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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

### **ALLOTMENT OF 28,743,836 NEW SHARES FOR GROSS PROCEEDS OF APPROXIMATELY HK\$109.4 MILLION THROUGH:**

- (1) ALLOTMENT OF NEW SHARES UNDER GENERAL MANDATE;  
AND (2) CONNECTED TRANSACTION IN RELATION TO  
ALLOTMENT OF NEW SHARES UNDER SPECIFIC MANDATE**

#### **ALLOTMENT OF NEW SHARES UNDER GENERAL MANDATE**

On 13 May 2024 (after trading hours), the Company entered into the GF Subscription Agreement with GF Global pursuant to which GF Global has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 8,743,836 GF Subscription Shares at the GF Subscription Price of HK\$3.36 per GF Subscription Share in accordance with the terms and conditions as set out in the GF Subscription Agreement.

The number of GF Subscription Shares represents (i) approximately 2.00% of the total number of issued Shares as at the date of this announcement; (ii) approximately 1.96% of the total number of issued Shares as enlarged by the allotment and issue of the GF Subscription Shares immediately following the completion of GF Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the GF Completion Date); and (iii) approximately 1.75% of the total number of issued Shares as enlarged by the allotment and issue of the GF Subscription Shares immediately following the completion of GF Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the GF 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).

The GF Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate and is therefore not subject to Shareholders' approval.

The gross proceeds from the issue of GF Subscription Shares are expected to be approximately HK\$29.38 million and the net proceeds from the issue of GF Subscription Shares (after deducting the related expenses) will be approximately HK\$28.50 million which will be used for general corporate purposes, including working capital for the Group's drama co-production projects with mainland Chinese streaming platform partners.

### **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 SBL Subscription Agreement with SBL pursuant to which SBL has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 20,000,000 SBL Subscription Shares at the SBL Subscription Price of HK\$4.00 per SBL Subscription Share in accordance with the terms and conditions as set out in the SBL Subscription Agreement.

The number of SBL Subscription Shares represents (i) approximately 4.56% of the total number of issued Shares as at the date of this announcement; (ii) approximately 4.36% of the total number of issued Shares as enlarged by the allotment and issue of the SBL Subscription Shares immediately following the completion of SBL Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the SBL Completion Date); and (iii) approximately 3.86% of the total number of issued Shares as enlarged by the allotment and issue of the SBL Subscription Shares immediately following the completion of SBL Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the SBL 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).

The SBL Subscription Shares will be allotted and issued under the Specific Mandate to be sought at the AGM.

The gross proceeds from the issue of the SBL Subscription Shares are expected to be HK\$80.00 million and the net proceeds from the issue of the SBL Subscription Shares (after deducting the related expenses) will be approximately HK\$78.80 million which will be used for general corporate purposes, including working capital for the Group's drama co-production projects with mainland Chinese streaming platform partners.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SBL held 96,817,527 Shares, representing approximately 22.09% of the total issued Shares. Accordingly, SBL is a substantial shareholder and a connected person of the Company as defined in the Listing Rules. Therefore, the SBL 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.

## **GENERAL**

The AGM will be held to consider and, if thought fit, approve the SBL Subscription Agreement, the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the SBL Subscription Shares. SBL, being a Shareholder with a material interest in the SBL Subscription and the transactions contemplated thereunder, and its associates, shall abstain from voting on the relevant resolution(s) at the AGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the SBL Subscription, the allotment and issue of the SBL Subscription Shares and the transactions contemplated thereunder. Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) details of the SBL Subscription Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the SBL Subscription Agreement and the transaction contemplated thereunder; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the SBL Subscription Agreement and the transaction contemplated thereunder, is expected to be despatched by the Company to the Shareholders on or before 24 May 2024.

**Completion of the GF Subscription and the SBL Subscription are subject to fulfilment of the conditions under their respective subscription agreements (although they are not inter-conditional upon each other). As the GF Subscription and the SBL Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **1. ALLOTMENT OF NEW SHARES UNDER GENERAL MANDATE**

### **BACKGROUND**

On 13 May 2024 (after trading hours), the Company entered into the GF Subscription Agreement with GF Global pursuant to which GF Global has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 8,743,836 GF Subscription Shares at the GF Subscription Price of HK\$3.36 per GF Subscription Share in accordance with the terms and conditions as set out in the GF Subscription Agreement.

The principal terms of the GF Subscription Agreement are summarised below:

#### **Date**

13 May 2024

## **Parties**

- (i) The Company
- (ii) GF Global

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of GF Global and its ultimate beneficial owner is independent of the Company and the connected persons of the Company.

## **Subscription Shares**

The number of GF Subscription Shares represents:

- (i) approximately 2.00% of the total number of issued Shares as at the date of this announcement;
- (ii) approximately 1.96% of the total number of issued Shares as enlarged by the allotment and issue of the GF Subscription Shares immediately following the completion of GF Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the GF Completion Date); and
- (iii) approximately 1.75% of the total number of issued Shares as enlarged by the allotment and issue of the GF Subscription Shares immediately following the completion of GF Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the GF 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).

## **Subscription Price**

The GF Subscription Price of HK\$3.36 per GF Subscription Share represents:

- (i) a discount of approximately 9.92% to the closing price of HK\$3.73 per Share as quoted on the Stock Exchange on the date of the GF Subscription Agreement; and
- (ii) a discount of approximately 5.35% 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 GF Subscription Agreement.

The GF Subscription Price was determined after arm's length negotiation between the Company and GF Global 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 Board considers that the terms of the GF Subscription Agreement (including the GF Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The total GF Subscription Price of HK\$29,379,288.96 will be payable by GF Global in cash at the completion of the GF Subscription.

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

The GF 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 GF Subscription Shares.

### **Conditions precedent**

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

- (i) 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 GF Subscription;
- (ii) the Listing Committee having granted the listing of and the permission to deal in the GF Subscription Shares, and such approval and granting of permission not having been withdrawn or revoked;
- (iii) there having been no material breach of any warranty by the Company on or since the date of the GF Subscription Agreement that remains unremedied; and
- (iv) there having been no material breach of any warranty by GF Global on or since the date of GF Subscription Agreement that remains unremedied.

Conditions under paragraphs (iii) and (iv) may be waived by GF Global or the Company (as the case may be). None of the other conditions stated above may be unilaterally waived by either party unless the Company and GF Global agree in writing. In the event that the conditions are not fulfilled on or before 21 June 2024 or such other date as may be agreed by the Company and GF Global, the GF Subscription Agreement shall automatically terminate and no party shall have any claim under the GF 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).

## **Termination**

GF Global may terminate the GF 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 GF Subscription Agreement, or such longer period as GF Global 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;
- (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 GF Subscription Agreement; and
- (c) any material breach of the warranties, representations and undertakings given by the Company under the GF Subscription Agreement and such breach is not capable of being remedied.

If GF Global terminates the GF 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, GF Global agrees and undertakes to the Company that GF Global will not, whether directly or indirectly, at any time during the period of three months from the GF 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 GF Subscription Shares;
- (b) enter into any transaction with the same economic effect as any transaction specified in paragraph (a) above; or
- (c) offer to or contract to or agree to or publicly disclose that it will enter into any transaction described in paragraph (a) or (b) above.



## **Completion**

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

## **GENERAL MANDATE**

The GF Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate and is therefore not subject to Shareholders' approval.

The Company is authorised to allot, issue or otherwise deal with up to 43,800,000 new Shares under the General Mandate. As at the date of this announcement, 8,743,836 new Shares remain available for issuance under the General Mandate after the issuance of Convertible Bonds (assuming 35,056,164 new Shares will be allotted and issued upon a full conversion of the Convertible Bonds). After completion of the GF Subscription, there will be no Shares remaining which can be allotted by the Company under the General Mandate.

## **APPLICATION FOR LISTING**

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

## **INFORMATION OF GF GLOBAL**

GF Global is a company incorporated in Hong Kong and is principally engaged in investment trading activities. GF Global's investments comprise a diversified fixed income, currencies and commodities investment portfolio across different regions, industries, currencies and asset classes, including assets from multiple countries and different investment fields such as bonds, fixed income alternative investment products, commodities, neutral strategies and fixed income funds. GF Global also leverages on its investments in treasury bond futures, foreign exchange forwards and credit default swaps to hedge its portfolio risks. As at the date of this announcement, GF Global is directly wholly owned by GF Holdings (Hong Kong) Corporation Limited (廣發控股(香港)有限公司), which is in turn indirectly wholly owned by GF Securities Co., Ltd. (廣發証券股份有限公司).

GF Securities Co., Ltd. is a joint stock company incorporated in the PRC with limited liability and whose H shares and A shares are listed on the Main Board of the Stock Exchange and the Main Board of the Shenzhen Stock Exchange, respectively. It is principally engaged in investment banking, wealth management, trading and institution as well as investment management.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of GF Global and its ultimate beneficial owner is independent of the Company and the connected persons of the Company.

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

### **BACKGROUND**

On 13 May 2024 (after trading hours), the Company entered into the SBL Subscription Agreement with SBL pursuant to which SBL has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 20,000,000 SBL Subscription Shares at the SBL Subscription Price of HK\$4.00 per SBL Subscription Share in accordance with the terms and conditions as set out in the SBL Subscription Agreement.

The principal terms of the SBL Subscription Agreement are summarised below:

#### **Date**

13 May 2024

#### **Parties**

- (i) The Company
- (ii) SBL

#### **Subscription Shares**

The number of SBL Subscription Shares represents:

- (i) approximately 4.56% of the total number of the issued Shares as at the date of this announcement;
- (ii) approximately 4.36% of the total number of the issued Shares as enlarged by the allotment and issue of the SBL Subscription Shares immediately following the completion of SBL Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the SBL Completion Date); and
- (iii) approximately 3.86% of the total number of the issued Shares as enlarged by the allotment and issue of the SBL Subscription Shares immediately following the completion of SBL Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the SBL 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 SBL Subscription Price of HK\$4.00 per SBL 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 SBL 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 SBL Subscription Agreement.

The SBL Subscription Price was determined after arm's length negotiation between the Company and SBL 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 SBL Subscription Price of HK\$80.00 million will be payable by SBL in cash at the completion of the SBL Subscription.

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

The SBL 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 SBL Subscription Shares.

## **Conditions precedent**

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

- (i) the passing by the Independent Shareholders at the AGM of resolutions approving the SBL Subscription Agreement and the grant of the Specific Mandate for the allotment and issue of the SBL 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 SBL Subscription; and
- (iii) the Listing Committee having granted the listing of and the permission to deal in the SBL 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 SBL, the SBL Subscription Agreement shall automatically terminate and no party shall have any claim under the SBL 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).

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 SBL Subscription Shares on the Stock Exchange in due course.

### **Termination**

SBL may terminate the SBL 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 SBL Subscription Agreement, or such longer period as SBL 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 SBL Subscription Agreement.

If SBL terminates the SBL 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, SBL agrees and undertakes to the Company that SBL will not, whether directly or indirectly, at any time during the period of six months from the SBL 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 SBL 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 SBL 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 SBL Subscription shall take place on the 5<sup>th</sup> Business Day after the date that the conditions precedent of the SBL Subscription Agreement have been fulfilled or such other date as may be agreed by the Company and SBL.

### **SPECIFIC MANDATE**

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

### **APPLICATION FOR LISTING**

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

### **INFORMATION OF SBL**

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

As at the date of this announcement, SBL 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 of the Company.

As at the date of this announcement, CMC M&E Acquisition is deemed to be interested in the Shares held by SBL. 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 GF SUBSCRIPTION AND SBL 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. While the Group has already obtained a number of new banking facilities in anticipation of such a need, the Company also believes that it is prudent to raise additional shareholders' capital through the GF Subscription and the SBL Subscription, in order to ensure the Group's overall liquidity level remains healthy throughout.

With respect to the GF Subscription, the Company further believes that by introducing GF Global, a company ultimately owned by GF Securities Co., Ltd., as a significant new institutional shareholder from mainland China, it adds to the diversity of the Company's institutional shareholder base.

With respect to the SBL Subscription, the Company also believes that SBL'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 (in respect of the SBL Subscription, excluding the independent non-executive Directors whose views will be subject to the advice from the Independent Financial Adviser) are of the view that the terms of each of the GF Subscription Agreement and the SBL Subscription Agreement (including the GF Subscription Price and the SBL Subscription Price) are on normal commercial terms and are fair and reasonable; and each of the GF Subscription and the SBL Subscription is in the interests of the Company and the Shareholders as a whole.

### **4. USE OF PROCEEDS**

The gross proceeds from the issue of GF Subscription Shares are expected to be approximately HK\$29.38 million and the net proceeds from the issue of GF Subscription Shares (after deducting the related expenses) will be approximately HK\$28.50 million.

The gross proceeds from the issue of the SBL Subscription Shares are expected to be HK\$80.00 million and the net proceeds from the issue of the SBL Subscription Shares (after deducting the related expenses) will be approximately HK\$78.80 million.

The combined net proceeds from the issue of the GF Subscription Shares and SBL Subscription Shares of approximately HK\$107.3 million will be used by the Company for general corporate purposes, including working capital for the Group's drama co-production projects with mainland Chinese streaming platform partners.

## 5. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company: (i) as at the date of this announcement; (ii) immediately after completion of the GF Subscription only; (iii) immediately after completion of the SBL Subscription only; and (iv) immediately after completion of both the GF Subscription and the SBL Subscription:

- (a) assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the GF Completion Date and/or SBL Completion Date (as the case may be):

|   | As at the date of this announcement |                        | Immediately after completion of the GF Subscription only |               | Immediately after completion of the SBL Subscription only |               | Immediately after completion of both the GF Subscription and the SBL 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>      | <i>Number of issued Shares</i>  | <i>%</i>      |
| SBL <sup>(2)(3)(4)</sup>                              | 96,817,527                          | 22.09                  | 96,817,527   | 21.66         | 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   | 11.99         | 53,577,200  | 11.69         | 53,577,200  | 11.47         |
| GF Global   | -                                   | -                      | 8,743,836  | 1.96          | -   | -             | 8,743,836   | 1.87          |
| Other Public Shareholders                             | 287,823,273                         | 65.68                  | 287,823,273  | 64.40         | 287,823,273   | 62.81         | 287,823,273   | 61.64         |
| <b>Total</b>  | <b>438,218,000</b>                  | <b>100.00</b>          | <b>446,961,836</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 date of this announcement and the GF Completion Date and/or SBL Completion Date (as the case may be), 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 date of this announcement |                        | Immediately after completion of the GF Subscription only |               | Immediately after completion of the SBL Subscription only |               | Immediately after completion of both the GF Subscription and the SBL 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>      | <i>Number of issued Shares</i>  | <i>%</i>      |
| SBL <sup>(2)(3)(4)</sup>                              | 96,817,527                          | 22.09                  | 96,817,527   | 19.42         | 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   | 10.74         | 53,577,200  | 10.51         | 53,577,200  | 10.33         |
| GF Global   | -                                   | -                      | 8,743,836  | 1.75          | -   | -             | 8,743,836   | 1.69          |
| Convertible Bonds holder                              | -                                   | -                      | 35,056,164   | 7.03          | 35,056,164  | 6.88          | 35,056,164  | 6.76          |
| Other Public Shareholders                             | 287,823,273                         | 65.68                  | 304,455,273  | 61.06         | 304,455,273   | 59.71         | 304,455,273   | 58.70         |
| <b>Total</b>  | <b>438,218,000</b>                  | <b>100.00</b>          | <b>498,650,000</b>                                       | <b>100.00</b> | <b>509,906,164</b>  | <b>100.00</b> | <b>518,650,000</b>  | <b>100.00</b> |

*Notes:*

1. Based on 438,218,000 ordinary Shares as at the date of this announcement.
2. SBL is the registered shareholder of 96,817,527 Shares. SBL 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 of the Company (“**Mr. Hsu**”). Therefore YLA, YLH and EPL are deemed to be interested in the same 96,817,527 Shares held by SBL.
3. CMC M&E Acquisition was deemed to be interested in the same 96,817,527 Shares held by SBL. 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. Hsu, EPL, CMC M&E Acquisition, YLH, YLA and SBL were the parties of an agreement to hold the interest in these 96,817,527 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 date of this announcement, 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.

## **6. 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 date of this announcement:

| <b>Date of relevant announcements</b>  | <b>Event</b>                                     | <b>Net Proceeds</b>              | <b>Intended Use of Proceeds</b> | <b>Actual use of proceeds as at the date of this announcement</b> |
|--|--|----------------------------------|---------------------------------|---|
| 16 August 2023 and<br>8 September 2023 | Issue of Convertible Bonds under General Mandate | Approximately<br>HK\$155 million | General corporate purposes      | General corporate purposes  |

Save as the abovementioned, the Company has not conducted any other equity fund raising activities during the past 12 months immediately preceding the date of this announcement.

## **7. POSSIBLE ADJUSTMENT TO THE CONVERTIBLE BONDS**

As at the date of this announcement, 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 SBL 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.

## **8. 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.

## **9. IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, SBL held 96,817,527 Shares, representing approximately 22.09% of the total issued Shares. Accordingly, SBL is a substantial shareholder and a connected person of the Company as defined in the Listing Rules. Therefore, the SBL 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 SBL", each of Mr. Kenneth Hsu Kin and Mr. Li Ruigang is considered as having a material interest in the SBL Subscription and has abstained from voting on the resolutions of the Board passed in connection with the SBL Subscription.



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

## **10. GENERAL**

The AGM will be held to consider and, if thought fit, approve the SBL Subscription Agreement, the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the SBL Subscription Shares. SBL, being a Shareholder with a material interest in the SBL 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 SBL Subscription and will be required to abstain from voting on the resolution(s) to approve the SBL Subscription and the transactions contemplated thereunder at the AGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on the terms of the SBL Subscription, the allotment and issue of the SBL Subscription Shares and the transactions contemplated thereunder. Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) details of the SBL Subscription Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the SBL Subscription Agreement and the transaction contemplated thereunder; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the SBL Subscription Agreement and the transaction contemplated thereunder, is expected to be despatched by the Company to the Shareholders on or before 24 May 2024.

**Completion of the GF Subscription and the SBL Subscription are subject to fulfilment of the conditions under their respective subscription agreements (although they are not inter-conditional upon each other). As the GF Subscription and the SBL Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

|                            |  |
|----------------------------|--|
| “AGM”                      | the annual general meeting to be held and convened by the Company to consider and, if thought fit, approve the SBL Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate to allot and issue the SBL Subscription Shares                             |
| “associate”                | has the meaning ascribed to it under the Listing Rules   |
| “Board”                    | the board of Directors   |
| “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 of the Company  |
| “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   |
| “Company”                  | Television Broadcasts Limited, a company incorporated in Hong Kong, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 511)  |
| “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)”              | 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 of the Company   |
| “General Mandate”           | the general mandate granted to the Directors pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 31 May 2023 to allot, issue and deal up to 10% of the then issued share capital of the Company |
| “GF Completion Date”        | the 5 <sup>th</sup> Business Day after the last condition is satisfied in accordance with the GF Subscription Agreement, or such other date as the parties may agree in writing   |
| “GF Global”                 | GF Global Capital Limited (廣發全球資本有限公司), a company incorporated in Hong Kong and indirectly wholly owned by GF Securities Co., Ltd (廣發証券股份有限公司)  |
| “GF Subscription”           | subscription by GF Global for the GF Subscription Shares pursuant to and in accordance with the terms and conditions of the GF Subscription Agreement   |
| “GF Subscription Agreement” | the subscription agreement dated 13 May 2024 entered into between the Company and GF Global in respect of the subscription of 8,743,836 new Shares at the GF Subscription Price   |
| “GF Subscription Price”     | HK\$3.36 per GF Subscription Share  |
| “GF Subscription Share(s)”  | the 8,743,836 new Shares to be subscribed for by GF Global and to be issued and allotted by the Company pursuant to and in accordance with the terms and conditions of the GF Subscription Agreement  |
| “Group”                     | the Company and its subsidiaries  |
| “HK\$”                      | Hong Kong dollar, the lawful currency of Hong Kong  |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the PRC  |

|                                 |  |
|---------------------------------|--|
| “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 SBL 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 SBL Subscription |
| “Independent Shareholders”      | the Shareholders, other than SBL and its associates  |
| “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  |
| “PRC”                           | the People’s Republic of China, which for the purpose of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan  |
| “SBL”                           | Shaw Brothers Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company   |
| “SBL Completion Date”           | the 5 <sup>th</sup> Business Day after the last condition is satisfied in accordance with the SBL Subscription Agreement, or such other date as the parties may agree in writing   |
| “SBL Subscription”              | subscription by SBL for the SBL Subscription Shares pursuant to and in accordance with the terms and conditions of the SBL Subscription Agreement  |
| “SBL Subscription Agreement”    | the subscription agreement dated 13 May 2024 entered into between the Company and SBL in respect of the subscription of 20,000,000 new Shares at the SBL Subscription Price  |
| “SBL Subscription Price”        | HK\$4.00 per SBL Subscription Share  |

|                             |  |
|-----------------------------|--|
| “SBL Subscription Share(s)” | the 20,000,000 new Shares to be subscribed for by SBL and to be issued and allotted by the Company pursuant to and in accordance with the terms and conditions of the SBL Subscription Agreement |
| “SFO”                       | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| “Share(s)”                  | the ordinary share(s) of the Company   |
| “Shareholder(s)”            | the holder(s) of the Shares  |
| “Share Option(s)”           | a right to subscribe for Shares pursuant to the Share Option Scheme or any share option granted thereunder   |
| “Share Options Scheme”      | the share option scheme adopted by the Company on 29 June 2017   |
| “Specific Mandate”          | the specific mandate for the allotment and issue of the SBL 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  |
| “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   |

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

Hong Kong, 13 May 2024

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

**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