing to be listed or traded on the Stock Exchange, save for: (i) any temporary suspension or halt not exceeding five consecutive trading days; or (ii) suspension or halt resulting from compliance with the Listing Rules for the purposes of consummation of the transactions contemplated under the Subscription Agreement, or such longer period as the Subscriber may accept in writing, or any indication being received by the Company from the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected; and
- (b) any order, writ, injunction or decree being entered and being in effect by any court of competent jurisdiction or any governmental or regulatory instrumentality or authority, or any statute, rule, regulation, decision or other requirement being promulgated or enacted and being in effect, that restrains, enjoins, invalidates or delays the transactions contemplated under the Subscription Agreement.

If the Subscriber terminates the Subscription Agreement in accordance with the above, no party shall have any claim of any nature whatsoever against the other party (except in respect of any rights and liabilities which have accrued before termination or under any of the surviving provisions).

### **Lock-up undertaking**

Subject to certain exceptions, the Subscriber agrees and undertakes to the Company that the Subscriber will not, whether directly or indirectly, at any time during the period of six months from the Completion Date:

- (a) sell, offer to sell, contract or agree to sell, pledge, mortgage, charge, hypothecate, lend, grant any option, warrant or other right to purchase, or otherwise transfer or dispose of or create a third party right over, either directly or indirectly, conditionally or unconditionally, any Subscription Shares;

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## LETTER FROM THE BOARD

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- (b) enter into any swap or other arrangement that transfers to another person, in whole or in part, any of the economic consequences of ownership of any Subscription Shares;
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or
- (d) offer to or contract to or agree to or publicly disclose that it will enter into any transaction described in paragraphs (a), (b) or (c) above.

Having considered the above lock-up undertaking, the Directors (including the independent non-executive Directors) are of the view that a lock-up period of 6 months is fair and reasonable given (i) the Subscriber is currently the Company's largest single shareholder (and any change to the existing shareholding structure of the Company would in any event require a waiver from the Communications Authority) and (ii) it would reduce the possible negative impact of the issuance of new Shares on the market price of the Shares.

### **Completion**

Completion of the Subscription shall take place on the 5th Business Day after the date that the conditions precedent of the Subscription Agreement have been fulfilled or such other date as may be agreed by the Company and the Subscriber.

### **2.3 SPECIFIC MANDATE**

The Subscription Shares will be allotted and issued under the Specific Mandate proposed to be obtained from the Independent Shareholders at the AGM.

### **2.4 APPLICATION FOR LISTING**

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

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## LETTER FROM THE BOARD

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### 2.5 REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Following its signing earlier in 2024 of an expanded drama co-production partnership agreement with mainland Chinese video streaming platform Youku, the Group expects to commence filming and production of ten drama titles in the second half of 2024. While this is expected to generate substantial incremental revenue for the Group, the production of such a quantity of drama titles will also require incremental working capital in the initial stages, due to the customary lag between the Group's incurrence of production costs and its receipt of progress payments from its co-production partners such as Youku.

The Directors (including the independent non-executive Directors) have also considered other alternative fund-raising methods such as debt financing, rights issue or open offer.

While in the 12 months prior to the date of the Subscription Agreement, the Group has successfully obtained new working capital loan facilities in mainland China from East West Bank, Shanghai Pudong Development Bank and China Merchants Bank amounting to over RMB400 million in aggregate size. These facilities are subject to repayment and renewal every twelve months, and any usage of these funds to defray costs incurred outside mainland China, for example in Hong Kong, are also subject to conditions and applicable taxes. As such, there are operational imitations on the Group's usage of these facilities over the coming months. In addition, the Company already had total borrowings of HK\$2,195 million as at 31 December 2023, and as a matter of prudence, desires not to increase its overall borrowings further.

Furthermore, rights issue or open offer may also involve relatively longer time and higher cost to complete as compared to the equity financing through the Subscription. The Company estimates that an additional amount of approximately HK\$2 million to HK\$3 million (including any relevant commissions, legal fees and documentation preparation fees), and an additional two to three months (for the preparation and the fund-raising process), will be required for conducting a rights issue or an open offer.

On the other hand, through the Subscription, the Company can obtain funds that are (i) permanent and flexible in their terms of usage; and (ii) enhance the Group's liquidity level without imposing financial risks.

The Directors (including the independent non-executive Directors), having considered the above, assess that the Subscription is in the interest of the Company and its shareholders as a whole, notwithstanding its dilutive effect.

In addition, the Company also believes that the Subscriber's willingness to add to its existing shareholdings is a positive indication of confidence in the Company's performance and long-term prospects.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that (i) the allotment and issue of the Subscription Shares is an appropriate means of raising additional capital for the business operations of the Company; (ii) the terms of the Subscription Agreement (including the Subscription Price) are on normal commercial terms and are fair and reasonable; and (iii) the Subscription is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### 2.6 USE OF PROCEEDS

The gross proceeds from the issue of the Subscription Shares are expected to be HK\$80.00 million and the net proceeds from the issue of the Subscription Shares (after deducting the related expenses) will be approximately HK\$78.80 million. The Company will reserve the entire amount as working capital for the Group's drama co-production projects with mainland Chinese streaming platform partners.

The Group expects to commence filming and production of ten co-production drama titles in the second half of 2024, which is a relatively large number of titles for the Group to produce within such a period. Subject to the timing and cash expense cycles of the different dramas involved, the Group expects to fully utilize the net proceeds from the Subscription before 31 December 2024.

### 2.7 EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has conducted the following equity fundraising activity in the past 12 months immediately preceding the Latest Practicable Date:

Date of relevant announcements	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
16 August 2023 and 8 September 2023	Issue of Convertible Bonds under general mandate	Approximately HK\$155 million	General corporate purposes	All the net proceeds has been utilized for general corporate purposes
13 May 2024	Issue of new Shares under general mandate	Approximately HK\$28.50 million	General corporate purposes, including working capital for the Group's drama co-production projects with mainland Chinese streaming platform partners	N/A (the Group expects to fully utilize the net proceeds before 31 December 2024)



## LETTER FROM THE BOARD

Save as the abovementioned, the Company has not conducted any other equity fund raising activities during the past 12 months immediately preceding the Latest Practicable Date.

### 2.8 EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company: (i) as at the Latest Practicable Date; (ii) immediately after completion of the Subscription only; and (iii) immediately after completion of both the Subscription and the GF Subscription:

- (a) assuming that there will be no other changes in the issued share capital of the Company between the Latest Practicable Date and the Completion Date:

	As at the Latest Practicable Date		Immediately after completion of the Subscription only		Immediately after completion of both the Subscription and the GF Subscription	
	<i>Number of issued Shares</i>	<i>%<sup>(1)</sup></i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Subscriber <sup>(2)(3)(4)</sup>	96,817,527	22.09	116,817,527	25.49	116,817,527	25.02
Silchester International Investors LLP <sup>(5)</sup>	53,577,200	12.23	53,577,200	11.69	53,577,200	11.47
GF Global Capital Limited	–	–	–	–	8,743,836	1.87
Other Public Shareholders	287,823,273	65.68	287,823,273	62.81	287,823,273	61.64
<b>Total</b>	<b>438,218,000</b>	<b>100.00</b>	<b>458,218,000</b>	<b>100.00</b>	<b>466,961,836</b>	<b>100.00</b>

- (b) assuming that there will be no other changes in the issued share capital of the Company between the Latest Practicable Date and the Completion Date, other than the new Shares to be allotted and issued pursuant to the full exercise of outstanding Share Options and full conversion of the Convertible Bonds:

	As at the Latest Practicable Date		Immediately after completion of the Subscription only		Immediately after completion of both the Subscription and the GF Subscription	
	<i>Number of issued Shares</i>	<i>%<sup>(1)</sup></i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Subscriber <sup>(2)(3)(4)</sup>	96,817,527	22.09	116,817,527	22.91	116,817,527	22.52
Silchester International Investors LLP <sup>(5)</sup>	53,577,200	12.23	53,577,200	10.51	53,577,200	10.33
GF Global Capital Limited	–	–	–	–	8,743,836	1.69
Convertible Bonds holder	–	–	35,056,164	6.88	35,056,164	6.76
Other Public Shareholders	287,823,273	65.68	304,455,273	59.71	304,455,273	58.70
<b>Total</b>	<b>438,218,000</b>	<b>100.00</b>	<b>509,906,164</b>	<b>100.00</b>	<b>518,650,000</b>	<b>100.00</b>

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## LETTER FROM THE BOARD

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*Notes:*

1. Based on 438,218,000 ordinary Shares in issue as at the Latest Practicable Date.
2. The Subscriber is the registered Shareholder of 96,817,527 Shares (excluding the deemed interest in the Subscription Shares). The Subscriber is a wholly-owned subsidiary of YLA, which is in turn a wholly-owned subsidiary of YLH. YLH was controlled by EPL, which was in turn wholly-owned by Mr. Kenneth Hsu Kin, a non-executive Director. Therefore YLA, YLH and EPL are deemed to be interested in the same 96,817,527 Shares held by the Subscriber (excluding the deemed interest in the Subscription Shares).
3. CMC M&E Acquisition was deemed to be interested in the same 96,817,527 Shares held by the Subscriber (excluding the deemed interest in the Subscription Shares). Such interests were held through its interest in YLH. CMC M&E Acquisition is a wholly-owned subsidiary of CMC M&E Holdings Limited, which is in turn a wholly-owned subsidiary of CMC Group Corporation. CMC Group Corporation is wholly-owned by Brilliant Spark Holdings Limited, which is in turn wholly-owned and controlled by Mr. Li Ruigang.
4. Mr. Kenneth Hsu Kin, EPL, CMC M&E Acquisition, YLH, YLA and the Subscriber were the parties of an agreement to hold the interest in these 96,817,527 Shares (excluding the deemed interest in the Subscription Shares). Such agreement was an agreement to which Section 317 of the SFO applied.
5. Silchester International Investors LLP was deemed to be interested in the shares held by Silchester International Investors International Value Equity Trust and certain commingled funds, in the capacity of investment manager. As at the Latest Practicable Date, Silchester International Investors International Value Equity Trust is interested in 25,827,100 Shares, representing 5.89% of the total issued Shares.
6. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
7. These scenarios are for illustrative purpose only.

### **2.9 POSSIBLE ADJUSTMENT TO THE CONVERTIBLE BONDS**

As at the Latest Practicable Date, there are outstanding Convertible Bonds in an aggregate principal amount of HK\$156,000,000 which are convertible into 35,056,164 conversion Shares based on the initial conversion price. Pursuant to the terms and conditions of the instrument constituting the Convertible Bonds, the GF Subscription and Subscription may lead to adjustments to be made to the conversion price and/or the number of conversion Shares to be issued upon exercise of the conversion rights under the Convertible Bonds. A further announcement will be made in respect of the said adjustments if and when appropriate.

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## LETTER FROM THE BOARD

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### 2.10 INFORMATION OF THE GROUP

The Group is Hong Kong's leading television broadcaster and content producer. It is principally engaged in the broadcasting and production of television content, including drama, variety, news and information. Among the Group's five terrestrial free-to-air channels in Hong Kong, four of these channels are self-produced and one of these channels is retransmitted. Other than its five terrestrial free-to-air channels in Hong Kong, the Group also operates OTT streaming platforms including the myTV SUPER service in Hong Kong and TVB Anywhere globally. Outside of Hong Kong, the Group has a major presence in mainland China where it supplies and licenses television content to TV streaming platforms, and also operates a direct-to-consumer streaming service and multichannel networks (MCN) business. Around the world, the Group also licenses content and channels to TV platforms in Southeast Asia, North America and Australia. The Group also has a growing online and new media business, including the Neigbuy e-commerce platform in Hong Kong.

### 2.11 INFORMATION OF THE SUBSCRIBER

The Subscriber is a company incorporated in Hong Kong and is principally engaged in investment holding, including holding of the Shares.

As at the Latest Practicable Date, the Subscriber is a wholly-owned subsidiary of YLA, which is in turn a wholly-owned subsidiary of YLH. YLH is ultimately controlled by Mr. Kenneth Hsu Kin, a non-executive Director.

As at the Latest Practicable Date, CMC M&E Acquisition is deemed to be interested in the Shares held by the Subscriber. Such interests were held through its interest in YLH. CMC M&E Acquisition is a wholly-owned subsidiary of CMC M&E Holdings Limited, which is in turn a wholly-owned subsidiary of CMC Group Corporation. CMC Group Corporation is wholly-owned by Brilliant Spark Holdings Limited, which is in turn wholly-owned and controlled by Mr. Li Ruigang, a non-executive Director.

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## LETTER FROM THE BOARD

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### 2.12 IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, the Subscriber held 96,817,527 Shares, representing approximately 22.09% of the total issued Shares. Accordingly, the Subscriber is a substantial shareholder and a connected person of the Company as defined in the Listing Rules. Therefore, the Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company, which is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the reasons set out in the section headed "Information of the Subscriber", each of Mr. Kenneth Hsu Kin and Mr. Li Ruigang is considered as having a material interest in the Subscription and has abstained from voting on the resolutions of the Board passed in connection with the Subscription.

In addition, Mr. Thomas Hui To, the Executive Chairman of the Company, is a director of YLH, YLA and the Subscriber. Accordingly, Mr. Thomas Hui To is also considered as having a material interest in the Subscription and has abstained from voting on the resolutions of the Board passed in connection with the Subscription.

Save as disclosed above, no other Director was required to abstain from voting on the resolutions of the Board passed in connection with the Subscription.

### 2.13 INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Dr. William Lo Wing Yan, Dr. Allan Zeman and Mr. Felix Fong Wo, has been established to consider, and to advise the Independent Shareholders, among other things, whether the Subscription is fair and reasonable, on normal commercial terms (or better for the Company) and in the interests of the Company and its Shareholders as a whole. The opinion and recommendation from the Independent Board Committee is set out in "Letter from the Independent Board Committee" in this circular below. The Independent Board Committee considers that the Subscription is in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Company has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the terms of the Subscription. The opinion and recommendation from Somerley Capital Limited are set out in “Letter from the Independent Financial Adviser” in this circular below. After considering all the factors as contained in the “Letter from the Independent Financial Adviser”, including, among other things, possible benefits and disadvantages of the Subscription, the Independent Financial Adviser considers that the Subscription is in the interests of the Company and its Shareholders as a whole.

### **3. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the AGM is set out on pages 42 to 46 of this circular. Information regarding the business to be considered by Shareholders at the AGM is detailed in the section headed “Business of Annual General Meeting” on pages 47 to 52 of this circular. Shareholders wishing to vote at the AGM, either in person or by proxy, should complete and return to the Company the Declaration Form, which is included in this circular, by 11 June 2024 in order to comply with the Broadcasting Ordinance.

The Subscriber, being a Shareholder with a material interest in the Subscription and the transactions contemplated thereunder, and its associates, shall abstain from voting on the relevant resolution(s) at the AGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Subscription and will be required to abstain from voting on the resolution(s) to approve the Subscription and the transactions contemplated thereunder at the AGM.

Please refer to Appendix IV for further information in relating to voting and proxy arrangements at the AGM.

### **4. GENERAL**

Your attention is also drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, as well as the Appendices to this circular, among which Appendix II sets out the details of the Directors proposed for re-election at the AGM, Appendix III is the explanatory statement on Share Repurchase Mandate as required under the Listing Rule, and Appendix IV sets out the other information on the AGM.

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## LETTER FROM THE BOARD

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### 5. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the proposed resolutions as set out in the notice of the AGM are in the best interests of the Company and its Shareholders as a whole, and recommend you to vote in favour of all the resolutions at the AGM.

Yours faithfully,

For and on behalf of the Board

**Thomas HUI To**

Executive Chairman

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### **Television Broadcasts Limited**

**電視廣播有限公司**

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

24 May 2024

*To the Independent Shareholders*

Dear Sir or Madam,

#### **CONNECTED TRANSACTION IN RELATION TO THE ALLOTMENT OF NEW SHARES UNDER SPECIFIC MANDATE**

We refer to the circular of the Company dated 24 May 2024 (the “**Circular**”) despatched to the Shareholders, of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to consider the terms of the Subscription Agreement and the transactions contemplated thereunder and to advise the Independent Shareholders in connection therewith. We wish to draw your attention to:

- (i) the letter from the Board set out on pages 6 to 20 of the Circular; and
- (ii) the letter from the Independent Financial Adviser set out on pages 23 to 41 of the Circular, which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders, together with the principal factors and reasons it has taken into consideration.

Having taken into account the opinion of the Independent Financial Adviser as set out in its letter of advice, we consider that (i) the Subscription Agreement is entered into on normal commercial terms or better; and (ii) the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable in so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to approve the Subscription Agreement and the transactions contemplated thereunder at the AGM.

Yours faithfully,

For and on behalf of

**the Independent Board Committee**

**Television Broadcasts Limited**

**Dr. William Lo Wing Yan**

Independent non-executive  
Director

**Dr. Allan Zeman**

Independent non-executive  
Director

**Mr. Felix Fong Wo**

Independent non-executive  
Director



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the letter of advice from the Independent Financial Adviser, Somerley Capital Limited, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



### SOMERLEY CAPITAL LIMITED

20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

24 May 2024

*To: the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

### CONNECTED TRANSACTION IN RELATION TO THE ALLOTMENT OF NEW SHARES UNDER SPECIFIC MANDATE

#### INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the independent board committee and the independent shareholders of Television Broadcasts Limited (the “**Company**”) in relation to the proposed subscription of new shares of the Company by Shaw Brothers Limited (the “**Subscription**”). Details of the Subscription are set out in the “Letter from the Board” (the “**Board Letter**”) contained in the circular of the Company to the shareholders dated 24 May 2024 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

On 13 May 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 20,000,000 Subscription Shares at the Subscription Price.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As set out in the Board Letter, as at the Latest Practicable Date, the Subscriber held 96,817,527 Shares, representing approximately 22.09% of the total issued Shares. Accordingly, the Subscriber is a substantial shareholder and a connected person of the Company as defined in the Listing Rules. Therefore, the Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company, which is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all independent non-executive Directors, namely Dr. William Lo Wing Yan, Dr. Allan Zeman and Mr. Felix Fong Wo, has been established to make a recommendation to the Independent Shareholders in relation to the Subscription. We, Somerley Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard (the "**Engagement**").

During the past two years immediately preceding the Latest Practicable Date, there have been no other engagements between the Company and Somerley Capital Limited. As at the Latest Practicable Date, there were no relationships or interests between (a) Somerley Capital Limited and (b) the Group and the Subscriber that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with respect to the Engagement. During the past two years immediately preceding the Latest Practicable Date, apart from normal professional fees paid or payable to us in connection with the Engagement, no arrangement exists whereby we will receive any fees or benefits from the Company.

In formulating our opinion, we have reviewed the Subscription Agreement, the Circular and the annual report of the Company for the year ended 31 December 2023. We have also discussed with the management of the Company (the "**Management**") regarding the details of the Subscription and outlook of the Company. We have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and the Management and we have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects. We have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter. Accordingly, and together with the principal factors and reasons that we have considered as set out in the section headed "**PRINCIPAL FACTORS AND REASONS CONSIDERED**" below, we consider that we have taken sufficient and necessary steps to comply with the requirements under Rule 13.80(2) of the Listing Rules. However, we have not conducted any independent investigation into the business and affairs of the Group or the Subscriber, nor have we carried out any independent verification of the information supplied.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion with respect to the Subscription, we have taken into account the principal factors and reasons set out below:

#### 1. Information on the Group

With reference to the Board Letter, the Group is principally engaged in the broadcasting and production of television content, including drama, variety, news and information. Among the Company's five terrestrial free-to-air channels in Hong Kong, four of these channels are self-produced and one of these channels is retransmitted. Other than its five terrestrial free-to-air channels in Hong Kong, the Group also operates OTT streaming platforms including the myTV SUPER service in Hong Kong and TVB Anywhere globally. Outside of Hong Kong, the Group has a major presence in mainland China where it supplies and licenses television content to TV streaming platforms, and also operates a direct-to-consumer streaming service and multichannel networks (MCN) business. Around the world, the Group also licenses content and channels to TV platforms in Southeast Asia, North America and Australia. The Group also has an online and new media business, including the Neigbuy e-commerce platform in Hong Kong.

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 December 2022 and 2023 as extracted from the 2023 annual report of the Company:

	<b>For the year ended 31 December 2023 HK\$'000</b>	<b>For the year ended 31 December 2022 HK\$'000</b>	<b>Year-on-year change %</b>
Revenue	3,322,778	3,585,750	(7.33)
– Hong Kong TV Broadcasting	1,397,063	1,294,099	7.96
– OTT Streaming	355,975	349,405	1.88
– e-Commerce Business	486,095	862,595	(43.65)
– Mainland China Operations	728,766	697,777	4.44
– International Operations	354,879	381,874	(7.07)
EBITDA	(140,278)	(338,407)	(58.55)
Loss attributable to equity holders of the Company	<u>762,796</u>	<u>807,132</u>	<u>(5.49)</u>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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	As at 31 December 2023 <i>HK\$'000</i>	As at 31 December 2022 <i>HK\$'000</i>	Year-on-year change %
Cash and cash equivalents	658,832	963,862	(31.65)
Bank deposits maturing after three months	54,863	56,397	(2.72)
Borrowings	2,195,417	2,176,355	0.88
– <i>Borrowings (current)</i>	612,283	599,115	2.20
– <i>Borrowings (non-current)</i>	1,583,134	1,577,240	0.37
Net debt	1,615,904	1,239,649	30.35
Net assets	2,739,180	3,604,235	(24.00)
– <i>Net assets attributable to equity holders of the Company</i>	<u>2,751,534</u>	<u>3,499,017</u>	<u>(21.36)</u>

During the year ended 31 December 2023 (“FY2023”), the Group recorded revenue of approximately HK\$3.32 billion, representing a decrease of approximately 7.33% as compared to that for the year ended 31 December 2022 (“FY2022”). As advised by the Management, such decrease in revenue was mainly attributable to a marked decline in revenue of the e-Commerce segment, which offset positive growth overall in the Group’s core TV-related businesses. The e-Commerce segment, as advised by the Management, was impacted by post-pandemic shifts in the Hong Kong retail market, including a return of physical shopping habits, and the emergence of Shenzhen as a retail destination for Hong Kong residents. During FY2023, the Group recorded EBITDA loss of approximately HK\$140.28 million, representing a decrease of approximately 58.55% as compared to that for FY2022. As advised by the Management, such decrease in EBITDA loss was mainly attributable to (i) the decrease in EBITDA loss from the Hong Kong TV Broadcasting segment of approximately HK\$242 million as a result of growth in revenue and decrease in cash operating cost, (ii) the decrease in selling, distribution and transmission costs (which was mainly due to the distribution costs savings in the e-Commerce segment), and (iii) the decrease in general and administrative expenses (which was mainly due to the cost-saving measures implemented by the Group during FY2023, including headcount reductions, particularly in the Hong Kong TV Broadcasting and e-Commerce segments). The Group recorded net loss attributable to equity holders of the Company of approximately HK\$762.80 million for FY2023, representing a decrease of approximately 5.49% as compared to that for FY2022. As advised by the Management, such decrease in loss was mainly attributable to the above-mentioned reduction in EBITDA loss, which was partially offset by certain extraordinary items of a non-operating nature. As set out in the 2023 annual report of the Company, excluding the effect of extraordinary items of a non-operating nature such as impairment losses on the interest in an associate; intangible assets and changes in the fair values of financial and derivative instruments, the Group’s adjusted loss attributable to equity holders of the Company would otherwise be approximately HK\$607 million for FY2023, representing an improvement of approximately 11% from approximately HK\$679 million for FY2022.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As at 31 December 2023, the Group had cash and cash equivalents, bank deposits maturing after three months and total borrowings of approximately HK\$658.83 million, HK\$54.86 million and HK\$2.20 billion respectively. The Group had gearing ratio (being net debt divided by net assets) of approximately 58.99% as at 31 December 2023 as compared to approximately 34.39% as at 31 December 2022.

As at 31 December 2023, the Group had net assets attributable to equity holders of the Company of approximately HK\$2.75 billion (representing approximately HK\$6.28 per Share (“NAV per Share”) based on 438,218,000 Shares then in issue as at 31 December 2023). Further discussions on the NAV per Share are included in the upcoming sections of this letter.

### **2. Information on the Subscriber**

With reference to the Board Letter, the Subscriber is a company incorporated in Hong Kong and is principally engaged in investment holding and is a substantial Shareholder.

According to the Board Letter, as at the Latest Practicable Date, the Subscriber is a wholly-owned subsidiary of YLA, which is in turn a wholly-owned subsidiary of YLH. YLH is ultimately controlled by Mr. Kenneth Hsu Kin, a non-executive Director. As at the Latest Practicable Date, CMC M&E Acquisition is deemed to be interested in the Shares held by the Subscriber. Such interests were held through its interest in YLH. CMC M&E Acquisition is a wholly-owned subsidiary of CMC M&E Holdings Limited, which is in turn a wholly-owned subsidiary of CMC Group Corporation. CMC Group Corporation is wholly-owned by Brilliant Spark Holdings Limited, which is in turn wholly-owned and controlled by Mr. Li Ruigang, a non-executive Director of the Company.

### **3. Reasons for and benefits of the Subscription and use of proceeds**

We have made reference to the Circular and also discussed with the Management regarding the reasons for and benefits of the Subscription. As set out in the section headed “2.6 USE OF PROCEEDS” of the Board Letter, the net proceeds from the issue of the Subscription Shares (after deducting the related expenses) will be approximately HK\$78.80 million. The net proceeds will be used by the Company as the working capital for the Group’s drama co-production projects with mainland Chinese streaming platform partners.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As set out in the section headed “1. Information on the Group” of this letter above, the Group had a net debt position (total borrowings less cash and cash equivalents and bank deposits maturing after three months) of approximately HK\$1.5 billion as at 31 December 2023, and the current portion of borrowings amounted to approximately HK\$612.3 million as at 31 December 2023, representing approximately 86% of the Group’s cash and cash equivalents and bank deposits maturing after three months as at 31 December 2023. The Group’s gearing ratio (being net debt divided by net assets) increased to approximately 58.99% as at 31 December 2023 from approximately 34.39% as at 31 December 2022. Also, although the Group’s EBITDA loss decreased by approximately 58.55% and loss attributable to equity holders of the Company decreased by approximately 5.49% in FY2023, the Group’s loss attributable to equity holders of the Company was still substantial, amounting to approximately HK\$762.8 million in FY2023.

On the other hand, the Company has worked on different initiatives to improve the Group’s results. As set out in the 2023 annual report of the Company, the Company continued to create a broad range of popular content in FY2023, including but not limited to singing talent show *Midlife, Sing & Shine!* (中年好聲音), documentary series *No Poverty Land III – A Vast Expanse* (無窮之路III – 無垠之疆), and drama series *The Queen of News* (新聞女王). In addition to creating a broad range of popular content, the Group has also carried out measures to save costs, including, among other things, measures announced in early 2023 to save HK\$260 million of costs per year by streamlining content production and reducing overheads, and merger of terrestrial channels 82 and 85 to create a new TVB Plus channel within a reduced 4 channel lineup. The Group has also merged the Zstore online platform with Neigbuy to boost operating efficiency. The Group managed to grow its income from advertisers by 9% for the Hong Kong TV Broadcasting business during FY2023 despite the persistent economic challenges and geopolitical issues affecting Hong Kong.

We have also reviewed the 2023 annual report of the Company and discussed with the Management regarding the Company’s plans in the future. In 2024, the Company is also expanding the advertising market to cover audiences in the Greater Bay Area (“GBA”). The Group has entered into a new arrangement, and can now jointly sell the advertising spots on its mainland broadcast feeds together with its carriage partner, enabling the Group to offer both Hong Kong and mainland advertisers access to the Group’s viewership on a GBA-wide basis. Building on the successful airing in mainland China of the Group’s drama series *The Queen of News* (新聞女王), a popular drama series with 26.98 TVRs (rating performance), the Group has signed a new and expanded co-production agreement with Youku in March 2024 for co-producing an increased number of drama titles from 2024 through to 2026. Already, during the first quarter in 2024, the Group has completed the filming of four (4) co-production drama titles: *Forensic Heroes VI* (法證先鋒VI); *No Room For Crime* (反黑英雄); *Darkside of the Moon* (黑色月光); and *No Return* (巾幗梟雄之懸崖). Over the remainder of 2024, the Group is scheduled to start filming a further ten (10) drama titles for delivery to its co-production partners Youku and Tencent Video in 2025, putting the Group on track for further growth in co-production revenue over the next 2 years. The Management expects that such co-production arrangement will help generate substantial incremental revenue for the Group. However, the production of such a quantity of drama titles will also require incremental working capital in the initial stages, due to the typical lag between the Group’s incurrence of production costs and its receipt of progress payments from its co-production partners such as Youku.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In view of the above, in particular (i) the increased gearing ratio with relatively high level of current portion of borrowings; (ii) the Group's need for continuous content creation and to maintain business momentum; and (iii) higher level of working capital requirement arising from the co-production arrangement with Youku, the Management considers, and we concur, that it is prudent for the Group to raise additional funds to further supplement its liquidity. The Company has also conducted other equity fundraising activity during the past twelve months prior to the date of the Announcement, involving the issue of the Convertible Bond in the second half of 2023 with net proceeds of approximately HK\$155.2 million. The Company has also entered into another equity fundraising activity through the issue of new Shares to an independent third party on the same date of entering into the Subscription Agreement, with a subscription price of HK\$3.36 per Share (i.e. the GF Subscription). As advised by the Management, the Subscriber is optimistic about the Company's prospects, and the Subscriber is thus willing to provide further support to the Company through subscription of the Subscription Shares at the Subscription Price of HK\$4.00, approximately 19.05% higher than the aforesaid price of subscription by the independent third party of the GF Subscription.

We have also discussed with the Management regarding financing alternatives other than equity financing. As set out in the section headed "2.5 REASONS FOR AND BENEFITS OF THE SUBSCRIPTION" of the Board Letter, the Group has successfully obtained new working capital loan facilities in mainland China from East West Bank, Shanghai Pudong Development Bank and China Merchants Bank amounting to over RMB400 million in aggregate size. These facilities are subject to repayment and renewal every twelve months, and any usage of these funds to defray costs incurred outside mainland China, for example in Hong Kong, are also subject to conditions and applicable taxes. As such, there are operational limitations on the Group's usage of these facilities over the coming months. In addition, the Company already had total borrowings of approximately HK\$2,195 million as at 31 December 2023, and as a matter of prudence, desires not to increase its overall borrowings further. On the other hand, through the Subscription, the Company can obtain funds that are (i) permanent and flexible in terms of usage; and (ii) enhance the Group's liquidity level without imposing financial risks. We concur with the Management's view that it is prudent for the Company to raise additional funds through the Subscription after considering the Group's financial situation, including the increase in gearing ratio and the level of borrowings as at 31 December 2023. As mentioned above, the Subscriber is optimistic about the long-term prospects of the Group and is thus willing to subscribe for the Subscription Shares at a Subscription Price higher than the closing price of the Shares on the date of the Announcement and the price of subscription by the independent third party in the GF Subscription. The Management considers that the Subscriber's willingness to add to its existing shareholdings is a positive indication of confidence in the Company's performance and long-term prospects and the Subscription is an appropriate fund raising method.

Taking into account (i) the abovementioned financial conditions of the Group; (ii) the Group's business developments and development plans; and (iii) the support from the Subscriber as reflected by the Subscription Price with premium to closing price, we consider that although the Subscription is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 4. Principal terms of the Subscription

Set out below are the principal terms and conditions of the Subscription Agreement, details of which are set out in the section headed “2.2 PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT” of the Board Letter:

***Date:***

13 May 2024

***Parties:***

- (1) The Company
- (2) The Subscriber

***Subscription Shares:***

The number of Subscription Shares represents:

- (i) approximately 4.56% of the total number of the issued Shares as at the Latest Practicable Date;
- (ii) approximately 4.36% of the total number of the issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately following the completion of Subscription (the “**Completion**”) (assuming that there will be no other changes in the issued share capital of the Company between the Latest Practicable Date and the Completion Date); and
- (iii) approximately 3.86% of the total number of the issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately following the Completion (assuming that there will be no other changes in the issued share capital of the Company between the Latest Practicable Date and the Completion Date, other than the new Shares to be allotted and issued by the general mandate under the GF Subscription, being the subscription of new shares by an independent third party as announced by the Company in the Announcement, and pursuant to the full exercise of outstanding Share Options and full conversion of the Convertible Bonds).



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### ***Subscription price:***

The Subscription Price of HK\$4.00 per Subscription Share was determined after arm's length negotiation between the Company and the Subscriber with reference to (i) the recent market price of the Shares; (ii) the recent trading volume of the Shares; and (iii) the current market conditions. As set out in the section headed "2.2 PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT" of the Board Letter, the Company and the Subscriber have considered, among other things, the average closing market prices and weighed average closing market prices (by the daily trading volumes of the Shares) of the Shares in different periods; (ii) the subscription price agreed in the GF Subscription; and (iii) the Company's NAV per Share as at 31 December 2023. Further details are set out in the aforesaid section in the Board Letter and details of our analysis on the Subscription Price are set out in the section headed "5. Analysis of the Subscription Price" below.

The total Subscription Price of HK\$80.00 million will be payable by the Subscriber in cash at the Completion.

### ***Conditions Precedent:***

Completion of the Subscription is subject to the fulfilment of the following conditions:

- (i) the passing by the Independent Shareholders at the AGM of resolutions approving the Subscription Agreement and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares;
- (ii) the grant by the Communications Authority of the relevant notice of waiver in relation to the revised shareholding structure of the Company as a result of the Subscription; and
- (iii) the Listing Committee having granted the listing of and the permission to deal in the Subscription Shares, and such approval and granting of permission not having been withdrawn or revoked.

None of the conditions stated above can be waived. In the event that the conditions are not fulfilled on or before 30 September 2024 or such other date as may be agreed by the Company and the Subscriber, the Subscription Agreement shall automatically terminate and no party shall have any claim under the Subscription Agreement of any nature whatsoever against the other party (except in respect of any rights and liabilities which have accrued before termination or under any of the surviving provisions). For the avoidance of doubt, the completion of the GF Subscription and the Subscription are not inter-conditional upon each other.

As of the Latest Practicable Date, none of the conditions stated above have been fulfilled.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As mentioned in the Board Letter, the Company will make an application to (i) the Communications Authority in relation to the revised shareholding structure of the Company and (ii) the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange in due course. Completion of the Subscription Agreement is expected to take place by 30 September 2024.

### ***Lock-up undertaking:***

Subject to certain exceptions, the Subscriber agrees and undertakes to the Company that the Subscriber will not, whether directly or indirectly, at any time during the period of six months from the Completion Date:

- (a) sell, offer to sell, contract or agree to sell, pledge, mortgage, charge, hypothecate, lend, grant any option, warrant or other right to purchase, or otherwise transfer or dispose of or create a third party right over, either directly or indirectly, conditionally or unconditionally, any Subscription Shares;
- (b) enter into any swap or other arrangement that transfers to another person, in whole or in part, any of the economic consequences of ownership of any Subscription Shares;
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or
- (d) offer to or contract to or agree to or publicly disclose that it will enter into any transaction described in paragraphs (a), (b) or (c) above.

### ***Completion:***

Completion of the Subscription shall take place on the 5th Business Day after the date that the conditions precedent of the Subscription Agreement have been fulfilled or such other date as may be agreed by the Company and the Subscriber.

## **5. Analysis of the Subscription Price**

### ***(a) Comparison of the Subscription Price to market price***

The Subscription Price of HK\$4.00 per Subscription Share represents:

- (i) a premium of approximately 4.17% over the closing price of HK\$3.84 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (ii) a premium of approximately 7.24% over the closing price of HK\$3.73 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (iii) a premium of approximately 12.68% over the average closing price of approximately HK\$3.55 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately prior to the date of the Subscription Agreement;
- (iv) a premium of approximately 14.94% over the average closing price of approximately HK\$3.48 per Share as quoted on the Stock Exchange for the last ten (10) trading days immediately prior to the date of the Subscription Agreement;
- (v) a premium of approximately 19.05% over the subscription price of HK\$3.36 per subscription share under the GF Subscription (the “**GF Subscription Price**”); and
- (vi) a discount of approximately 36.31% to the NAV per Share as at 31 December 2023 of approximately HK\$6.28.

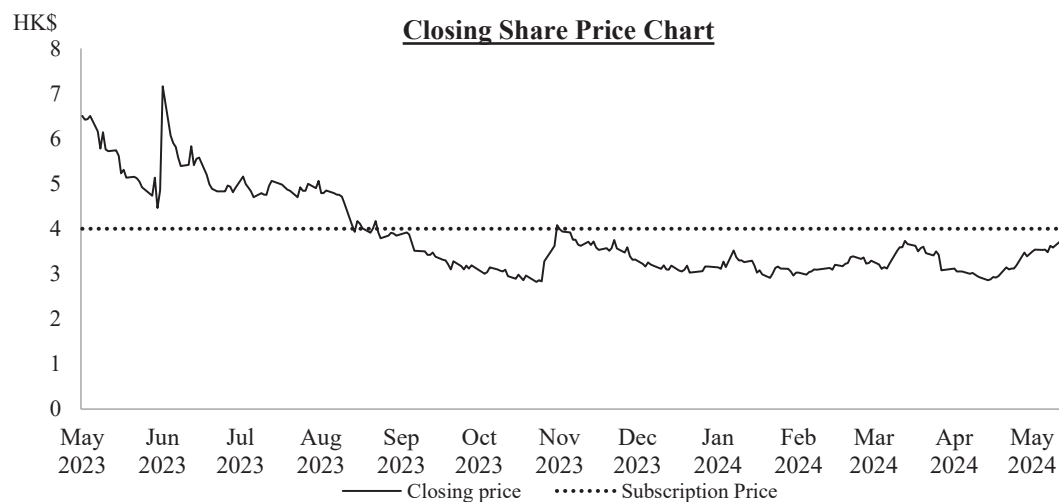
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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(b) Share price performance*

We have reviewed the daily closing price of the Shares as quoted on the Stock Exchange from 2 May 2023 up to and including 13 May 2024, being an approximate one-year period prior to the date of the Subscription Agreement (the “**Review Period**”). The comparison of daily closing price of the Shares and the Subscription Price is illustrated as follows:



*Source: The Stock Exchange's website*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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During the Review Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$7.16 recorded on 2 June 2023 and HK\$2.82 recorded on 24 October 2023 respectively, and the average closing price of the Shares was approximately HK\$3.86.

The closing price of the Shares was on a decreasing trend at the start of the Review Period, decreasing from HK\$6.50 on 2 May 2023 to HK\$4.46 on 31 May 2023. The closing price of the Shares then increased sharply, reaching HK\$7.16 on 2 June 2023. Since then, the closing price of Shares was on a general downward trend, reaching HK\$2.82 on 24 October 2023. During the period from 25 October 2023 to 13 May 2024, being the date of the Subscription Agreement, the closing price of the Shares fluctuated between HK\$2.83 and HK\$4.08.

We noted that the closing price of the Shares was below the NAV per Share (i.e. approximately HK\$6.28 as at 31 December 2023) in most of the trading days during the Review Period. During the 254 trading days in the Review Period, the NAV per Share was higher than the closing price of the Shares in 249 trading days (being approximately 98% of all trading days in the Review Period). The closing price of the Shares had been continuously below the NAV per Share since 5 June 2023.

During the 254 trading days in the Review Period, the Subscription Price was higher than the closing price of the Shares in 176 trading days (being approximately 69% of all trading days in the Review Period). The closing price of the Shares had been continuously below the Subscription Price since 2 November 2023.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**(c) Comparable issues**

We have also searched on the website of the Stock Exchange on a best efforts basis to identify the transactions involving the subscription/issue of new shares for cash under specific mandate announced by companies listed on the Stock Exchange (the “**Comparable Issues**”) during the period from 14 November 2023 up to 13 May 2023, being a period of six months prior to and including the date of the Subscription Agreement (excluding transactions which were not approved by the relevant shareholders and/or terminated/lapsed, cases by prolonged suspension company with trading suspended for more than three months at the time of the subscription agreement and transactions involving issue of domestic/A shares). To the best of our knowledge and as far as we are aware of, we found 12 transactions which met the said criteria, and they are exhaustive.

It should be noted that the subject companies involved in the Comparable Issues have different principal activities, market capitalisations, profitability and financial positions as compared to those of the Company. The circumstances surrounding such subscriptions/issues may also be different from those relating to the Company. Nonetheless, the Comparable Issues demonstrate the market practices of similar transactions during the selection period and we consider them to be meaningful for the Independent Shareholders’ assessment of the Subscription Price.

<b>Company (stock code)</b>	<b>Date of announcement</b>	<b>Premium/(discount) of the subscription/ issue price over/(to) closing price per share on the date of agreement in relation to the respective subscription/issue of new shares (%)</b>
OSL Group Limited (formerly known as BC Technology Group Limited) (863)	14 November 2023	(22.76) (note 1)
Chuan Holdings Limited (1420)	17 November 2023	0.00
Greatview Aseptic Packaging Company Limited (468)	30 November 2023	(5.26)
Air China Limited (753)	22 December 2023	8.30 (note 2)
Cornerstone Technologies Holdings Limited (8391)	22 December 2023	17.14
ZO Future Group (2309)	12 January 2024	(15.00)
Ji Mag Rare-Earth Co., Ltd. (6680)	26 January 2024	10.38 (note 2)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Company (stock code)	Date of announcement	Premium/(discount) of the subscription/ issue price over/(to) closing price per share on the date of agreement in relation to the respective subscription/issue of new shares (%)
Renaissance Asia Silk Road Group Limited (274)	30 January 2024	(39.13)
Virtual Mind Holding Company Limited (1520)	2 February 2024	(23.66)
Apollo Future Mobility Group Limited (860)	15 March 2024	(9.80)
China Silver Technology Holdings Limited (515)	19 April 2024	(16.28)
B.Duck Semk Holdings International Limited (2250)	26 April 2024	(5.98)
<b>Maximum</b>		17.14
<b>Minimum</b>		(39.13)
<b>Median</b>		(9.52)
<b>The GF Subscription</b>		(9.92)
<b>The Subscription</b>		7.24

*Notes:*

- 1) *Trading in shares of the subject company was halted on the date of agreement in relation to the relevant subscription/issue of new shares, the premium/discount was calculated based on the closing price of shares of the subject company on the last trading day prior to the date of agreement.*
  
- 2) *The subject companies had yet to enter into the formal agreement in relation to the relevant subscription/issue of new shares as at the announcement date, while the major terms of the subscription/issue of new shares had been fixed. The premium/discount was calculated based on the closing price of shares of the subject company on the date of board meeting approving the relevant subscription/issue of new shares.*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on the above table, the premium/(discount) as represented by the subscription/issue prices of the Comparable Issues ranged from a discount of approximately 39.13% to a premium of approximately 17.14% over the closing prices of the shares on the date of agreement in relation to the respective subscription/issue of new shares (the “**Discount/Premium Market Range**”), with a median discount of approximately 9.52%. The Subscription Price, which represents a premium of approximately 7.24% to the closing price of the Shares on the date of the Subscription Agreement, falls within the Discount/Premium Market Range and is more favourable compared to the median discount of approximately 9.52% of the Comparable Issues. The Subscription Price is also higher than the GF Subscription Price, which is set at a discount of approximately 9.92% to the closing price of the Shares on the date of the GF Subscription Agreement, which is the same as the date of the Subscription Agreement.

Despite that the Subscription Price represents a discount of approximately 36.31% to the NAV per Share (i.e. approximately HK\$6.28 as at 31 December 2023), taking into account that (i) the closing price of the Shares had been below the NAV per Share in approximately 98% of the trading days during the Review Period and had been continuously below the NAV per Share since 5 June 2023; (ii) the Subscription Price is set at a premium to recent market prices and was higher than the closing prices of the Shares during most (approximately 69% of) trading days of the Review Period; (iii) the premium as represented by the Subscription Price is within the Discount/Premium Market Range and is more favourable compared to the median discount of approximately 9.52% of the Comparable Issues; and (iv) the Subscription Price is also higher than the GF Subscription Price (being subscription price of comparable issue by the Company to independent third party entered into on the same date as the Subscription Agreement), we consider that the Subscription Price is fair and reasonable.

### 6. Financial effects of the Subscription

#### (i) *Net asset value*

As set out in the 2023 annual report of the Company, the Group’s net assets attributable to equity holders of the Company was approximately HK\$11.64 billion as at 31 December 2023, representing approximately HK\$6.28 per Share (i.e. the NAV per Share), based on a total of 438,218,000 Shares in issue as at 31 December 2023. The closing price of Shares on the date of the Subscription Agreement represents a discount to the NAV per Share of approximately 40.61%. The Subscription Price of HK\$4.00 per Share represent a discount of approximately 36.31% to the NAV per Share.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The table below sets out, for illustration purpose, the effect on the Group's NAV per Share as a result of the Subscription and, for the avoidance of doubt, without taking into account the effect of the GF Subscription:

	<i>HK\$'000</i> <i>(approximate)</i>
Net assets attributable to equity holders of the Company as at 31 December 2023	2,751,534
Add: Estimated net proceeds from the Subscription	78,800
Net assets attributable to equity holders of the Company upon Completion	<u><u>2,830,334</u></u>
	<i>Number of Shares</i>
Number of Shares in issue as at 31 December 2023	438,218,000
Add: Number of new Shares to be issued under the Subscription	20,000,000
Number of Shares upon Completion	<u><u>458,218,000</u></u>
NAV per Share immediately after Completion	HK\$6.18
Change in NAV per Share	<u><u>(1.59%)</u></u>

As illustrated above, upon Completion, the NAV per Share will be reduced by approximately 1.59% to HK\$6.18. We noted that, however, the Shares had consistently been traded significantly below the Company's NAV per Share during the Review Period. In circumstances where an issue of further equity is desirable and prudent, some dilution in net asset value is inevitable. Consequently, we consider a decrease in the NAV per Share of approximately 1.59% is acceptable after taking into account our analysis on the Subscription Price and the reasons for and benefits of the Subscription as set out in this letter.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### (ii) *Asset-liability ratio*

As set out in the 2023 annual report of the Company, as at 31 December 2023, the Group had total assets and total liabilities of approximately HK\$6.25 billion and HK\$3.51 billion respectively. The ratio of total assets over total liabilities of the Group was approximately 178.04% as at 31 December 2023. Immediately upon Completion, the total assets of the Group will increase by the amount of the net proceeds of the Subscription and hence the ratio of total assets over total liabilities of the Group will increase to approximately 180.29%.

### 7. Dilution effect on the shareholding interests of the existing Shareholders

Set out below is the shareholding structure of the Company: (i) as at the Latest Practicable Date; (ii) immediately after completion of the Subscription only; and (iii) immediately after completion of both the Subscription and the GF Subscription, assuming that there will be no other changes in the issued share capital of the Company between the Latest Practicable Date and the Completion Date, as extracted from the section headed “2.8 EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY” of the Board Letter:

	As at the Latest Practicable Date		Immediately after completion of the Subscription only		Immediately after completion of both the Subscription and the GF Subscription	
	<i>Number of issued Shares</i>	<i>% (note 1)</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Subscriber (notes 2, 3, 4)	96,817,527	22.09	116,817,527	25.49	116,817,527	25.02
Silchester International Investors LLP (note 5)	53,577,200	12.23	53,577,200	11.69	53,577,200	11.47
GF Global Capital Limited	–	–	–	–	8,743,836	1.87
Other Public Shareholders	287,823,273	65.68	287,823,273	62.81	287,823,273	61.64
<b>Total</b>	<b>438,218,000</b>	<b>100.00</b>	<b>458,218,000</b>	<b>100.00</b>	<b>466,961,836</b>	<b>100.00</b>

Notes:

1. Based on 438,218,000 ordinary Shares in issue as at the Latest Practicable Date
2. The Subscriber is the registered Shareholder of 96,817,527 Shares (excluding the deemed interest in the Subscription Shares). The Subscriber is a wholly-owned subsidiary of YLA, which is in turn a wholly-owned subsidiary of YLH. YLH was controlled by EPL, which was in turn wholly-owned by Mr. Kenneth Hsu Kin, a non-executive Director. Therefore YLA, YLH and EPL are deemed to be interested in the same 96,817,527 Shares held by the Subscriber (excluding the deemed interest in the Subscription Shares).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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3. *CMC M&E Acquisition was deemed to be interested in the same 96,817,527 Shares held by the Subscriber (excluding the deemed interest in the Subscription Shares). Such interests were held through its interest in YLH. CMC M&E Acquisition is a wholly-owned subsidiary of CMC M&E Holdings Limited, which is in turn a wholly-owned subsidiary of CMC Group Corporation. CMC Group Corporation is wholly-owned by Brilliant Spark Holdings Limited, which is in turn wholly-owned and controlled by Mr. Li Ruigang.*
4. *Mr. Kenneth Hsu Kin, EPL, CMC M&E Acquisition, YLH, YLA and the Subscriber were the parties of an agreement to hold the interest in these 96,817,527 Shares (excluding the deemed interest in the Subscription Shares). Such agreement was an agreement to which Section 317 of the SFO applied.*
5. *Silchester International Investors LLP was deemed to be interested in the shares held by Silchester International Investors International Value Equity Trust and certain commingled funds, in the capacity of investment manager. As at the Latest Practicable Date, Silchester International Investors International Value Equity Trust is interested in 25,827,100 Shares, representing 5.89% of the total issued Shares.*

As illustrated above, the shareholding interests of the public Shareholders would be diluted by approximately 2.87 percentage points immediately after completion of the Subscription only and by approximately 4.04 percentage points immediately after completion of both the Subscription and the GF Subscription. In this regard, taking into account (i) the reasons for and benefits of the Subscription; and (ii) the Subscription Price being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the Shareholders as a result of the Subscription is acceptable.

### OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the view that (i) the terms of the Subscription are on normal commercial terms and are fair and reasonable; and (ii) although the Subscription is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the AGM to approve the Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Clifford Cheng**  
*Director*

*Mr. Clifford Cheng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over ten years of experience in the corporate finance industry.*

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Television Broadcasts Limited**

### **電視廣播有限公司**

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“AGM”) of Television Broadcasts Limited (“Company”) will be held at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong on Friday, 28 June 2024 at 4:00 p.m. for the following purposes:

#### **ORDINARY BUSINESS**

- (1) To receive and adopt the Audited Financial Statements, the Directors’ Report and the Independent Auditor’s Report of the Company for the year ended 31 December 2023;
- (2) To re-elect retiring Directors, Mr. Thomas Hui To, Mr. Anthony Lee Hsien Pin, Mr. Kenneth Hsu Kin, Dr. William Lo Wing Yan and Dr. Allan Zeman; and
- (3) To re-appoint PricewaterhouseCoopers as auditor and authorise Directors to fix its remuneration.

#### **SPECIAL BUSINESS**

To consider and, if thought fit, to pass with or without modification the following resolutions as Ordinary Resolutions:

- (4) **“THAT:**
  - (a) subject to paragraphs (c) and (d) below and in substitution of all previous authorities, the exercise by Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, to grant rights to subscribe for, or convert into, shares of the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) above shall authorise Directors of the Company during the Relevant Period to grant rights to subscribe for, or convert into, shares of the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the shares in the Company in accordance with the Articles of Association of the Company (“Articles of Association”); (iii) any grant of options or rights to acquire shares in the Company or an issue of shares in the Company upon the exercise of options or rights granted under any option scheme or similar arrangement for the time being adopted and approved by the shareholders of the Company; or (iv) the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted by the Company or any securities which are convertible into shares of the Company, shall not exceed 10 per cent of the number of shares of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (d) any shares of the Company to be allotted or issued pursuant to the approval in paragraph (a) above shall not be at a discount of more than 10 per cent of the Benchmarked Price (as defined below) of such shares of the Company; and
- (e) For the purposes of this Resolution:

“Benchmarked Price” means the higher of:

- (i) the closing price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on the date of the agreement involving the relevant proposed issue of shares of the Company; and
- (ii) the average closing price as quoted on the Stock Exchange of the shares of the Company for the five trading days immediately preceding the earlier of: (A) the date of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company, (B) the date of the agreement involving the relevant proposed issue of shares of the Company and (C) the date on which the price of shares of the Company that are proposed to be issued is fixed.

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## NOTICE OF ANNUAL GENERAL MEETING

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“Relevant Period” means the period from the passing of this Resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any other applicable law to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to Directors of the Company by this Resolution.

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by Directors of the Company, to holders of shares of the Company on the register (and, where appropriate, to holders of other securities of the Company entitled to be offered them) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities of the Company), subject in all cases to such exclusions or other arrangements as Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong.”

(5) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) or of any other stock exchange (as applicable) as amended from time to time, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 5 per cent of the number of shares of the Company in issue at the date of passing of this Resolution and the approval pursuant to paragraph (a) shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any other applicable law to be held; or
  - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to Directors of the Company by this Resolution.”
- (6) “**THAT** the period of 30 days during which the Company’s Register of Members may be closed under Section 632(1) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“Companies Ordinance”) during the calendar year 2024, be and is hereby extended, pursuant to Section 632(3) and Section 632(4) of the Companies Ordinance, to 60 days.”
- (7) “**THAT**:
  - (a) the subscription agreement dated 13 May 2024 (“Subscription Agreement”) in respect of the subscription of 20,000,000 new shares of the Company by Shaw Brothers Limited (“Subscription”) and the transactions contemplated thereunder, including but not limited to the Subscription, be hereby confirmed, approved or ratified, as the case may be;
  - (b) the Board of Directors of the Company be granted a specific mandate to allot and issue the subscription shares specified under the Subscription Agreement in accordance with the terms and conditions of the Subscription Agreement; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) any Director of the Company be and is hereby authorised to do such acts and things, to sign and execute all such documents (in case of execution of documents under seal, to do so by any two Directors or any Director together with the secretary of the Company) and to take such steps as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”

By Order of the Board  
**CHAN Shu Hung**  
Acting Company Secretary

Hong Kong, 24 May 2024

*Notes:*

1. A shareholder who is entitled to attend and vote at the AGM convened by the notice of AGM can appoint up to two (2) proxies to attend and vote in his/her stead. A proxy does not need to be a shareholder. Where a shareholder appoints more than one (1) proxy, the shareholder shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
2. Where there are joint registered holders of any share, any one of such persons may vote at the AGM (or any adjournment thereof), either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the AGM (or any adjournment thereof) personally or by proxy, that one of the said persons so present whose name stands first in the Register of Members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power of attorney or authority must be deposited at the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours (excluding public holidays) before the time appointed for holding the AGM (or any adjournment thereof), and in default thereof the proxy form and such power of attorney or authority shall not be treated as valid.
4. Any shareholder who wishes to vote at the AGM shall return the duly completed and signed Declaration Form to the Company in such manner as described therein no later than 11 June 2024.
5. The Register of Members of the Company will be closed from Friday, 31 May 2024 to Friday, 28 June 2024, both dates inclusive (“Book Close Period”), for the purpose of determining Shareholders' entitlement to attend and vote at the AGM. During the Book Close Period, no transfer of shares will be registered. The Register of Members of the Company will be re-opened on Saturday, 29 June 2024. In order to be entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 30 May 2024.
6. Detailed information on the business to be transacted at the AGM is set out in the section “Business of Annual General Meeting” of the circular of the Company dated 24 May 2024.



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## **BUSINESS OF ANNUAL GENERAL MEETING**

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### **RESOLUTION (1) – TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS, THE DIRECTORS’ REPORT AND THE INDEPENDENT AUDITOR’S REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2023**

The audited financial statements for TVB for the year ended 31 December 2023, together with the Directors’ Report, are set out in the 2023 Annual Report which is available in English and Chinese versions under the Investor Relations section of the Company’s website (<https://corporate.tvb.com>). The financial statements were audited by the Company’s Auditor, PricewaterhouseCoopers (“PwC”), reviewed by the Audit Committee and approved by the Board.

### **RESOLUTION (2) – RE-ELECTION OF DIRECTORS**

In accordance with Article 117(A) of the Articles of Association, Mr. Thomas Hui To (“Mr. Hui”), Mr. Anthony Lee Hsien Pin (“Mr. Lee”), Mr. Kenneth Hsu Kin (“Mr. Hsu”), Dr. William Lo Wing Yan (“Dr. Lo”) and Dr. Allan Zeman (“Dr. Zeman”) will retire at the AGM after their service on the Board from their last re-election in 2021, and, being eligible, have offered themselves for re-election at the AGM.

Mr. Hui has been a Director since 23 April 2015. Mr. Hui is the Executive Chairman of the Board and currently serves as a member of the Nomination Committee and the Investment Committee, and as the chairman of the Executive Committee. Mr. Hui possesses over 25 years of experience in management and investment with broad experience and deep expertise in managing media, entertainment and internet businesses.

Mr. Lee has been a Director since 3 February 2012 and currently serves as a member of the Nomination Committee, and as the chairman of the Investment Committee. Mr. Lee has in-depth experience in finance and investment.

Mr. Hsu has been a Director since 2 December 2020. Mr. Hsu is a licensed professional engineer in Hong Kong, the UK and the US, and possesses profound experience in engineering and management.

Dr. Lo has been a Director since 11 February 2015 and currently serves as the chairman of the Audit Committee, a member of the Nomination Committee and the Regulatory Committee. Dr. Lo possesses strong financial analysis background through his services over many years as chief financial officer, director and member of audit committee of listed companies, and is an experienced executive in the TMT (technology, media and telecommunications) and the consumer sectors.

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## BUSINESS OF ANNUAL GENERAL MEETING

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Dr. Zeman has been a Director since 1 April 2015 and currently serves as a member of the Audit Committee and the Nomination Committee, and as the chairman of the Remuneration Committee. Dr. Zeman is the chairman of Lan Kwai Fong group and the Lan Kwai Fong Association in Hong Kong, and has been very involved in government services as well as community activities.

### **Other Information**

Biographical information of each of the Directors who is subject to retirement for re-election at the AGM as at the Latest Practicable Date is set out in Appendix II to this circular.

The Nomination Committee has reviewed the current structure, size and composition of the Board and the Board committees of the Company, the qualifications, skill and experience, time commitment and contributions of each of the retiring Directors with reference to the Company's Board Diversity Policy, the Company's Nomination of Directors Policy and the Company's corporate strategies.

For the year ended 31 December 2023 and the period subsequent up to the Latest Practicable Date, each of the retiring Directors maintained a 100% attendance record of all the Board meetings and the meetings of the committees of which he is a member. Each of them is fully committed to the Company. The retiring Directors have devoted sufficient time and attention to the Company's affairs, and are fully committed to the Company.

Further information about the Board's composition, Directors' attendance records of meetings of the Board, Board Committees and general meetings, and other public companies' directorships held by Directors are disclosed in the Governance Section of the Company's 2023 Annual Report.

Dr. Lo and Dr. Zeman who have served the Company for more than nine years have confirmed their independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules.

In particular, each of Dr. Lo and Dr. Zeman has confirmed:

- (a) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules;
- (b) that he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected persons (as defined under the Listing Rules) of the Company; and
- (c) that there are no other factors that may affect his independence at the time of his appointment.

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During their tenure as independent non-executive Directors, they have not been involved in the day-to-day management of the Company and have not been in any relationship or circumstances that would materially affect their exercise of independent judgement. The Nomination Committee believes that the long service will not affect their exercise of independent judgement, and considered that Dr. Lo and Dr. Zeman remain committed to their role as independent non-executive Directors and remain independent. The re-election of Dr. Lo and Dr. Zeman will be subject to separate resolutions to be approved by the Shareholders at the AGM.

Taking into consideration the respective experience, skills and knowledge of each retiring Director, the Nomination Committee believes the retiring Directors will continue to contribute effectively to the Board with their profound knowledge and valuable business experience. The Nomination Committee (with Mr. Hui, Mr. Lee, Dr. Lo and Dr. Zeman abstained from voting on this resolution) has recommended to the Board on the re-election of each of Mr. Hui, Mr. Lee, Mr. Hsu, Dr. Lo and Dr. Zeman as Directors at the AGM. The Board accepted the recommendations made by the Nomination Committee and considers that the re-election of Mr. Hui, Mr. Lee, Mr. Hsu, Dr. Lo and Dr. Zeman as Directors are in the best interests of the Company and the Shareholders as a whole.

### **RESOLUTION (3) – TO RE-APPOINT AUDITOR AND AUTHORISE DIRECTORS TO FIX ITS REMUNERATION**

Management performs a review of the remuneration of PwC on an annual basis. The fees for audit and non-audit services payable to PwC for the year ended 31 December 2023 have been reviewed and approved by the Audit Committee and endorsed by the Board. For the year ended 31 December 2023, the Company paid to PwC approximately HK\$7.4 million (2022: HK\$7.1 million), of which approximately HK\$5.4 million (2022: HK\$5.5 million) was for audit services. Details are set out in the Corporate Governance Report of the Company's 2023 Annual Report. Besides approving auditor's remuneration, the Audit Committee also reviewed the work of PwC, and was satisfied with its independence, objectivity, qualification, expertise, resources and the effectiveness of the audit process.

The Audit Committee considered that non-audit services, mainly tax compliance and advisory services rendered to the Group by PwC, did not impair its independence and objectivity. The Audit Committee recommended to the Board, and the Board accepted the recommendation of the Audit Committee, to recommend to the Shareholders the re-appointment of PwC which has expressed its willingness to continue in office for the ensuing year.

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## **BUSINESS OF ANNUAL GENERAL MEETING**

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### **RESOLUTION (4) – GENERAL MANDATE TO ISSUE 10% ADDITIONAL SHARES**

By the ordinary resolution passed at the annual general meeting of the Company held on 31 May 2023, a general mandate (“Existing Issue Mandate”) was given by the Company to the Directors to allot, issue and deal with additional Shares not exceeding 10% of the number of Shares in issue at the date of passing the relevant ordinary resolution. The Existing Issue Mandate to allot, issue and deal with Shares will lapse at the conclusion of the AGM.

In light of the expiry of the Existing Issue Mandate at the conclusion of the AGM and in order to give flexibility to the Directors in the event that it becomes desirable to issue any Shares, an ordinary resolution will be proposed at the AGM to grant the Directors a general mandate (“Share Issue Mandate”) to allot, issue and deal with additional Shares not exceeding 10% of the number of Shares in issue at the date of passing such ordinary resolution. The threshold of not more than 10% of the number of Shares in issue at the date of passing such ordinary resolution under the Share Issue Mandate was in line with the guideline of the Institutional Shareholders Services. Any Shares to be allotted and issued pursuant to the Share Issue Mandate shall not be at a discount of more than 10% to the Benchmarked Price.

The Share Issue Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws; or (iii) the date upon which such authority is revoked or varied or renewed by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the number of issued Shares was 438,218,000 Shares. Subject to the passing of the resolution approving the Share Issue Mandate and on the basis that there is no change in the number of issued Shares after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to issue a maximum of 43,821,800 Shares under the Share Issue Mandate.

The purpose of the proposed Share Issue Mandate is to give the Directors flexibility to issue and allot Shares in the event that it becomes desirable to issue Shares including, among others, any capital raising need that may arise from time to time where the Directors believe it is in the best interest of the Company and the Shareholders as a whole to do so. TVB has always believed in maintaining a strong balance sheet and maximum strategic flexibility bearing in mind the volatile market place and rapidly changing landscape in which it operates. It is the intention of the Board to keep the proposed Share Issue Mandate on a long-term basis to give TVB the financial flexibility which it needs to grow its business and maximise Shareholder’s value.

Details of the proposed resolution on the Share Issue Mandate are set out in Resolution (4) of the notice of the AGM.

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## **BUSINESS OF ANNUAL GENERAL MEETING**

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### **RESOLUTION (5) – GENERAL MANDATE TO REPURCHASE 5% SHARES**

By the ordinary resolution passed at the annual general meeting of the Company held on 31 May 2023, a general mandate (“Existing Repurchase Mandate”) was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares not exceeding 5% of the number of Shares in issue at the date of passing the relevant ordinary resolution. The Existing Repurchase Mandate to repurchase the Shares will also lapse at the conclusion of the AGM.

In light of the expiry of the Existing Repurchase Mandate at the conclusion of the AGM and in order to give flexibility to the Directors in the event that it becomes desirable to repurchase any Shares, an ordinary resolution will be proposed at the AGM to grant the Directors a general mandate (“Share Repurchase Mandate”) to exercise the powers of the Company to repurchase Shares not exceeding 5% of the number of Shares in issue at the date of passing such ordinary resolution.

The Share Repurchase Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws; or (iii) the date upon which such authority is revoked or varied or renewed by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the number of issued Shares was 438,218,000 Shares. Subject to the passing of the resolution approving the Share Repurchase Mandate and on the basis that there is no change in the number of issued Shares after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to repurchase a maximum of 21,910,900 Shares under the Share Repurchase Mandate.

Details of the proposed resolution on the Share Repurchase Mandate are set out in Resolution (5) of the notice of the AGM. An explanatory statement containing all the information required pursuant to the Listing Rules relating to the Share Repurchase Mandate is set out in Appendix III to this circular.

As at the Latest Practicable Date, the Company has no current plan to issue any Shares under the Share Issue Mandate or to repurchase any Shares under the Share Repurchase Mandate.

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### **RESOLUTION (6) – EXTENSION OF BOOK CLOSE PERIOD TO 60 DAYS**

The purpose of this resolution is to extend the book close period for 2024, from 30 days to 60 days. The reason for this resolution is to provide flexibility to and to meet the practical need of the Company in case the Company wishes to convene more than one general meeting. According to the Broadcasting Ordinance, a book close period in excess of 28 days is required for each general meeting which enables the completion of declaration forms by Shareholders in order to exercise voting rights at a general meeting. Moreover, the Company may need to close its Register of Members in order to ascertain the Shareholders' entitlements, for example, dividends, etc.

Details of the proposed resolution on the extension of the Company's book close period for 2024 are set out in Resolution (6) of the notice of the AGM.

### **RESOLUTION (7) – CONNECTED TRANSACTION IN RELATION TO THE ALLOTMENT OF NEW SHARES UNDER SPECIFIC MANDATE**

On 13 May 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 20,000,000 Subscription Shares at the Subscription Price of HK\$4.00 per Subscription Share in accordance with the terms and conditions as set out in the Subscription Agreement. The purpose of this resolution is to seek approval from the Independent Shareholders at the AGM in connection with the Subscription. For further information, please refer to the letter from the Board, the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Details of the proposed resolution on the Subscription is set out in Resolution (7) of the notice of the AGM.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### 2.1 Interests of Directors

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were taken or deemed to have under such provisions of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company, to be notified to the Company and the Stock Exchange.

#### *Long positions in the Shares of the Company*

Name of Director	Number of ordinary Shares held					Percentage of issued Shares <sup>(a)</sup>
	Personal interests	Family interests	Corporate interests	Other interests	Total interests	
Kenneth Hsu Kin	–	–	116,817,527 <sup>#(b)</sup>	–	116,817,527	26.66%
Li Ruigang	–	–	116,817,527 <sup>#(c)</sup>	–	116,817,527	26.66%

*Notes:*

Duplication of shareholdings occurred between parties# shown in the table here and below under the sub-heading of “2.2 Substantial Shareholders”.

- (a) Percentage of issued Shares was based on 438,218,000 ordinary Shares in issue.
- (b) Mr. Kenneth Hsu Kin was deemed to be interested in these interest in the 116,817,527 Shares held by SBL (which includes the 96,817,527 Shares held by SBL as a registered Shareholder and the deemed interest of 20,000,000 Shares held by SBL pursuant to the Subscription Agreement entered into on 13 May 2024), an indirect wholly-owned subsidiary of YLH, which was controlled by Mr. Kenneth Hsu Kin through EPL (see below Note (c) under the sub-heading of “2.2 Substantial Shareholders” below for details).
- (c) Mr. Li Ruigang was deemed to be interested in these interest in the 116,817,527 Shares held by SBL (which includes the 96,817,527 Shares held by SBL as a registered Shareholder and the deemed interest of 20,000,000 Shares held by SBL pursuant to the Subscription Agreement entered into on 13 May 2024). Such interests were held indirectly through CMC M&E Acquisition (see below Note (d) under the sub-heading of “2.2 Substantial Shareholders” below for details).

***Long positions in underlying Shares of the Company***

Name of Director	Number of underlying Shares held					Percentage of issued Shares <sup>(a)</sup>
	Personal interests	Family interests	Corporate interests	Other interests	Total interests	
Thomas Hui To	4,000,000 <sup>(b)</sup>	–	–	–	4,000,000	0.91%

*Notes:*

- (a) Percentage of issued Shares was based on 438,218,000 ordinary Shares in issue.
- (b) These interests in the underlying shares of the Company represented interests in Share Options granted to the Director under the Share Option Scheme.



*Long positions in the Shares of the Associated Corporation of the Company*

Name of associated corporation	Name of Director	Number of shares held					Percentage of issued shares <sup>(a)</sup>
		Personal interests	Family interests	Corporate interests	Other interests	Total interests	
Shine Investment Limited	Li Ruigang	–	–	102 <sup>(b)</sup>	–	102	85.00%

*Notes:*

- (a) Percentage of issued shares of associated corporation was based on the total number of Class A shares of the associated corporation in issue.
- (b) These 102 shares of Shine Investment Limited were held by Shine Holdings Cayman Limited through certain corporations which were controlled by Mr. Li Ruigang.

**2.2 Substantial Shareholders**

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

*Long position in the Shares of the Company*

Name	Number of Shares held	Percentage of issued Shares <sup>(a)</sup>
SBL <sup>(b)</sup>	116,817,527 <sup>#(c)(e)</sup>	26.66%
YLA	116,817,527 <sup>#(c)(e)</sup>	26.66%
YLH	116,817,527 <sup>#(c)(e)</sup>	26.66%
EPL	116,817,527 <sup>#(c)(e)</sup>	26.66%
Brilliant Spark Holdings Limited	116,817,527 <sup>#(d)</sup>	26.66%
CMC Group Corporation	116,817,527 <sup>#(d)</sup>	26.66%
CMC M&E Holdings Limited	116,817,527 <sup>#(d)</sup>	26.66%
CMC M&E Acquisition	116,817,527 <sup>#(d)(e)</sup>	26.66%
Silchester International Investors LLP	53,577,200 <sup>(f)</sup>	12.23%
Silchester International Investors International Value Equity Trust	25,827,100 <sup>(f)</sup>	5.89%
Cardy Oval Limited	35,056,164 <sup>(g)</sup>	8.00%
Gaw Goodwin	35,056,164 <sup>(g)</sup>	8.00%

*Notes:*

Duplication of shareholdings occurred between parties# shown in the table here and above under the sub-heading of “2.1 Interests of Directors”.

- (a) Percentage of issued Shares was based on 438,218,000 ordinary Shares in issue.
- (b) SBL was the registered Shareholders of 96,817,527 Shares. SBL is also interested in the additional 20,000,000 Shares, which shall be allotted and issued to SBL pursuant to the Subscription Agreement subject to the fulfillment of certain conditions, for the purposes of Part XV of the SFO.
- (c) SBL was a wholly-owned subsidiary of YLA, which was in turn a wholly-owned subsidiary of YLH. YLH was controlled by EPL, which was in turn wholly-owned by Mr. Kenneth Hsu Kin, a non-executive Director. Therefore, YLA, YLH and EPL were deemed to be interested in the same interest in the 116,817,527 Shares held by SBL (which includes the 96,817,527 Shares held by SBL as a registered Shareholder and the deemed interest of 20,000,000 Shares held by SBL pursuant to the Subscription Agreement entered into on 13 May 2024).
- (d) CMC M&E Acquisition was deemed to be interested in the same interest in the 116,817,527 Shares held by SBL (which includes the 96,817,527 Shares held by SBL as a registered Shareholder and the deemed interest of 20,000,000 Shares held by SBL pursuant to the Subscription Agreement entered into on 13 May 2024). Such interests were held through its interest in YLH. CMC M&E Acquisition was a wholly-owned subsidiary of CMC M&E Holdings Limited, which was in turn a wholly-owned subsidiary of CMC Group Corporation. CMC Group Corporation was wholly-owned by Brilliant Spark Holdings Limited, which was in turn wholly-owned and controlled by Mr. Li Ruigang.
- (e) Mr. Kenneth Hsu Kin, EPL, CMC M&E Acquisition, YLH, YLA and SBL were the parties of an agreement (“Agreement”) to hold the interest in these interest in the 116,817,527 Shares (which includes the 96,817,527 Shares held by SBL as a registered Shareholder and the deemed interest of 20,000,000 Shares held by SBL pursuant to the Subscription Agreement entered into on 13 May 2024). The Agreement was an agreement to which Section 317 of the SFO applied.
- (f) Silchester International Investors LLP was deemed to be interested in the Shares held by Silchester International Investors International Value Equity Trust and certain commingled funds, in the capacity of investment manager.
- (g) These interests in underlying shares (being unlisted physically settled derivatives) represent 35,056,164 Shares to be issued to Cardy Oval Limited upon exercise of the conversion right attached to the Convertible Bonds. Mr. Gaw Goodwin was deemed to be interested in the underlying shares held by his wholly-owned subsidiary, Cardy Oval Limited.

### 3. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

#### 3.1 Interests in competing business

As at the Latest Practicable Date, certain Directors are interested in companies which are considered to compete or likely to compete, either directly or indirectly with the principal business of the Group and these competing businesses are set out below.

Mr. Li Ruigang, a non-executive Director, is the founding chairman and CEO of CMC Inc. and founding partner of CMC Capital Partners (CMC Inc. and CMC Capital Partners, together with their affiliates, are collectively referred to as "CMC Entities") and through CMC Entities has certain deemed interests as a substantial shareholder and/or holds certain directorships in companies within CMC Entities which are engaged in the businesses of television programme licensing and distribution and e-commerce in mainland China ("Interested Companies").

Besides the Interested Companies, Shaw Brothers Holdings Limited ("Shaw Brothers Holdings"), a company incorporated in the Cayman Islands whose shares are listed on the main board of the Stock Exchange, is principally engaged in the business of investment in films, drama and non-drama productions and artiste and event management. TVB together with CMC Entities are interested in approximately 29.94% of the shares of Shaw Brothers Holdings. Currently, Mr. Li Ruigang is the chairman and a non-executive director of Shaw Brothers Holdings.

Mr. Thomas Hui To, Executive Chairman of the Company, is also a director of CMC Inc. which has interests in the Interested Companies. At the same time, Mr. Hui is a non-executive director of Shaw Brothers Holdings, and is a member of its executive committee.

The Interested Companies and/or Shaw Brothers Holdings may be considered to be in businesses which compete or are likely to compete with the programme production, the programme licensing and distribution and e-commerce businesses of the Company. However, as the Interested Companies and Shaw Brothers Holdings operate independently of, and at arm's length from, the businesses of the Company, and taking into account that the programme production, the programme licensing and distribution and the e-commerce businesses of the Interested Companies, Shaw Brothers Holdings and the Company taken together only represent a small percentage of the total market for programme production, programme licensing and distribution and e-commerce in mainland China, the impact on competition is considered insignificant.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor their respective associates had any material interest in any business which compete or is likely to compete, either directly or indirectly, with the businesses of the Group.

### **3.2 Interests in assets**

As at the Latest Practicable Date, none of the Directors had any material direct or indirect interest in any assets which have been acquired or disposed of by, or leased, or which were proposed to be acquired or disposed of by, or leased to any member of the Group since 31 December 2023 (the date to which the latest published audited consolidated financial statements of the Group was made up).

### **3.3 Interests in contract or arrangement**

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

### **3.4 Directors' service contracts**

As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which was not determinable by the employer within one year without payment of compensation, other than statutory compensation.

## **4. NO MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date up to which the latest published audited consolidated financial statements of the Group were made.

## **5. EXPERT**

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Somerley Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter of advice and/or references to its name in the form and context in which they respectively appear.

Somerley Capital Limited confirmed that, as at the Latest Practicable Date, it (i) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and (ii) did not have any interest, either directly or indirectly, in any assets which have been since 31 December 2023 (being the date up to which the latest published audited consolidated financial statements of the Company were made) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## **6. MISCELLANEOUS**

- (a) The registered office and the principal place of business of the Company is TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong.
- (b) The acting company secretary of the Company is Mr. Desmond Chan Shu Hung, a solicitor of Hong Kong (not currently in private practice).
- (c) The Company's share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) This circular and the accompanying proxy form have been prepared in both English and Chinese. In the case of any discrepancies, the English texts shall prevail over their respective Chinese texts.

## **7. DOCUMENTS ON DISPLAY**

A copy of the Subscription Agreement will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://corporate.tvb.com/>) for a period of 14 days from the date of this circular.

The following are the particulars (as required by the Listing Rules) of the Directors proposed to be re-elected at the AGM as at the Latest Practicable Date.

**Mr. Thomas Hui To**

Mr. Thomas Hui To, aged 52, was appointed as the Executive Chairman of the Board on 10 March 2023. Mr. Hui was first appointed as a non-executive Director on 23 April 2015, re-designated as an executive Director on 21 March 2018 and further re-designated as a non-executive Director and appointed as the Chairman of the Board on 29 April 2020. In addition, he is the chairman of the Executive Committee, and a member of the Investment Committee and the Nomination Committee, and holds directorship in certain subsidiaries and a joint venture entity of the Company. Mr. Hui possesses over 25 years of experience in management and investment with broad experience and deep expertise in managing media, entertainment and internet businesses. Mr. Hui was formerly directors of KingSoft Corporation Limited, GigaMedia Limited and JC Entertainment Corporation. Mr. Hui also worked at Goldman Sachs (Asia) L.L.C., Hong Kong, Merrill Lynch & Co. as well as McKinsey & Company. Mr. Hui is also a non-executive director of Shaw Brothers Holdings Limited, a company listed on the main board of the Stock Exchange. Mr. Hui holds a Master Degree of Engineering in Electrical Engineering from Cornell University and a Bachelor Degree of Science in Electrical Engineering from the University of Wisconsin, Madison. Save as disclosed in this paragraph, Mr. Hui did not hold any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

At the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Hui holds 4,000,000 Share Options. Each of the 4,000,000 Share Options entitles him to subscribe for one ordinary Share at the exercise price of HK\$4.65 during the exercise period from 25 May 2023 to 24 May 2032. Save as disclosed in this paragraph, Mr. Hui does not hold any interest in the Shares.

Mr. Hui is the chief operating officer and an executive director of CMC Inc. Mr. Hui is also a director of YLH, YLA and SBL, which are substantial Shareholders. Save as disclosed above, he does not have any other relationship with any Directors, senior management, or substantial or controlling Shareholders.

Mr. Hui continues to serve the Board since his last re-election at the Company's 2021 annual general meeting. He is subject to retirement and re-election at every third annual general meeting of the Company following his last re-election in accordance with the Articles of Association.

Mr. Hui was entitled to a Chairman's fee of HK\$300,000, a Director's fee of HK\$260,000, a fee of HK\$195,000 for serving as the chairman of the Executive Committee, a fee of HK\$70,000 for serving as the chairman of the Nomination Committee and a fee of HK\$55,000 for serving as a member of the Investment Committee for the year ended 31 December 2023. Upon his successful re-election as a Director at the AGM, he will be entitled to a Chairman's fee of HK\$300,000, a Director's fee of HK\$260,000, a fee of HK\$195,000 for serving as the chairman of the Executive Committee and a fee of HK\$55,000 for serving as a member of the Investment Committee for the year ending 31 December 2024, and a fee of HK\$16,448 for serving as the chairman of the Nomination Committee for the period from 1 January 2024 to 26 March 2024 and a fee of HK\$42,077 for serving as a member of the Nomination Committee for the period from 27 March 2024 to 31 December 2024. The fees are payable on a pro-rata basis by reference to the length of his service. The Chairman's fee and Director's fee have been reviewed by the Remuneration Committee, endorsed by the Board and approved by the Shareholders. The Board Committees' fees have been reviewed by the Remuneration Committee and approved by the Board.

Save as the information disclosed above, there is no other matter in relation to the re-election of Mr. Hui as a Director which needs to be brought to the attention of the Shareholders, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

**Mr. Anthony Lee Hsien Pin**

Mr. Anthony Lee Hsien Pin, aged 66, was appointed as a non-executive Director on 3 February 2012. Mr. Lee was an alternate Director to the late Mrs. Christina Lee Look Ngan Kwan, his mother, a former non-executive Director, between 3 September 2002 and 3 February 2012. Mr. Lee serves as the chairman of the Investment Committee, and a member of the Nomination Committee. Mr. Lee is a non-executive director of Hysan Development Company Limited, a company listed on the main board of the Stock Exchange, and a director of Lee Hysan Company Limited. He resigned as a director of Australian listed Beyond International Limited on 30 December 2022. Mr. Lee received a Bachelor of Arts Degree from Princeton University and a Master of Business Administration Degree from The Chinese University of Hong Kong. Save as disclosed in this paragraph, Mr. Lee did not hold any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

At the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Lee does not hold any interest in the Shares.

Mr. Lee does not have any relationship with any Directors, senior management, or substantial or controlling Shareholders.

Mr. Lee continues to serve the Board since his last re-election at the Company's 2021 annual general meeting. He is subject to retirement and re-election at every third annual general meeting of the Company following his last re-election in accordance with the Articles of Association.

Mr. Lee was entitled to a Director's fee of HK\$260,000, a fee of HK\$70,000 for serving as the chairman of the Investment Committee, a fee of HK\$130,000 for serving as a member of the Audit Committee and a fee of HK\$55,000 for serving as a member of the Nomination Committee for the year ended 31 December 2023. Upon his successful re-election as a Director at the AGM, he will be entitled to a Director's fee of HK\$260,000, a fee of HK\$70,000 for serving as a chairman of the Investment Committee and a fee of HK\$55,000 for serving as a member of the Nomination Committee for the year ending 31 December 2024, and a fee of HK\$30,546 for serving as a member of the Audit Committee for the period from 1 January 2024 to 26 March 2024. The fees are payable on a pro-rata basis by reference to the length of his service. The Director's fee has been reviewed by the Remuneration Committee, endorsed by the Board and approved by the Shareholders. The Board Committees' fees have been reviewed by the Remuneration Committee and approved by the Board.

Save as the information disclosed above, there is no other matter in relation to the re-election of Mr. Lee as a Director which needs to be brought to the attention of the Shareholders, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

#### **Mr. Kenneth Hsu Kin**

Mr. Kenneth Hsu Kin, aged 75, was appointed as a non-executive Director on 2 December 2020. He was formerly the vice president and managing director of the Asia Pacific operations of Johnson Controls Inc., a publicly-listed American Irish-domiciled multinational conglomerate. Prior to that, Mr. Hsu worked for the Government of the Republic of Singapore. Mr. Hsu is a licensed professional engineer in Hong Kong, the UK and the US. He was the Chairman of the Engineers Registration Board, a HKSAR statutory board. Mr. Hsu was an active participant in the Hong Kong Institution of Engineers and had chaired many of its boards and committees. In recognition of his contributions to the profession, Mr. Hsu was a recipient of the Institution's prestigious President's Award in 2010. Mr. Hsu holds share interest in the Company through his interest in YLH, YLA and SBL, all of which are substantial Shareholders. Mr. Hsu is a director of YLH, YLA and SBL. Mr. Hsu holds a bachelor's degree in Electrical Engineering from the University of Hong Kong, and post-graduate academic qualifications from the National University of Singapore and the University of Utah. Save as disclosed in this paragraph, Mr. Hsu did not hold any other directorship in the past three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.



At the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Hsu is deemed to be interested in the interest in 116,817,527 Shares held by SBL (which includes the 96,817,527 Shares held by SBL as a registered Shareholder and the deemed interest of 20,000,000 Shares held by SBL pursuant to the Subscription Agreement entered into on 13 May 2024), representing approximately 26.66% of the total number of Shares in issue. SBL is a wholly-owned subsidiary of YLA, which in turn is a wholly-owned subsidiary of YLH. YLH is controlled by EPL, which in turn is 100% owned by Mr. Hsu. Save as disclosed in this paragraph, Mr. Hsu does not hold any interest in the Shares.

Mr. Hsu is a director of YLH, YLA and SBL. He, together with Mr. Li Ruigang (a non-executive Director), are indirect Shareholders and are interested in aforesaid 26.66% of the total number of Shares in issue. Save as disclosed in this paragraph, Mr. Hsu does not have any relationship with any Directors, senior management, or substantial or controlling Shareholders.

Mr. Hsu continues to serve the Board since his last election at the Company's 2021 annual general meeting. He is subject to retirement and re-election at every third annual general meeting of the Company following his appointment in accordance with the Articles of Association.

Mr. Hsu was entitled to a Director's fee of HK\$260,000 for the year ended 31 December 2023 and a fee of HK\$13,110 for serving as a member of the Risk Committee for the period from 1 January 2023 to 28 March 2023. Upon his successful re-election as a Director at the AGM, he will be entitled to a Director's fee of HK\$260,000 for the year ending 31 December 2024. The fee is payable on a pro-rata basis by reference to the length of his service. The Director's fee has been reviewed by the Remuneration Committee, endorsed by the Board and approved by the Shareholders. The Board Committees' fees have been reviewed by the Remuneration Committee and approved by the Board.

Save as the information disclosed above, there is no other matter in relation to the re-election of Mr. Hsu as a Director which needs to be brought to the attention of the Shareholders, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

**Dr. William Lo Wing Yan JP**

Dr. William Lo Wing Yan JP, aged 63, was appointed as an independent non-executive Director on 11 February 2015. Dr. Lo serves as the chairman of the Audit Committee, a member of the Nomination Committee and the Regulatory Committee. Dr. Lo is an independent non-executive director of CSI Properties Limited, Jingrui Holdings Limited and OCI International Holdings Limited, all of which are listed on the main board of the Stock Exchange. Dr. Lo is an independent non-executive director of US NASDAQ listed Regencell Bioscience Holdings Limited. Dr. Lo resigned as an independent non-executive director of South Shore Holdings Limited and Oshidori International Holdings Limited on 10 November 2022 and 30 June 2023 respectively, both of which are listed on the main board of the Stock Exchange; and resigned as an independent non-executive director of Nam Tai Property, Inc. on 30 November 2021, which is listed on the New York Stock Exchange. Dr. Lo is an experienced executive in the TMT (technology, media and telecommunications) and the consumer sectors. He started his career in McKinsey & Company Inc. as a management consultant and held senior positions in China Unicom, Hongkong Telecom, Citibank HK, I.T Limited, South China Media Group and Kidsland International Holdings Limited in the past and has been chief financial officer of I.T Limited and Kidsland International Holdings Limited. Dr. Lo is the founding governor of the Charles K. Kao Foundation for Alzheimer's Disease and the ISF Academy as well as the present chairman of Junior Achievement HK. Dr. Lo graduated from Cambridge University with a M. Phil. Degree in Pharmacology and a Ph.D. Degree in Molecular Neuroscience. Save as disclosed in this paragraph, Dr. Lo did not hold any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

At the Latest Practicable Date and within the meaning of Part XV of the SFO, Dr. Lo does not hold any interest in the Shares.

Dr. Lo does not have any relationship with any Directors, senior management, or substantial or controlling Shareholders.

Dr. Lo continues to serve the Board since his last re-election at the Company's 2021 annual general meeting. He is subject to retirement and re-election at every third annual general meeting of the Company following his last re-election in accordance with the Articles of Association.

Dr. Lo was entitled to a Director's fee of HK\$260,000, a fee of HK\$190,000 for serving as the chairman of the Audit Committee and a fee of HK\$55,000 for serving as a member of the Regulatory Committee for the year ended 31 December 2023, and a fee of HK\$41,890 for serving as a member of the Nomination Committee for the period from 29 March 2023 to 31 December 2023 and a fee of HK\$13,110 for serving as a member of the Risk Committee for the period from 1 January 2023 to 28 March 2023. Upon his successful re-election as a Director at the AGM, he will be entitled to a Director's fee of HK\$260,000, a fee of HK\$190,000 for serving as the chairman of the Audit Committee, a fee of HK\$55,000 for serving as a member of the Nomination Committee and a fee of HK\$55,000 for serving as a member of the Regulatory Committee for the year ending 31 December 2024. The fees are payable on a pro-rata basis by reference to the length of his service. The Director's fee has been reviewed by the Remuneration Committee, endorsed by the Board and approved by the Shareholders. The Board Committees' fees have been reviewed by the Remuneration Committee and approved by the Board.

Dr. Lo has confirmed:

- (a) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules;
- (b) that he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected persons (as defined under the Listing Rules) of the Company; and
- (c) that there are no other factors that may affect his independence at the time of his appointment.

Save as the information disclosed above, there is no other matter in relation to the re-election of Dr. Lo as a Director which needs to be brought to the attention of the Shareholders, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

**Dr. Allan Zeman GBM, GBS, JP**

Dr. Allan Zeman GBM, GBS, JP, aged 75, was appointed as an independent non-executive Director on 1 April 2015. He serves as the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Dr. Zeman is the chairman of Lan Kwai Fong group and the Lan Kwai Fong Association in Hong Kong. Dr. Zeman serves as a non-executive chairman of Wynn Macau, Limited, an independent non-executive director of Fosun Tourism Group, Sino Land Company Limited, Tsim Sha Tsui Properties Limited (the holding company of Sino Land Company Limited) and is a non-executive director of Pacific Century Premium Developments Limited, all of which are listed on the main board of the Stock Exchange. He resigned as an independent non-executive director of Global Brands Group Holding Limited on 28 June 2021, which is listed on the main board of the Stock Exchange. Dr. Zeman has been very involved in government services as well as community activities. Dr. Zeman was the chairman of Hong Kong Ocean Park from July 2003 to June 2014, and was the honorary advisor of the Park from 2014 to 2022. Dr. Zeman was also a member of the board of West Kowloon Cultural District Authority from 2008 to 2016, and is now an honorary advisor of the Authority and the chairman of its Commercial Letting Panel. He serves as the board of director of the Alibaba Entrepreneurs Fund. Dr. Zeman is the governor of the board of governors of Our Hong Kong Foundation. Dr. Zeman is also a member of the board of governors of The Canadian Chamber of Commerce in Hong Kong and the vice patron of the Hong Kong Community Chest. Dr. Zeman is a member of the Task Force on Promoting and Branding Hong Kong, a member of the Chief Executive's Council of Advisers of the Hong Kong Special Administrative Region, a member of the Cultural Commission of the Hong Kong Special Administrative Region and a member of the Human Resources Planning Commission of the Hong Kong Special Administrative Region. Dr. Zeman is a holder of Honorary Doctorate of Laws Degree from The University of Western Ontario, Canada. In 2012, he was awarded Honorary Doctorate Degrees of Business Administration from City University of Hong Kong and The Hong Kong University of Science and Technology. In November 2019, Dr. Zeman was awarded Honorary Doctorate Degree of Business Administration by The Open University of Hong Kong (now known as Hong Kong Metropolitan University). In 2001, Dr. Zeman was appointed a Justice of the Peace in Hong Kong. He was awarded the Gold Bauhinia Star in 2004 and the Grand Bauhinia Medal in 2011. Save as disclosed in this paragraph, Dr. Zeman did not hold any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

At the Latest Practicable Date and within the meaning of Part XV of the SFO, Dr. Zeman does not hold any interest in the Shares.

Dr. Zeman does not have any relationship with any Directors, senior management, or substantial or controlling Shareholders.

Dr. Zeman continues to serve the Board since his last re-election at the Company's 2021 annual general meeting. He is subject to retirement and re-election at every third annual general meeting of the Company following his last re-election in accordance with the Articles of Association.

Dr. Zeman was entitled to a Director's fee of HK\$260,000 and a fee of HK\$55,000 for serving as a member of the Nomination Committee for the year ended 31 December 2023, and a fee of HK\$53,315 for serving as the chairman of the Remuneration Committee for the period from 29 March 2023 to 31 December 2023. Upon his successful re-election as a Director at the AGM, he will be entitled to a Director's fee of HK\$260,000, a fee of HK\$70,000 for serving as the chairman of the Remuneration Committee, a fee of HK\$55,000 for serving as a member of the Nomination Committee for the year ending 31 December 2024, and a fee of HK\$99,454 for serving as a member of the Audit Committee for the period from 27 March 2024 to 31 December 2024. The fees are payable on a pro-rata basis by reference to the length of his service. The Director's fee has been reviewed by the Remuneration Committee, endorsed by the Board and approved by the Shareholders. The Board Committees' fees have been reviewed by the Remuneration Committee and approved by the Board.

Dr. Zeman has confirmed:

- (a) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules;
- (b) that he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected persons (as defined under the Listing Rules) of the Company; and
- (c) that there are no other factors that may affect his independence at the time of his appointment.

Save as the information disclosed above, there is no other matter in relation to the re-election of Dr. Zeman as a Director which needs to be brought to the attention of the Shareholders, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

The explanatory statement set out below contains all the information required under Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders and also constitutes the memorandum of the terms of the proposed repurchases as required under Section 239 of the Companies Ordinance relating to the Share Repurchase Mandate.

**1. Listing Rules requirements for repurchase of Shares**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

All proposed share repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval in relation to specific transactions.

Such authority may only continue in force during the relevant period from the passing of the resolution until the next annual general meeting of that company or the expiration of the period within which the next annual general meeting of that company is required by the articles of association or any applicable laws to be held or the revocation, variation or renewal of the resolution by an ordinary resolution of the shareholders of that company in general meeting, whichever is the earliest.

(b) Maximum number of shares to be repurchased and subsequent issues

A maximum of 10% of the total number of shares of a company in issue at the date of passing of the relevant resolution may be repurchased on the Stock Exchange. A company may not issue or announce a proposed issue of new shares for a period of 30 days immediately following a share repurchase whether on the Stock Exchange or otherwise (other than an issue of shares pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue shares, which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange.

**2. Number of Shares subject to the Share Repurchase Mandate**

As at 20 May 2024, being the Latest Practicable Date prior to the printing of this explanatory statement, the Company had 438,218,000 Shares in issue. If the ordinary resolution authorising the Directors to repurchase the Shares under the Share Repurchase Mandate is passed at the AGM, and assuming that there is no change in the number of issued Shares after the Latest Practicable Date and up to the date of passing the said resolution, up to 21,910,900 Shares (representing 5% of the existing number of Shares in issue) may be repurchased by the Company during the relevant period.

**3. Reasons for repurchases**

The Directors believe that it is in the best interest of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Company to repurchase its own Shares in the market at any appropriate time. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

**4. Funding of repurchases**

Repurchases of Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of Hong Kong. It is envisaged that the funds required for any repurchase would be derived from the Company's available cash flow or working capital facilities.

**5. Financial effect of repurchases**

The Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the funding requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. However, on the basis of the consolidated financial position of the Company as at 31 December 2023 (being the date to which the latest published audited financial statements of the Company have been made up), there might be a material adverse impact on the funding or gearing position of the Company in the event that the Share Repurchase Mandate is exercised in full.

**6. Connected Persons and Directors' Undertaking**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate set out in the notice of AGM in accordance with the Listing Rules and the applicable laws of Hong Kong. Neither this explanatory statement nor the Share Repurchase Mandate has any unusual features.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any of the Shares to the Company or its subsidiaries if the Share Repurchase Mandate is approved and exercised.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any of the Shares to the Company, or have undertaken not to do so, if the Share Repurchase Mandate is approved and exercised.

**7. The Codes on Takeovers and Mergers and Share Buy-backs**

If, as the result of a repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of The Codes on Takeovers and Mergers and Share Buy-backs ("Takeovers Code"). As a result, a Shareholder, or a group of Shareholders acting in concert, could, depending on the level of increase of the Shareholders' interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, The Sir Run Run Shaw Charitable Trust, Mr. Kenneth Hsu Kin, EPL, CMC M&E Acquisition, YLH, YLA and SBL held, directly and indirectly, a total of 113,913,727 Shares, representing approximately 25.99% of the existing number of Shares in issue. If the Directors were to exercise the Share Repurchase Mandate in full, such Shares would represent approximately 27.36% of the number of Shares in issue assuming that there is no other change in the number of issued Shares, and such increase will not give rise to an obligation to make a mandatory offer. It is not the present intention of the Directors to exercise the Share Repurchase Mandate in such a manner as to trigger off any general offer obligations.

Directors have no intention to exercise the Share Repurchase Mandate to such an extent which shall result in the level of shareholdings in the Company held in the hands of the public falling below the minimum prescribed percentage of 25% laid down in Rule 8.08 of the Listing Rules.



**8. Share repurchases made by the Company**

The Company has not repurchased its own Shares (whether on the Stock Exchange or otherwise) in the past six months preceding the date of this Explanatory Statement.

**9. Share Prices**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the 12 months prior and up to the Latest Practicable Date were as follows:

	<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2023</b>	May	6.50	4.46
	June	7.16	4.81
	July	5.16	4.70
	August	5.06	3.79
	September	3.92	3.10
	October	3.62	2.82
	November	4.08	3.31
	December	3.32	3.03
<b>2024</b>	January	3.52	2.91
	February	3.39	2.98
	March	3.73	3.08
	April	3.47	2.86
	May (up to the Latest Practicable Date)	3.84	3.48

**Who is eligible to attend and vote at the AGM**

Shareholders whose names appeared on the Company's Register of Members on 31 May 2024 are eligible to attend, speak and vote at the AGM. The Register of Members will be closed and no transfer of Shares will be registered from 31 May 2024 to 28 June 2024 (both dates inclusive). Eligible Shareholders who wish to attend and vote at the AGM are advised to complete and return the Declaration of Voting Controllers ("Declaration Form") to the Company no later than 11 June 2024. The Declaration Form with its explanatory notes are despatched to Shareholders together with the circular of the Company accompanying the notice of AGM dated 24 May 2024.

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**Proxy Information**

1. A Shareholder who is entitled to attend and vote at the AGM convened by the notice of AGM can appoint up to two (2) proxies to attend and vote in his/her stead. A proxy does not need to be a Shareholder. Where a Shareholder appoints more than one (1) proxy, the Shareholder shall specify the proportion of his/her Shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
2. Where there are joint registered holders of any Share, any one of such persons may vote at the AGM (or any adjournment thereof), either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the AGM (or any adjournment thereof) personally or by proxy, that one of the said persons so present whose name stands first in the Register of Members in respect of such Share shall alone be entitled to vote in respect thereof.
3. A proxy form for the AGM is enclosed. To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power of attorney or authority must be deposited at the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours (excluding public holidays) before the time appointed for holding the AGM (or any adjournment thereof), and in default thereof the proxy form and such power of attorney or authority shall not be treated as valid.
4. Completion and return of the proxy form will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof should he/she so wish, and in such event, the proxy form shall be deemed to be revoked.

**Declaration Form**

5. The Declaration Form and the relevant explanatory notes thereto, are despatched to Shareholders together with this circular of the Company accompanying the notice of AGM dated 24 May 2024.
6. Any Shareholder who wishes to vote at the AGM shall return the duly completed and signed Declaration Form to the Company in such manner as described therein no later than 11 June 2024.

**Closure of Register of Members**

7. The Register of Members of the Company will be closed from Friday, 31 May 2024 to Friday, 28 June 2024, both dates inclusive, (“Book Close Period”) for the purpose of determining Shareholders’ entitlement to attend and vote at the AGM. During the Book Close Period, no transfer of Shares will be registered. The Register of Members of the Company will be re-opened on Saturday, 29 June 2024.
8. In order to be entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 30 May 2024.
9. The book close period from Friday, 31 May 2024 to Friday, 28 June 2024 is set to allow sufficient time for Shareholders to complete and return the Declaration Form as required under the provisions of the Broadcasting Ordinance.

**Re-election of Directors**

10. In relation to agenda item number (2) in the notice of AGM, Mr. Thomas Hui To, Mr. Anthony Lee Hsien Pin, Mr. Kenneth Hsu Kin, Dr. William Lo Wing Yan and Dr. Allan Zeman, in accordance with Article 117(A) of the Articles of Association, will retire at the AGM and, being eligible, have offered themselves for re-election at the AGM.
11. Details of each of the Directors who are subject to retirement for re-election at the AGM, as at 20 May 2024, being the latest practicable date prior to the printing of the circular and the notice of AGM, are set out in Appendix II to this circular accompanying the notice of AGM dated 24 May 2024.

**Procedures for Shareholders to propose a person for election as a Director at the AGM**

12. The following sets out the procedures for Shareholders to propose a person for election as a Director at the AGM:
- (a) A Shareholder who wishes to propose a person (“Candidate”) to be elected as a Director of the Company at AGM should first lodge a written notice of such intention (“Notice”) with the Company Secretary at the address below. The Notice shall be duly signed by the Shareholder and contain information including the name, the contact details and the biographical details of the Candidate as required to be disclosed under Rule 13.51(2) of the Listing Rules.
  - (b) The Notice shall be accompanied by a written notice duly signed by the Candidate indicating his/her willingness to be elected as a Director, and the Candidate’s written consent to the collection and publication of his/her personal data.
  - (c) The Notice may be given to the Company during the period commencing the day after the despatch of the written notice of AGM and ending no later than 7 days prior to the date of such AGM.
13. Proposals from Shareholders for nomination of a Director should be sent to the Company at the following address, or by email to [companysecretary@tvb.com.hk](mailto:companysecretary@tvb.com.hk):

TVB City  
77 Chun Choi Street  
Tseung Kwan O Industrial Estate  
Kowloon, Hong Kong  
Attention: The Company Secretary

**Re-appointment of Auditor**

14. In relation to agenda item number (3) in the notice of AGM regarding the re-appointment of the Auditor, PricewaterhouseCoopers, the Company’s external auditor, will retire at the AGM and, being eligible, have offered itself for re-appointment at the AGM.

**General Mandates to Issue and Repurchase Shares**

15. In relation to agenda item number (4) in the notice of AGM, the purpose of this resolution is to give a general mandate to authorise the Directors to issue additional Shares of the Company.
16. In relation to agenda item number (5) in the notice of AGM, the purpose of this resolution is to give a general mandate to authorise the Directors to repurchase issued Shares of the Company.

**Extension of Book Close Period**

17. In relation to agenda item number (6) in the notice of AGM, the purpose of this resolution is to extend the book close period for 2024, from 30 days to 60 days, for practical needs.

**Connected Transaction in relation to the Allotment of New Shares under Specific Mandate**

18. In relation to agenda item number (7) in the notice of AGM, the purpose of this resolution is to approve the Subscription Agreement and the transactions contemplated thereunder.

**Voting on a Poll**

19. Pursuant to the Listing Rules, voting must be taken by poll at all general meetings except where the chairman of a general meeting, in good faith, decides to allow a resolution which purely relates to a procedural and administrative matter (as defined under the Listing Rules) to be voted on by a show of hand.
20. The chairman of a general meeting shall ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from Shareholders on voting by poll. Poll results are released on the Stock Exchange's website and the Company's website, in accordance with the requirements under the Listing Rules.
21. Separate resolutions are proposed for each substantially separate issue and are voted by poll at the general meetings of the Company (unless otherwise permitted under the Listing Rules as mentioned above).

**Poll Voting Procedures**

22. (a) In accordance with the Listing Rules, all resolutions in the notice of AGM will be voted at the AGM by way of poll.
- (b) As instructed by the Communications Authority, only those Shareholders who have duly completed and returned the Declaration Form(s) to the Company on or before the prescribed date will be entitled to vote on the poll. The poll voting will be conducted immediately after conclusion of the last business of the AGM.
- (c) The poll slip in different colour will be distributed to qualified and unqualified voting controllers (or their proxies or representatives), respectively at the time of registration at the registration desk of the AGM.
- (d) You can tick either “For” or “Against” in the box next to each and every resolution. For corporate representatives who represent multiple voting controllers, you may tick both “For” and “Against” for each and every resolution, but please specify the number of Shares for each box that you will tick. For any resolution you have not ticked “For” or “Against”, we shall assume that you “Abstain” from the vote.
- (e) Before you drop the voting slip into the polling box, please make sure that you have:
- written down your name in BLOCK CAPITALS and signed it; and
  - signed in the same way as you did at the registration desk.

Please note that any alteration made to the voting slip must carry a signature against it.

- (f) Computershare Hong Kong Investor Services Limited, the Company’s Share Registrar, has been appointed as scrutineer to count and certify the poll results of the AGM. The Company will then announce the poll results of the AGM in accordance with the manner prescribed under the Listing Rules.

**Shareholders’ Communication Policy**

23. The Company has established a Shareholders’ Communication Policy (“Policy”) to set out the provisions with the objective of ensuring that the Shareholders and investment community are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance profile), in order to allow Shareholders to engage actively with the Company.

24. The Board reviews the Policy on an annual basis to ensure its effectiveness and that it meets the best market practice. You can view the full text of the updated Policy on the Company's website at <https://corporate.tvb.com>.

#### **Shareholders' Communication Channels**

25. The Policy provides communication channels to Shareholders:

In relation to general shareholders' matters

Enquiries should be addressed to:

Address: Television Broadcasts Limited,  
TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate,  
Kowloon, Hong Kong.  
Attention: Head of Investor Relations  
Email: [ir@tvb.com.hk](mailto:ir@tvb.com.hk)

In relation to share certificates and titles, to Share Registrar and Transfer Office

Enquiries should be addressed to:

Address: Computershare Hong Kong Investor Services Limited,  
17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai,  
Hong Kong  
Telephone: (852) 2862 8555  
Fax: (852) 2865 0990/2529 6087  
Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)