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Television Broadcasts Limited

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

NOTICE OF ANNUAL GENERAL MEETING AND ELECTION OF DIRECTORS AND RE-ELECTION OF DIRECTORS

Notice is hereby given that the Annual General Meeting of the shareholders of Television Broadcasts Limited (“Company”) will be held at The Harbour Room, Mezzanine Floor, Kowloon Shangri-La Hotel, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 26 May 2010 at 11:00 a.m. (“AGM”) for the following purposes:

ORDINARY BUSINESS

- (1) To receive the Audited Financial Statements, the Report of the Directors and the Independent Auditors’ Report for the year ended 31 December 2009;
- (2) To declare a final dividend for the year ended 31 December 2009;
- (3) To elect Directors;
- (4) To re-elect retiring Directors;
- (5) To approve the Chairman’s fee;
- (6) To approve an increase in Director’s fee; and
- (7) To re-appoint Auditors and authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

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

(8) “**THAT:**

- (a) subject to paragraph (c) below and in substitution of all previous authorities, the exercise by Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements, options and other rights, or issue securities, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise Directors of the Company during the Relevant Period to make or grant offers, agreements, options and other rights, and issue securities, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital 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; or (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the ordinary shares in the Company (such ordinary shares being defined in this and the following Resolution (9), “Shares”) in accordance with the Articles of Association of the Company (“Articles”), shall not exceed the aggregate of:
 - (i) 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and
 - (ii) (if Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution),and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is 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 or any other applicable law to be held; and
 - (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; and

“**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, open for a period fixed by Directors of the Company, to holders of Shares 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 Shares (or, where appropriate, such other securities), 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.”

(9) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by Directors of the Company during the Relevant Period of all powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company 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 whichever is 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 or any other applicable law to be held; and
 - (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.”

(10) “**THAT** Directors of the Company be and are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of Resolution (8) above in respect of the share capital of the Company referred to in paragraph (c)(ii) of Resolution (8).”

(11) “**THAT** the period of 30 days during which the Company’s Register of Members may be closed under Section 99(1) of the Companies Ordinance during the calendar year 2010, be and is hereby extended, pursuant to Section 99(2) of the Companies Ordinance, to 60 days.”

By Order of the Board
Adrian MAK Yau Kee
Company Secretary

Hong Kong, 20 April 2010

NOTES:

Proxy Information

1. A shareholder entitled to attend and vote at the AGM convened by this notice of AGM ("AGM Notice") is entitled to appoint up to two proxies to attend and vote in his stead. A proxy needs not be a member of the Company.
2. A proxy form for the AGM is enclosed. To be valid, a 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 with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the AGM, and in default thereof the proxy form and such power of attorney or other authority shall not be treated as valid.

Dividends

3. The Directors recommended the payment of a final dividend of HK\$1.35 per share for the 438,000,000 ordinary shares in issue of HK\$0.05 each in respect of the year ended 31 December 2009. Subject to shareholders' approval at the AGM, the final dividend will be paid to shareholders whose names are recorded on the Register of Members of the Company on 26 May 2010. The dividend warrants will be despatched to shareholders on or around 2 June 2010.
4. The Register of Members of the Company will be closed from Wednesday, 5 May 2010 to Wednesday, 26 May 2010, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and be entitled to attend the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 4 May 2010.
5. The 21-day book close period from Wednesday, 5 May 2010 to Wednesday, 26 May 2010 is set to allow sufficient time for members of the Company to complete and return the declaration of voting controllers as required under the provisions of the Broadcasting Ordinance, Chapter 562.

Directors

6. In relation to agenda item No. (3) in the AGM Notice regarding election of Director, Ms. Vivien Chen Wai Wai and Mr. Mark Lee Po On, who were appointed by the Board as Independent Non-executive Director and Executive Director on 1 September 2009 and 24 March 2010 respectively, shall hold offices until the AGM pursuant to Article 109 of the Articles, and being eligible, offer themselves for election by shareholders.
7. In relation to agenda item No. (4) in the AGM Notice regarding re-election of retiring Directors, Dr. Norman Leung Nai Pang and Mr. Edward Cheng Wai Sun shall retire at the AGM pursuant to Article 114(A) of the Articles, and being eligible, offer themselves for re-election. The re-election of the retiring Directors will be individually voted on by shareholders.
8. The biographical details of each of the Directors who stand for election and re-election at the AGM, as at 15 April 2010, being the latest practicable date prior to the release of this Notice of AGM ("Latest Practicable Date"), are set out below to enable shareholders to make an informed decision on their election or re-election. Save for the information set out in this paragraph and in paragraphs 6, 7 and 10, there is no information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and there are no other matters that need to be brought to the attention of shareholders in respect of the Directors who stand for election and re-election at the AGM.

8.1 Ms. Vivien Chen Wai Wai (aged 51)

Ms. Chen was appointed Independent Non-executive Director of the Company in September 2009. Ms. Chen is the Chairman and Managing Director of Nan Fung Group which was founded by her father, Dr. Chen Din-hwa. Ms. Chen is the Chairman of The D H Chen Foundation which was established in Hong Kong by her father to support worthy causes in education, medicine, welfare and the promulgation of Buddhism. In addition, she is the founder of her own foundation named The Chen Wai Wai Vivien Foundation Limited and is a trustee of her mother's foundation, Chen Yang Foo Oi Foundation Limited. Ms. Chen is also the Honorary President of both the Shanghai Fraternity Association and the International Ningbo Merchants Co. Ltd.; the Honorary Vice-President of the Shanghai Charity Foundation, a charity set up by the city of Shanghai; and one of the founders of the Hong Kong Eating Disorders Association Limited. Ms. Chen did not hold any directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Ms. Chen does not have any financial and family relationships with any directors, senior management, or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Chen does not hold any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Chen consented to act as an Independent Non-executive Director of the Company with effect from 1 September 2009 until the AGM and being eligible, offers herself for election at the AGM pursuant to the Articles.

Ms. Chen is entitled to Director's remuneration as recommended by the Remuneration Committee of the Company and determined by the Board and, if required, approved by Shareholders in general meeting. The Director's remuneration shall be determined by reference to Ms. Chen's duties and responsibilities in the Group as well as the remuneration for directors of comparable listed companies in the market. A Director's fee of HK\$33,425 was paid to Ms. Chen for the year ended 31 December 2009. Subject to the approval of the shareholders, she is entitled to a Director's fee of HK\$120,000 per annum for the year ending 31 December 2010.

8.2 Mr. Mark Lee Po On (aged 54)

Mr. Lee was appointed Executive Director of the Company on 24 March 2010. Mr. Lee joined TVB in early 2007 as General Manager – Finance and Administration. He was promoted to Group General Manager in September 2009. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales and also a member of the Hong Kong Institute of Certified Public Accountants. During the period from 1977 to 1987, Mr. Lee worked with KPMG, an international accounting firm, in various offices including Hong Kong, Los Angeles and Shanghai. From 1988 to early 2007, Mr. Lee worked as an executive director of a listed consortium engaged in real estate, hotel, media, entertainment and retail business in Hong Kong and overseas. During 1992 to 1996, Mr. Lee also took up the position of director and CEO of Asia Television Limited which was a former affiliate of the consortium.

Mr. Lee has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Mr. Lee does not have any financial or family relationship with any Directors, senior management, or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lee does not hold any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Lee consented to act as an Executive Director of the Company with effect from 24 March 2010 until the AGM and being eligible, offers himself for election at the AGM pursuant to the Articles.

Mr. Lee has entered into a three year service contract with the Company on 29 January 2010 as the Group General Manager commencing on 1 February 2010. Pursuant to the service contract, Mr. Lee is entitled to a remuneration package of HK\$4,000,000 per annum (inclusive of mandatory provident fund contributions and other emoluments) which has been approved by the Remuneration Committee of the Board having regard to his duties. The said remuneration package is inclusive of all services, including other titles, directorships and responsibilities, provided to the Board and its Committees, the Company and its subsidiaries and/or associated companies. He is entitled to receive discretionary bonus, subject to approval of the Remuneration Committee of the Board. He will be subject to retirement and election or re-election in accordance with the Articles.

8.3 Dr. Norman Leung Nai Pang, G.B.S., LL.D., J.P. (aged 69)

Dr. Leung was appointed a Director of the Company in September 2003 when he also took up the position as Executive Deputy Chairman. He was appointed the Chairman of the Executive Committee of the Board on 1 January 2010. He is the Deputy Chairman of Transport International Holdings Ltd., which is listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). He is also a director of Wing Lung Bank Ltd, a company listed on the Stock Exchange until its withdrawal of listing on 16 January 2009. Dr. Leung has been active in public service for over 30 years and he served as Commissioner of the Civil Aid Service from 1993 to 2007, Chairman of the Broadcasting Authority from 1997 to 2002 and Council Chairman of City University of Hong Kong from 1997 to 2003. He is now the Pro-Chancellor of City University of Hong Kong and a member of the Advisory Committee on Post-office Employment for former Chief Executives and Politically Appointed Officials. Save as disclosed above, Dr. Leung did not hold any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Dr. Leung does not have any financial and family relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Leung does not hold any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Dr. Leung has a service contract with the Company as the Executive Deputy Chairman of the Company. As a Director of the Board, he is subject to retirement and re-election at annual general meetings of the Company in such manner as required by the Articles. He continues to serve the Board since his last re-election at the Company's 2007 annual general meeting held on 30 May 2007.

Dr. Leung's remuneration as the Executive Deputy Chairman is determined by the Remuneration Committee of the Board. His salary and allowance as the Executive Deputy Chairman and his fee as a Director (which are inclusive of all services provided to the Board and the Board Committees) for the year ended 31 December 2009 amounted to HK\$4,720,000 and HK\$100,000 respectively. A discretionary bonus of HK\$600,000 was paid to Dr. Leung for the same year. He is entitled to receive his salary and allowance as the Executive Deputy Chairman of HK\$4,980,000 per annum for the year ending 31 December 2010. Subject to the approval of the shareholders, a Director's fee of HK\$120,000 per annum (which are inclusive of all services provided to the Board and the Board Committee) will be paid to him for the same year. At the discretion of the Remuneration Committee of the Board, he may be paid a bonus.

Dr. Leung was formerly a non-executive director of Chrysanthemum Chinese Restaurant Limited (“Chrysanthemum”) and The New China Hong Kong Group Limited (“NCHKG”). Chrysanthemum was incorporated in Hong Kong and carried on the business of a Chinese restaurant. Chrysanthemum was voluntarily wound up under Section 228A of the Companies Ordinance (“the said Section”) on 5 February 1999 and was dissolved on 15 May 2002. NCHKG was incorporated in Hong Kong and carried on the business of an investment holding company. NCHKG was voluntarily wound up under the said Section on 1 March 1999 and the liquidation thereof is still in progress.

8.4 Mr. Edward Cheng Wai Sun, S.B.S., J.P. (aged 54)

Mr. Cheng was appointed Independent Non-executive Director of the Company in June 2006. He is the deputy chairman and chief executive of USI Holdings Limited, a non-executive director of Winsor Properties Holdings Limited, and an independent non-executive director of Orient Overseas (International) Limited, all of which are listed on the Stock Exchange. Mr. Cheng has many years of public service experience in urban renewal, finance, housing, corruption prevention, technology and education. Mr. Cheng is currently a member of the University Grants Committee. Save as disclosed above, Mr. Cheng did not hold any directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Mr. Cheng does not have any financial and family relationships with any directors, senior management, or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Cheng does not hold any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Cheng continues to act as an Independent Non-executive Director of the Company since his last re-election at the Company’s 2007 annual general meeting for a term commencing on 30 May 2007 until the annual general meeting of the Company in 2010. He shall be subject to retirement and re-election at the annual general meetings of the Company in such manner as required by the Articles.

Mr. Cheng is entitled to Director’s remuneration as recommended by the Remuneration Committee of the Company and determined by the Board. The Director’s remuneration shall be determined by reference to Mr. Cheng’s duties and responsibilities in the Group as well as the remuneration for directors of comparable listed companies in the market. A Director’s fee of HK\$100,000 and an additional fee of HK\$30,000 for serving as a member of the Remuneration Committee were paid to Mr. Cheng for the year ended 31 December 2009. Subject to the approval of the shareholders, he is entitled to a Director’s fee of HK\$120,000 per annum and an additional fee of HK\$30,000 per annum for serving as a member of the Remuneration Committee for the year ending 31 December 2010.

Chairman Fee

9. As announced on 16 October 2009, Sir Run Run Shaw was designated from the Executive Chairman to Chairman which became effective on 1 January 2010. In relation to agenda item No. (5), it was recommended to consider a revised Chairman’s fee of HK\$500,000 per annum (which is inclusive of all services provided to the Board and the Board Committees) effective on 1 January 2010.

Increase in Directors’ fee

10. In relation to agenda item No. (6), it was recommended to consider an increase in the Director’s fee from HK\$100,000 per annum to HK\$120,000 per annum effective on 1 January 2010 to align with the prevailing market rate.

The annual fees payable to the Directors for serving on the Board and the additional annual fees payable to Non-executive Directors for serving on the Board Committees for the year ended 31 December 2009 are set out below for shareholders’ information.

| Individual Directors Serving | Fees (HK\$ per annum) |
|---------------------------------------|----------------------------------|
| Board of Directors | |
| Chairman | 900,000 (see paragraph 9 above) |
| Executive and Non-executive Directors | 100,000 (see paragraph 10 above) |
| Executive Committee | |
| Chairman | – |
| Members | 75,000 |
| Audit Committee | |
| Chairman | 140,000 |
| Members | 80,000 (see Note 5 below) |
| Remuneration Committee | |
| Chairman | 40,000 |
| Members | 30,000 |

Notes:

1. The Executive Directors (except for the Chairman) are remunerated in salaries and/or Directors' fees which are inclusive of all services provided to the Board and the Board Committees.
2. The Chairman is remunerated by way of a fixed fee. Other Executive Directors are remunerated by way of salaries and other incentives, such as discretionary bonus and provident fund. The Chairman and Executive Directors are not entitled to an additional fee for serving on the Board Committees.
3. Except for the Chairman, all other Non-executive Directors are remunerated by a fixed Directors' fee and Board Committee fees, if they also serve those Committees.
4. Any increases in Directors' fee shall be recommended by the Board and approved by shareholders at annual general meetings. Any increases in fees to the chairman or members of the Board Committees shall be approved by the Board.
5. On the recommendation of the Remuneration Committee, the Board approved the increase of the fees payable to members of the Audit Committee from HK\$80,000 per annum to HK\$90,000 per annum with effect from 1 January 2010.

General Mandates to Issue and Repurchase Shares

11. In relation to agenda item (8), the purpose of this resolution is to give a General Mandate to authorise the Directors to issue additional shares.
12. In relation to agenda item (9), the purpose of this resolution is to give a General Mandate to authorise the Directors to repurchase issued shares.
13. In relation to agenda item (10), the purpose of this resolution is to extend the authority given under Resolution (8) to shares repurchased under the authority given in Resolution (9).

Voting on a Poll

14. Pursuant to Rule 13.39(4) of the Listing Rules, voting by poll is mandatory at all general meetings. Therefore, all resolutions to be voted at the AGM will be taken by poll. The poll procedures will be explained during the AGM and the poll results of the AGM will be published on the designated issuers website of the Stock Exchange and the website of the Company, in accordance with the requirements of the Listing Rules.

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

Sir Run Run SHAW, *G.B.M.* (Chairman) #

Dr. Norman LEUNG Nai Pang, *G.B.S., LL.D., J.P.* (Executive Deputy Chairman) *

Mona FONG (Deputy Chairperson and Managing Director,
and Alternate Director to Sir Run Run SHAW) *

Christina LEE LOOK Ngan Kwan #

Dr. CHOW Yei Ching, *G.B.S.* #

Kevin LO Chung Ping #

Edward CHENG Wai Sun, *S.B.S., J.P.* ^

Chien LEE ^

Gordon SIU Kwing Chue, *G.B.S., J.P.* ^

Vivien CHEN Wai Wai ^

Mark LEE Po On *

Anthony LEE Hsien Pin (Alternate Director to Christina LEE LOOK Ngan Kwan)

* *Executive Directors*

Non-executive Directors

^ *Independent Non-executive Directors*

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Television Broadcasts Limited

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

Board of Directors:

Sir Run Run Shaw, *G.B.M.* (Chairman) #
Dr. Norman Leung Nai Pang, *G.B.S., LL.D., J.P.*
(Executive Deputy Chairman)*
Mona Fong (Deputy Chairperson and Managing Director,
and Alternate Director to Sir Run Run Shaw)*
Christina Lee Look Ngan Kwan #
Dr. Chow Yei Ching, *G.B.S.* #
Kevin Lo Chung Ping #
Edward Cheng Wai Sun, *S.B.S., J.P.* ^
Chien Lee^
Gordon Siu Kwing Chue, *G.B.S., J.P.* ^
Vivien Chen Wai Wai^
Mark Lee Po On*
Anthony Lee Hsien Pin (Alternate Director to
Christina Lee Look Ngan Kwan)

Registered office:

TVB City
77 Chun Choi Street
Tseung Kwan O
Industrial Estate
Kowloon
Hong Kong

* *Executive Directors*

Non-executive Directors

^ *Independent Non-executive Directors*

20 April 2010

To Shareholders

Dear Sir or Madam,

EXPLANATORY STATEMENT REGARDING GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

Introduction

This explanatory statement (“Explanatory Statement”) and the appendix contain all the information required pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) to enable shareholders of the Company to make an informed decision on whether to vote for or against ordinary resolutions to (i) renew the Directors’ general mandate to repurchase Ordinary Shares of HK\$0.05 each in the capital of the Company (“Shares”); and (ii) renew the Directors’ general mandate to issue Shares. The respective ordinary resolutions will be proposed at the annual general meeting of the Company to be held at The Harbour Room, Mezzanine Floor, Kowloon Shangri-La Hotel, Tsim Sha Tsui East, Kowloon on Wednesday, 26 May 2010 at 11:00 a.m. (“AGM”).

General mandate to repurchase Shares

At the annual general meeting of the Company held on 20 May 2009, a general mandate (“Existing Repurchase Mandate”) was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares with an aggregate nominal amount of up to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution. Under the Listing Rules, the Existing Repurchase Mandate will lapse at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors a general mandate to exercise the powers of the Company to repurchase Shares (“Share Repurchase Mandate”) not exceeding 10 per cent of the issued share capital of the Company at the date of passing such ordinary resolution.

General mandate to issue Shares

At the annual general meeting of the Company held on 20 May 2009, a general mandate (“Existing Issue Mandate”) was given by the Company to the Directors to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution and such general mandate was extended by adding to it the aggregate nominal amount of any Shares repurchased by the Company under the authority to repurchase Shares granted on that date. Under the Listing Rules, the Existing Issue Mandate to allot, issue and deal with Shares will also lapse at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors a general mandate to allot, issue and deal with Shares (“Share Issue Mandate”) not exceeding 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution and to approve an extension of the Share Issue Mandate by adding to it the aggregate nominal amount of any Shares repurchased by the Company under the authority to repurchase Shares granted on the AGM.

Recommendations

The Directors believe that the proposed granting of the Share Repurchase Mandate and the Share Issue Mandate are in the best interests of the Company as well as its shareholders. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of all the resolutions set out in the notice of AGM (“AGM Notice”).

Yours faithfully,
For and on behalf of the Board
Run Run Shaw
Chairman

APPENDIX

The Explanatory Statement set out below contains the information required to be sent to the shareholders under Rule 10.06(1)(b) of the Listing Rules and also constitutes the memorandum of the terms of the proposed repurchases as required under section 49BA of the Companies Ordinance.

Repurchase of Shares

1. Listing Rules requirement for repurchase of Shares

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

(a) Shareholder 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 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 memorandum and articles of association of that company or any applicable law to be held or the revocation or variation 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 per cent of the fully-paid issued share capital of a company 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 shares repurchase (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 Repurchase Mandate

As at 15 April 2010, being the latest practicable date prior to the printing of this Explanatory Statement (“Latest Practicable Date”), the issued share capital of the Company comprised 438,000,000 Shares of HK\$0.05 each. If the ordinary resolution authorising the Directors of the Company to repurchase its own Shares (Share Repurchase Mandate) is passed at the AGM, and assuming that no shares in the Company are issued or repurchased prior to the date of passing the said resolution, up to 43,800,000 fully paid-up shares representing 10 per cent of the existing issued share capital of the Company may be repurchased by the Company during the period from the date of the passing of the resolution up to the conclusion of the next annual general meeting. The shares to be repurchased by the Company must be fully paid up.

3. Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from 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 its shareholders.

4. Funding of repurchases

Repurchases must be funded out of funds legally available for such purpose in accordance with the Company's Memorandum and 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 2009 (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 AGM Notice in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell any of the Company's Shares to the Company or its subsidiaries if the Share Repurchase Mandate is approved and exercised.

No 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 Company's shares to the Company, or have undertaken not to do so, if the Share Repurchase Mandate is approved and exercised.

7. Hong Kong Code on Takeovers and Mergers

If, as the result of a repurchase of the Company's shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). As a result, a shareholder, or a group of shareholders acting in concert, could, depending on the level of increase of 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, Shaw Brothers (Hong Kong) Limited and associated parties held a total of 142,320,828 shares in the Company, representing approximately 32.49 per cent of the existing issued share capital of the Company. If the Directors were to exercise the Share Repurchase Mandate in full, such shares would represent approximately 36.10 per cent of the issued share capital of the Company, and an obligation to make a general offer to shareholders may arise as a result. It is not the present intention of the Directors to exercise the Share Repurchase Mandate in such manner as to trigger off any general offer obligations.

Directors of the Company 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 Company's shares were traded on the Stock Exchange during each of the 12 months prior and up to the Latest Practicable Date were as follows:

| | Month | Highest HK\$ | Lowest HK\$ |
|-------------|---|-------------------------|------------------------|
| 2009 | April | 29.45 | 24.55 |
| | May | 35.30 | 27.50 |
| | June | 34.60 | 30.00 |
| | July | 35.10 | 30.70 |
| | August | 34.85 | 31.50 |
| | September | 34.10 | 32.35 |
| | October | 40.05 | 32.50 |
| | November | 36.90 | 33.65 |
| | December | 38.50 | 35.15 |
| 2010 | January | 40.85 | 35.30 |
| | February | 38.50 | 33.85 |
| | March | 38.00 | 35.45 |
| | April (up to the Latest Practicable Date) | 38.70 | 37.10 |

The AGM Notice is enclosed with this Explanatory Statement, which is despatched to shareholders together with the 2009 Annual Report of the Company on 20 April 2010. Such documents are also available on the designated issuer website of the Stock Exchange at www.hkexnews.com.hk and the website of the Company at www.tvb.com.