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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) CONDITIONAL CASH OFFER BY
MERRILL LYNCH (ASIA PACIFIC) LIMITED
ON BEHALF OF TELEVISION BROADCASTS LIMITED
TO REPURCHASE UP TO 120,000,000 SHARES
AT HK\$35.075 PER SHARE,
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

**ANNOUNCEMENT
INFORMATION ABOUT CMC HOLDINGS LIMITED
AND YOUNG LION HOLDINGS LIMITED**

Financial Adviser to the Company

Bank of America 
Merrill Lynch

Reference is made to (1) the announcement of Television Broadcasts Limited (the “**Company**”) dated 24 January 2017 in connection with the original Offer and the Whitewash Waiver (the “**Announcement**”); and (2) the announcement of the Company dated 13 February 2017 setting out the revised terms of the Offer. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Announcement.

The Board has been informed by CMC Holdings Limited (“**CMC**”), an indirect shareholder of Young Lion Holdings Limited (“**YL**”, an indirect shareholder of the Company holding 26.00% of the issued share capital of the Company), of the following information which CMC wishes to inform the market of:

- (a) CMC is a company holding substantial assets and businesses in the media industry and founded by Mr. Li Ruigang (“**Mr. Li**”), the Vice-Chairman of the Board and a Non-executive Director of the Company. Mr. Li controls approximately 86% voting rights and approximately 26% economic interest in CMC, being the largest single shareholder of CMC. Mr. Li is the chairman of the board of CMC, has nomination rights for the majority of the board of CMC and has control over the general operations of CMC; and
- (b) YL has 530,796,002 shares in total (“**YL Shares**”) in its issued share capital, consisting of 474,474,999 non-voting shares (“**Non-Voting YL Shares**”, representing 89.39% of its equity) and 56,321,003 voting shares (“**Voting YL Shares**”, representing 10.61% of its equity). The economic interest in YL represented by each Non-Voting YL Share and Voting YL Share is the same. Dr. Charles Chan Kwok Keung (“**Dr. Chan**”), the Chairman of the Board and a Non-executive Director of the Company, indirectly (via Innovative View Holdings Limited (“**IVH**”)) controls 56.51% Voting YL Shares and 6.00% YL Shares in total, CMC indirectly controls 32.00% Voting YL Shares and 79.01% YL Shares in total, and Profit Global Investment Limited (“**PGIL**”) controls 11.49% Voting YL Shares and 14.99% YL Shares in total.
 - 1. The board of directors of YL comprises five directors, IVH and CMC each nominated two directors while PGIL nominated the fifth director (it is noted that decisions of the board of YL, including voting of Shares in the Company, are made by simple majority).
 - 2. Without any intention to diminish Dr. Chan’s voting rights in YL and to protect CMC’s economic interest in YL in certain circumstances, CMC also has certain reserved matters approval rights, nomination rights and other rights under the shareholders and relationship agreements in relation to YL entered into by shareholders of YL, including but not limited to:
 - i. (for as long as YL has the power to cause the nomination of four Directors of the Company) CMC’s right to nominate two out of those four Directors while IVH has the right to nominate one out of those four Directors;

- ii. The board of YL will comprise (up to) seven directors, of which one shall be nominated by IVH, one by PGIL, two by CMC, one by the former fourth shareholder of YL, and two Hong Kong-resident independent YL directors. However, please see point 1 above for the current composition of the board of directors of YL;
- iii. CMC's right to require IVH to sell all (but not less than all) of its voting shares in YL to a third party purchaser ordinarily resident in Hong Kong nominated by CMC;
- iv. certain matters of YL are subject to "Majority Approval" (i.e. at least 70% of total YL Shares), including the appointment of independent YL directors and the appointment of a YL director nominated by any new shareholder of YL holding at least 10% of either total YL Shares or Voting YL Shares; and
- v. certain matters of YL are subject to "Super-Majority Approval" (i.e. at least 95% of total YL Shares), including any conversion from Non-Voting YL Shares into Voting YL Shares (or vice versa), the allocation of Voting YL Shares and Non-Voting YL Shares in the case of a pre-emptive issue of shares of YL and the transfer of any Shares in the Company by YL (except in compliance with certain exit arrangements for certain shareholders of YL).

By Order of the Board
Adrian MAK Yau Kee
Company Secretary

Hong Kong, 5 July 2017

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

Chairman and Non-executive Director

Dr. Charles CHAN Kwok Keung

Vice Chairman and Non-executive Director

LI Ruigang

Executive Directors

Mark LEE Po On Group Chief Executive Officer

CHEONG Shin Keong General Manager

Non-executive Directors

Mona FONG

Anthony LEE Hsien Pin

CHEN Wen Chi

Thomas HUI To

Independent Non-executive Directors

Dr. Raymond OR Ching Fai SBS, JP

Dr. William LO Wing Yan JP

Professor Caroline WANG Chia-Ling

Dr. Allan ZEMAN GBM, GBS, JP

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement contained in this announcement misleading.