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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your Shares in Television Broadcasts Limited, you should at once pass this circular, the notice of the annual general meeting and the accompanying proxy form, declaration form and explanatory notes thereto to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

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**Television Broadcasts Limited****電視廣播有限公司**

(Incorporated in Hong Kong with limited liability)

**Stock Code: 00511**

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
PROPOSALS FOR  
ELECTION AND RE-ELECTION OF DIRECTORS, AND  
GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES**

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A letter from the Board is set out on pages 5 to 6 of this circular.

A notice convening the AGM to be held at 4:00 p.m. on Wednesday, 27 May 2020 at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong is set out on pages 7 to 11 of this circular. A proxy form for the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the accompanying proxy form and return it in accordance with the instructions printed thereon to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event, not later than forty-eight (48) hours (excluding public holidays) before the time appointed for the holding of the AGM (or at any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM (or at any adjournment thereof) should you so wish and in such event, the proxy form shall be deemed to be revoked.

22 April 2020

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## PRECAUTIONARY MEASURES FOR ANNUAL GENERAL MEETING

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The Company wishes to emphasise that attendees' health and safety are its primary concerns. In view of the ongoing pandemic caused by coronavirus COVID-19, the Company will implement certain precautionary measures, including but not limited to requiring all attendees to (i) have a compulsory body temperature check at the entrance of the AGM venue, to register at the reception and (ii) complete a questionnaire to provide their contact details (e.g. full name, HKID or passport number, telephone number and residential address, etc.) and (iii) declare whether they have travelled outside of Hong Kong; had close contact<sup>(Note)</sup> with any person who has been diagnosed with coronavirus COVID-19 or travelled outside of Hong Kong in the past 14 days; and they are subject to any compulsory quarantine prescribed by the Hong Kong Government, as well as (iv) wear surgical face masks before they are permitted to access to the AGM venue and throughout the AGM. Should anyone seeking to attend the AGM decline to follow the Company's precautionary measures and/or be found to have common coronavirus symptoms such as fever (however mild), cough or other respiratory symptoms or otherwise unwell, the Company reserves the right to refuse such person's admission to the AGM venue.

As additional precautionary measures and with a view to avoiding close contact amongst attendees, seating will be arranged as spacious as possible, and where necessary and practicable, multiple meeting rooms with telecommunication facilities will be put into use. In addition, no shuttle bus transportation will be arranged to the AGM venue, no refreshment will be served and no gifts will be distributed at the AGM this year.

In light of the above precautionary measures, Shareholders intending to attend the AGM in person are suggested to arrive at the AGM venue in advance of the scheduled time for the AGM to ensure that they have sufficient time to complete the registration process.

As an alternative to attending the AGM in person, **the Company strongly encourages and recommends Shareholders and their representatives to appoint the chairman of the AGM as their proxy to vote (voting entitlement is subject to fulfillment of the Communications Authority's directions) on their behalf at the AGM.**

In the event that the coronavirus situation deteriorates and requires the date and venue of the AGM to be changed, Shareholders will be notified of the revised arrangement and further announcement will be made by the Company on its website (<http://www.corporate.tvb.com>) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are advised to read the Company's announcement(s) in relation to the latest arrangement of the AGM (if any) published on the websites of the Company and the Stock Exchange before attending the AGM.

*Note:* "close contact" means if you have had any of the following activities with someone who had been diagnosed with coronavirus COVID-19:

- Had direct physical contact;
- Stayed in the same household;
- Travelled in the same vehicle or flight;
- Had social contact in close proximity such as dining together.

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened at 4:00 p.m. on Wednesday, 27 May 2020 at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong for the purposes of, among other things, considering and, if thought fit, approving the resolutions contained in the notice of AGM which is set out on pages 7 to 11 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended, modified or supplemented from time to time
“Audit Committee”	the Audit Committee of the Board
“Board”	the board of Directors of Company
“Broadcasting Ordinance”	the Broadcasting Ordinance (Chapter 562 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“Companies Ordinance” or “Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“Company” or “TVB”	Television Broadcasts Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 00511)
“Director(s)”	the director(s) of the Company
“Executive Committee”	the Executive Committee of the Board
“Existing Issue Mandate”	the existing general mandate granted to the Directors by the Shareholders on 22 May 2019 to allot, issue and deal with additional Shares not exceeding 5% of the number of Shares in issue at the date of passing the relevant ordinary resolution

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## DEFINITIONS

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“Existing Repurchase Mandate”	the existing general mandate granted to the Directors by the Shareholders on 22 May 2019 to exercise the powers of the Company to repurchase Shares not exceeding 5% of the number of Shares in issue at the date of passing the relevant ordinary resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the Nomination Committee of the Board
“Remuneration Committee”	the Remuneration Committee of the Board
“Risk Committee”	the Risk Committee of the Board
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“Share Issue Mandate”	the general mandate proposed to be granted to the Directors to allot, issue and deal with additional Shares not exceeding 5% of the number of Shares in issue at the date of passing the proposed ordinary resolution as set out in the notice of the AGM
“Share Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares not exceeding 5% of the number of Shares in issue at the date of passing the relevant ordinary resolution as set out in the notice of the AGM

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of the issued share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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## LETTER FROM THE BOARD

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# Television Broadcasts Limited

## 電視廣播有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

Board of Directors:

**Vice Chairman and Non-executive Director**

LI Ruigang

**Executive Directors**

Mark LEE Po On Group Chief Executive Officer

Thomas HUI To

**Non-executive Directors**

Anthony LEE Hsien Pin

CHEN Wen Chi

**Independent Non-executive Directors**

Dr. William LO Wing Yan JP

Professor Caroline WANG Chia-Ling

Dr. Allan ZEMAN GBM, GBS, JP

Felix FONG Wo BBS, JP

Belinda WONG Ching Ying

Registered office:

TVB City

77 Chun Choi Street

Tseung Kwan O Industrial Estate

Kowloon

Hong Kong

22 April 2020

Dear Shareholders,

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
PROPOSALS FOR  
ELECTION AND RE-ELECTION OF DIRECTORS, AND  
GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES**

On behalf of the Board, I would like to invite you to TVB's AGM to be held at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Hong Kong on Wednesday, 27 May 2020 at 4:00 p.m.

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## LETTER FROM THE BOARD

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

The notice of the AGM is set out on pages 7 to 11 of this circular. Information regarding the business to be considered by Shareholders at the AGM is detailed in the section headed “Business of Annual General Meeting” on pages 12 to 20 of this circular. Shareholders who wish to vote in person or by proxy at the AGM are advised to complete and return the Declaration Form as declared voting controller accompanying with this circular in such manner as described therein no later than 11 May 2020 to the Company in order to comply with the Broadcasting Ordinance.

Your attention is also drawn to the Appendices to this circular, among which Appendix I sets out the details of the Directors proposed for election and re-election at the AGM, Appendix II is the explanatory statement on the Share Repurchase Mandate as required under the Listing Rules, and Appendix III sets out the general information on the AGM.

The Board considers that the proposed resolutions as set out in the notice of the AGM are in the best interests of the Company and its Shareholders as a whole, and recommends you to vote in favour of all the resolutions at the AGM.

Yours faithfully,

For and on behalf of the Board

**LI Ruigang**

Vice Chairman



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## NOTICE OF ANNUAL GENERAL MEETING

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# Television Broadcasts Limited 電視廣播有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“AGM”) of Television Broadcasts Limited (“Company”) will be held at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong on Wednesday, 27 May 2020 at 4:00 p.m. for the following purposes:

### ORDINARY BUSINESS

- (1) To receive and adopt the Audited Financial Statements, the Directors’ Report and the Independent Auditor’s Report of the Company for the year ended 31 December 2019;
- (2) To declare a final dividend for the year ended 31 December 2019;
- (3) To elect retiring Directors, Mr. Felix Fong Wo and Ms. Belinda Wong Ching Ying;
- (4) To re-elect retiring Director, Mr. Li Ruigang; and
- (5) To re-appoint PricewaterhouseCoopers as auditor and authorise Directors to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

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

- (6) **“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 (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, to grant rights to subscribe for, or convert into, shares of the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise Directors of the Company during the Relevant Period to grant rights to subscribe for, or convert into, shares of the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the shares in the Company in accordance with the Articles of Association of the Company (“Articles of Association”); (iii) any grant of options or rights to acquire shares in the Company or an issue of shares in the Company upon the exercise of options or rights granted under any option scheme or similar arrangement for the time being adopted and approved by the shareholders of the Company; or (iv) the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted by the Company or any securities which are convertible into shares of the Company, shall not exceed the aggregate of:
    - (A) 5 per cent of the number of shares of the Company in issue at the date of passing of this Resolution; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(B) (if Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of shares of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 5 per cent of the number of shares of the Company in issue at the date of passing of this Resolution),

and the said approval shall be limited accordingly; 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 of Association 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 of the Company, open for a period fixed by Directors of the Company, to holders of shares of the Company on the register (and, where appropriate, to holders of other securities of the Company entitled to be offered them) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities of the Company), subject in all cases to such exclusions or other arrangements as Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong.”

(7) “**THAT:**

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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 5 per cent of the number of shares of the Company in issue at the date of passing of this Resolution and the approval pursuant to paragraph (a) shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until 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 of Association 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.”
- (8) “**THAT** Directors of the Company be and are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of Resolution (6) above in respect the number of the shares of the Company referred to in paragraph (c)(B) of Resolution (6).”
- (9) “**THAT** the period of 30 days during which the Company’s Register of Members may be closed under Section 632(1) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“Companies Ordinance”) during the calendar year 2020, be and is hereby extended, pursuant to Section 632(3) and Section 632(4) of the Companies Ordinance, to 60 days.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### IMPORTANT NOTICE

#### COVID-19

At the date of this notice, the coronavirus situation in Hong Kong is still evolving and the situation at the time of AGM is difficult to predict.

In the event that the coronavirus situation deteriorates and requires the date and venue of the AGM to be changed, Shareholders will be notified of the revised arrangement and further announcement will be made by the Company on the Company's website (<http://www.corporate.tvb.com>) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are advised to read the Company's announcement(s) in relation to the latest arrangement of the AGM (if any) published on the Company's website and the Stock Exchange's website before attending the AGM.

Shareholders can refer to the information in the circular of the Company dated 22 April 2020 for "Precautionary measures for the AGM".

By Order of the Board  
**Adrian MAK Yau Kee**  
Company Secretary

Hong Kong, 22 April 2020

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

#### **Vice Chairman and Non-executive Director**

LI Ruigang

#### **Executive Directors**

Mark LEE Po On Group Chief Executive Officer

Thomas HUI To

#### **Non-executive Directors**

Anthony LEE Hsien Pin

CHEN Wen Chi

#### **Independent Non-executive Directors**

Dr. William LO Wing Yan JP

Professor Caroline WANG Chia-Ling

Dr. Allan ZEMAN GBM, GBS, JP

Felix FONG Wo BBS, JP

Belinda WONG Ching Ying

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## BUSINESS OF ANNUAL GENERAL MEETING

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### **RESOLUTION (1) – TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS, THE DIRECTORS’ REPORT AND THE INDEPENDENT AUDITOR’S REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2019**

The audited financial statements for TVB for the year ended 31 December 2019, together with the Directors’ Report, are set out in the 2019 Annual Report which is available in English and Chinese versions under the Investor Relations section of the Company’s website (<http://www.corporate.tvb.com>). The financial statements were audited by the Company’s Auditor, PricewaterhouseCoopers (“PwC”); reviewed by the Audit Committee and approved by the Board.

Due to the lack of certain supporting evidence and information required by PwC (more details below) in connection with its audit of certain bond investments which were acquired during 2018 by the Company in SMI Holdings Group Limited (a company listed on the Stock Exchange, stock code: 00198) with carrying amounts for the Fixed Coupon Bonds of HK\$nil and for the Convertible Bonds of HK\$330 million respectively as at 1 January 2019 and the consequential impairment charge of the Fixed Coupon Bonds and the fair value loss of the Convertible Bonds for the year ended 31 December 2019, PwC issued a qualified opinion for the consolidated financial statements of the Group for the year ended 31 December 2019. The full text of the Independent Auditor’s Report is set out on pages 135 to 139 of the Company’s 2019 Annual Report.

Extract of the Independent Auditor’s Report dated 25 March 2020:

#### ***Our qualified opinion***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### ***Basis for Qualified Opinion***

As set out in our auditor’s report dated 20 March 2019 on the Group’s consolidated financial statements for the year ended 31 December 2018, we have previously qualified our opinion due to a limitation on the scope of our audit in relation to the classification and carrying values of:

- the unsecured fixed coupon bonds measured at amortised cost (the “Fixed Coupon Bonds”); and
- the secured convertible bonds measured at fair value through profit or loss (the “Convertible Bonds”) (collectively, the “Bonds”) which were issued by SMI Holdings Group Limited (“SMI”),

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## BUSINESS OF ANNUAL GENERAL MEETING

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as we were unable to obtain sufficient appropriate audit evidence on the appropriateness of the classification of the Bonds as non-current assets and whether any adjustments were necessary to the carrying values as at 31 December 2018 in respect of the Fixed Coupon Bonds carried at HK\$nil and the Convertible Bonds of HK\$330 million and the corresponding impairment charge of HK\$180 million and fair value loss of HK\$320 million recognised respectively for the year ended 31 December 2018.

As further described in notes 13 and 14 to the consolidated financial statements for the year ended 31 December 2019, based on legal searches conducted by the Group's external legal advisers, recovery efforts including the Company's petition to wind up SMI and a valuation performed by an independent external valuer, management is of the view that any recovery of the remaining carrying values of the Bonds to be minimal. As a result, as at 31 December 2019, the Fixed Coupon Bonds continued to be fully impaired, while the remaining value of the Convertible Bonds was written down to HK\$nil on the consolidated statement of financial position such that a fair value loss of HK\$330 million was recognised in the consolidated income statement for the year ended 31 December 2019.

Despite the above, given the lack of sufficient appropriate audit evidence to assess or corroborate the appropriateness of the key inputs and key assumptions adopted by management in its previous year's assessments of the valuation of the Bonds, as of the date of this report we were unable to determine whether any adjustments were necessary to the opening balance of the Fixed Coupon Bonds carried at HK\$nil and the Convertible Bonds of HK\$330 million as at 1 January 2019. Any adjustments to the opening balance of the carrying values of the Bonds as at 1 January 2019 could have a significant consequential effect on the consolidated losses as reported by the Group for the years ended 31 December 2019 and the corresponding figures for the year ended 31 December 2018. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments to the impairment charge of the Fixed Coupon Bonds of HK\$nil and fair value loss of the Convertible Bonds of HK\$330 million recognised in the consolidated income statements for the year ended 31 December 2019 were necessary.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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## BUSINESS OF ANNUAL GENERAL MEETING

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### *Report on Other Matters under Sections 407(2) and 407(3) of the Hong Kong Companies Ordinance*

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding the classification and carrying values of the investments in the Fixed Coupon Bonds and Convertible Bonds as at 1 January 2019 and whether any adjustments to the respective impairment charge and fair value loss for the year ended 31 December 2019 were necessary as described in the Basis for Qualified Opinion section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and
- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

The matters covered by the above qualified opinion appearing in the Auditor's Report for the year ended 31 December 2019 ("2019 Audit Qualifications") were related to the opening carrying values of SMI Bonds as at 1 January 2019 and the consequential impairment charge of the Fixed Coupon Bonds and the fair value loss of the Convertible Bonds for the year ended 31 December 2019 as set out in the above extract..

The Company would like to clarify that the Auditor considered that they were able to obtain sufficient appropriate audit evidence to assess the valuation of the carrying values of SMI Bonds as at 31 December 2019. Hence, **the 2019 Audit Qualifications had no impact on the Group's consolidated statement of financial position as at 31 December 2019.**

Further details of the above matter and the full text of the Independent Auditor's Report are disclosed and set out in the Company's 2019 Annual Report.

### **RESOLUTION (2) – DECLARE FINAL DIVIDEND**

Despite the significant loss attributable to equity holders, the Board adheres to the dividend policy in resolving to make a recommendation for a final dividend per share of HK\$0.20. Including the interim dividend per share of HK\$0.30 paid, it would give a total dividend per share of HK\$0.50 for the full year. The Board hopes that the recommendation of the final dividend reflects its confidence in the Company's long-term future.

Subject to Shareholders' approval at the AGM, the final dividend shall be paid in cash to Shareholders whose names are recorded on the Register of Members of the Company on 5 June 2020. Dividend warrants for the final dividend will be despatched to Shareholders on 16 June 2020.



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## BUSINESS OF ANNUAL GENERAL MEETING

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### RESOLUTIONS (3) AND (4) – ELECTION AND RE-ELECTION OF DIRECTORS

#### **Election of Mr. Felix Fong Wo and Ms. Belinda Wong Ching Ying**

In accordance with Article 112 of the Articles of Association, Mr. Felix Fong Wo and Ms. Belinda Wong Ching Ying, who were appointed by the Board as Independent Non-executive Directors of the Company on 3 December 2019, will hold office as Independent Non-executive Directors of the Company until the AGM and, being eligible, offer themselves for election at the AGM.

Mr. Fong was further appointed as the chairman of the Nomination Committee and the Risk Committee, a member of the Audit Committee and the Remuneration Committee, respectively on 12 February 2020.

Ms. Wong was further appointed as the chairman of the Remuneration Committee and a member of the Nomination Committee, respectively on 12 February 2020.

Following the appointment of Mr. Fong and Ms. Wong as Independent Non-executive Directors of the Company, there are five Independent Non-executive Directors out of a total of ten, which represent a strong independent element on the Board, to effectively exercise independent judgement. The Board anticipates that with their diversified background and the extensive business experience, Mr. Fong and Ms. Wong would bring contribution to the Board and the Company.

#### **Re-election of Mr. Li Ruigang**

In accordance with Article 117(A) of the Articles of Association, Mr. Li Ruigang will retire at the AGM after his service on the Board from his last election in 2017 and, being eligible, offer himself for re-election at the AGM.

Mr. Li Ruigang was appointed as a Non-executive Director of the Company and the Vice Chairman of the Board in October 2016. Mr. Li was further appointed as a member of the Executive Committee and the Remuneration Committee in February 2020. He also holds directorships in certain subsidiaries of the Company. Mr. Li has rich operational experience, investment track record and in-depth insight into China's media and entertainment industry.

Mr. Li, is the founding chairman and CEO of CMC Inc. and founding partner of CMC Capital Partners and has through CMC certain deemed interests as a substantial shareholder and/or holds certain directorships in companies within CMC which are engaged in the businesses of programme production, and programme licensing and distribution (“Interested Companies”).

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## BUSINESS OF ANNUAL GENERAL MEETING

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Amongst the Interested Companies, Shaw Brothers Holdings Limited (“Shaw Brothers Holdings”), a company incorporated in the Cayman Islands whose shares are listed on the main board of the Stock Exchange, is principally engaged in the business of investment in films, drama and non-drama and artiste and event management. TVB together with CMC are interested in approximately 29.94% of the shares of Shaw Brothers Holdings. Currently, Mr. Li is the chairman and a non-executive director of Shaw Brothers Holdings. According to Mr. Li, he has no executive function and does not participate in the day-to-day management and business decisions of Shaw Brothers Holdings.

The Interested Companies and/or Shaw Brothers Holdings may be considered to be in businesses which compete or are likely to compete with the programme production and the programme licensing and distribution businesses of the Company. However, as the Interested Companies and Shaw Brothers Holdings operate independently of, and at arm’s length from, the businesses of the Company, and taking into account that the programme production business of the Interested Companies, Shaw Brothers Holdings and the Company taken together only represent a small percentage of the total market for programme production in mainland China, the impact on competition is considered insignificant. Strategically, the Company is also engaged in other businesses, such as the operation of myTV SUPER and Big Big Channel.

Nevertheless, the Company has adopted the following internal control measures with a view to enhancing its corporate governance and managing any potential conflicted transaction and business decision should it arise:

1. The Company will maintain a sufficient number of independent directors in order to advise on any conflicted transaction and business decision should it arise, and to ensure that the interests of its general body of shareholders will be adequately represented.
2. Transactions, if any, between TVB and Shaw Brothers Holdings and/or TVB and CMC will be handled by the other directors of the Company. In the event that such transactions require approval of the Board, Mr. Li will abstain from voting on such transactions.
3. Before approving any transaction between TVB and Shaw Brothers Holdings and/or TVB and CMC, the Board should be satisfied that the terms (e.g. pricing) of such transaction are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders.
4. Where necessary, the Company will engage independent consultants and/or legal advisers to provide advice to the Board, the independent Directors (when applicable), and/or the relevant Directors.

In view of the above safeguards, the Board is of the view that the Group is and should remain to be capable of carrying on its business independently of, and at arm’s length from, the business of the Interested Companies and/or Shaw Brothers Holdings.

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## BUSINESS OF ANNUAL GENERAL MEETING

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### Other Information

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

The attendance records of the meetings of Board and Board Committees and general meetings of Mr. Li, Mr. Fong and Ms. Wong for the year ended 31 December 2019 are set out below:

1. Mr. Li Ruigang attended all six Board meetings and the annual general meeting of the Company in 2019.
2. Mr. Felix Fong Wo and Ms. Belinda Wong Ching Ying were appointed as Independent Non-executive Directors of the Company on 3 December 2019. No Board meetings and general meetings of the Company were held following their appointment in 2019.

Further information about the Board's composition, Directors' attendance records of meetings of the Board, Board Committees and general meetings, and the number of other public companies directorships held by Directors are disclosed in Corporate Governance Section of the 2019 Annual Report.

The Nomination Committee (with Mr. Fong and Ms. Wong abstaining from its resolutions), after reviewing the Board's composition, the qualifications, skill and experience, time commitment and contributions of the retiring Directors with reference to the Company's Board Diversity Policy, the Company's Nomination of Directors Policy and the Company's corporate strategy, and the independence of Mr. Fong and Ms. Wong in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules, has recommended to the Board on the election of Mr. Felix Fong Wo and Ms. Belinda Wong Ching Ying and the re-election of Mr. Li Ruigang, as Directors at the AGM. The Board accepted the recommendations made by the Nomination Committee and considers that the election of Mr. Fong and Ms. Wong and the re-election of Mr. Li, as Directors are in the best interests of the Company and the Shareholders as a whole.

### **RESOLUTION (5) – TO RE-APPOINT AUDITOR AND AUTHORISE DIRECTORS TO FIX ITS REMUNERATION**

Management performs a review of the remuneration to the Group's auditor on an annual basis. The fees for audit and non-audit services payable to the Auditor for the year ended 31 December 2019 have been reviewed and approved by the Audit Committee and endorsed by the Board. For the year ended 31 December 2019, the external auditor's fees were approximately HK\$8.5 million (2018: HK\$8.5 million), of which approximately HK\$5.5 million (2018: HK\$5.8 million) was for audit services. Details are set out in Corporate Governance Report of the 2019 Annual Report. Besides approving auditor's remuneration, the Audit Committee also reviewed the work of PwC, the Company's external auditor, and was satisfied with its independence, objectivity, qualification, expertise, resources and the effectiveness of the audit process.

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## **BUSINESS OF ANNUAL GENERAL MEETING**

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

### **RESOLUTION (6) – GENERAL MANDATE TO ISSUE 5% ADDITIONAL SHARES**

By the ordinary resolution passed at the annual general meeting of the Company held on 22 May 2019, a general mandate (Existing Issue Mandate) was given by the Company to the Directors to allot, issue and deal with additional Shares not exceeding 5% of the number of Shares in issue at the date of passing the relevant ordinary resolution. The Existing Issue Mandate to allot, issue and deal with Shares will lapse at the conclusion of the AGM.

In light of the expiry of the Existing Issue Mandate at the conclusion of the AGM and in order to give flexibility to the Directors in the event that it becomes desirable to issue any Shares, an ordinary resolution will be proposed at the AGM to grant the Directors a general mandate (“Share Issue Mandate”) to allot, issue and deal with additional Shares not exceeding 5% of the number of Shares in issue at the date of passing such ordinary resolution and to approve an extension of the Share Issue Mandate by adding to it the aggregate number of any Shares repurchased by the Company under the authority to repurchase Shares granted at the AGM. The threshold of not more than 5% of the number of Shares in issue at the date of passing such ordinary resolution under the Share Issue Mandate was in line with the guideline of the Institutional Shareholders Services.

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

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

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## **BUSINESS OF ANNUAL GENERAL MEETING**

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

Details of the proposed resolution on the Share Issue Mandate are set out in Resolution (6) of the notice of the AGM.

### **RESOLUTION (7) – GENERAL MANDATE TO REPURCHASE 5% SHARES**

By the ordinary resolution passed at the annual general meeting of the Company held on 22 May 2019, a general mandate (Existing Repurchase Mandate) was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares not exceeding 5% of the number of Shares in issue at the date of passing the relevant ordinary resolution. The Existing Repurchase Mandate to repurchase the Shares will also lapse at the conclusion of the AGM.

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

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

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

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## **BUSINESS OF ANNUAL GENERAL MEETING**

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Details of the proposed resolution on the Share Repurchase Mandate are set out in Resolution (7) of the notice of the AGM. An explanatory statement containing all the information required pursuant to the Listing Rules relating to the Share Repurchase Mandate is set out in Appendix II to this circular.

### **RESOLUTION (8) – EXTENSION OF THE GENERAL MANDATE TO ISSUE SHARES**

In light of the expiry of the Existing Issue Mandate at the conclusion of the AGM and in order to give flexibility to the Directors in the event that it becomes desirable to issue any Shares, an ordinary resolution will be proposed at the AGM to extend the Share Issue Mandate (Resolution (6)) by adding to it the aggregate number of any Shares repurchased by the Company under the Share Repurchase Mandate (if granted at the AGM).

Details of the proposed resolution on the extension of the Share Issue Mandate are set out in Resolution (8) of the notice of the AGM.

### **RESOLUTION (9) – EXTENSION OF BOOK CLOSE PERIOD TO 60 DAYS**

The purpose of this resolution is to extend the book close period for 2020, from 30 days to 60 days. The reason for this resolution is to provide flexibility to and to meet the practical need of the Company in case the Company wishes to convene more than one general meeting which according to the Broadcasting Ordinance requires a book close period in excess of 28 days for each general meeting. Besides, the Company may need to close its register of members in order to ascertain the Shareholders' entitlements, for example, dividends, etc.

Details of the proposed resolution on the extension of the Company's book close period for 2020 are set out in Resolution (9) of the notice of the AGM.

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

**Mr. Felix Fong Wo BBS, JP**

Mr. Felix Fong Wo, aged 69, was appointed as an Independent Non-executive Director of the Company on 3 December 2019. He serves as the chairman of the Nomination Committee, the chairman of the Risk Committee, a member of the Audit Committee and a member of the Remuneration Committee. Mr. Fong is a practicing solicitor in Hong Kong and is also qualified in Canada and England. He is appointed by the Ministry of Justice of China as one of the China-Appointed Attesting Officers in Hong Kong. Mr. Fong is a consultant and the founding partner of the Hong Kong law firm, King & Wood Mallesons (formerly known as Arculli Fong & Ng), and has practiced law for over 30 years, including eight years in Toronto. Mr. Fong is an independent non-executive director of a number of listed companies, namely Greenland Hong Kong Holdings Limited (formerly known as SPG Land (Holdings) Limited), Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited), Sheen Tai Holdings Group Company Limited, and Xinming China Holdings Limited and WuXi Biologics (Cayman) Inc., whose shares are listed on the Stock Exchange. He was an independent non-executive director of Evergreen International Holdings Limited, the shares of which is listed on the Stock Exchange. Save as disclosed in this paragraph, Mr. Fong did not hold any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas.

Mr. Fong is a member of the Guangdong Provincial Committee of Chinese People's Political Consultative Conference (9th and 10th Sessions), a director of the China Overseas Friendship Association, a director of the Shanghai Chinese Overseas Friendship Association and an executive director of the Guangdong Overseas Friendship Association. He is a director of the Hong Kong Basic Law Institute and also the former chairman of the Advisory Council on Food and Environment Hygiene and a former member of the Hong Kong Communications Authority. Mr. Fong is a member of the first Selection Committee for the purposes of electing the Chief Executive for Hong Kong Special Administrative Region, a founding member of the Canadian International School of Hong Kong and a visiting professor of the School of Law of Sun Yat-sen University, China.

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

Mr. Fong does not have any relationship with any Directors, senior management, or substantial or controlling shareholder of the Company.

In accordance with Article 112 of the Articles of Association, Mr. Fong will hold office as a Director of the Company until the AGM and, being eligible, offer himself for election at the AGM. Upon Mr. Fong's successful election at the AGM, he will be subject to retirement and re-election at every third annual general meeting of the Company in accordance with the Articles of Association.

Mr. Fong received a Director's fee of HK\$20,700 for the period from 3 December to 31 December 2019. Upon his successful election as a Director at the AGM, he will be entitled to a Director's fee of HK\$260,000, a fee of HK\$70,000 for serving as the chairman of the Nomination Committee, a fee of HK\$70,000 for serving as the chairman of the Risk Committee, a fee of HK\$130,000 for serving as a member of the Audit Committee and a fee of HK\$55,000 for serving as a member of the Remuneration Committee, for the year ending 31 December 2020. The fees are payable on a pro rata basis by reference to the length of his service. The Director's fee has been reviewed by the Remuneration Committee, endorsed by the Board and approved by Shareholders. The Board Committees' fees have been reviewed by the Remuneration Committee and approved by the Board.

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

**Ms. Belinda Wong Ching Ying**

Ms. Wong Ching Ying Belinda, aged 49, was appointed as an Independent Non-executive Director of the Company on 3 December 2019. She serves as the chairman of the Remuneration Committee and a member of the Nomination Committee. Ms. Wong is currently the chairman and chief executive officer of Starbucks China, responsible for overseeing Starbucks overall business in mainland China, including driving retail business growth through leading and strengthening the third-place (store) experience, and pioneering the next wave of digital innovations for the Digital Ventures business. Ms. Wong joined Starbucks Coffee Company in 2000 and held several leadership positions within Starbucks in different business units across different geographies. She has extensive experience in retail, food and beverage, consumer, brand development and growth strategy across the Greater China and Asia Pacific regions. Prior to joining Starbucks, Ms. Wong was the marketing manager of McDonald's China Development Company. Ms. Wong is also an independent non-executive director of Hysan Development Company Limited, a company listed on the Stock Exchange. Ms. Wong holds a Bachelor of Commerce degree with a major in finance from the University of British Columbia in Canada. She serves as a member on the Faculty Advisory Board for the Sauder School of Business at UBC. Save as disclosed in this paragraph, Ms. Wong did not hold any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas.

At the Latest Practicable Date and within the meaning of Part XV of the SFO, Ms. Wong does not hold any interest in the shares in the Company.

Ms. Wong does not have any relationship with any Directors, senior management, or substantial or controlling shareholders of the Company.

In accordance with Article 112 of the Articles of Association, Ms. Wong will hold office as a Director of the Company until the AGM and, being eligible, offer herself for election at the AGM. Upon Ms. Wong's successful election at the AGM, she will be subject to retirement and re-election at every third annual general meeting of the Company in accordance with the Articles of Association.



Ms. Wong received a Director's fee of HK\$20,700 for the period from 3 December to 31 December 2019. Upon her successful election as a Director at the AGM, she will be entitled to a Director's fee of HK\$260,000, a fee of HK\$70,000 for serving as the chairman of the Remuneration Committee and a fee of HK\$55,000 for serving as a member of the Nomination Committee for the year ending 31 December 2020. The fees are payable on a pro rata basis by reference to the length of her service. The Director's fee has been reviewed by the Remuneration Committee, endorsed by the Board and approved by Shareholders. The Board Committees' fees have been reviewed by the Remuneration Committee and approved by the Board.

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

**Mr. Li Ruigang**

Mr. Li Ruigang, aged 50, was appointed as a Non-executive Director of the Company and the Vice Chairman of the Board on 17 October 2016. Mr. Li serves as a member of the Executive Committee and the Remuneration Committee. In addition, Mr. Li holds directorships in certain subsidiaries of the Company. Mr. Li is the founding chairman and CEO of CMC Inc., and founding partner of CMC Capital Partners. Mr. Li has rich operational experience, investment track record and in-depth insight into China's media and entertainment industry. Mr. Li has led CMC to create many industry champions and emerging leaders across the sub-sectors of media, entertainment, lifestyle, technology and consumer. Mr. Li was the chairman and president of Shanghai Media Group (SMG). Mr. Li is the chairman and a non-executive director of Shaw Brothers Holdings which is listed on the main board of the Stock Exchange. CMC Inc., which is controlled by Mr. Li, is a substantial shareholder of the Company. Mr. Li holds share interest in the Company through his interest in Young Lion Holdings Limited ("YLH"), Young Lion Acquisition Co. Limited ("YLA") and Shaw Brothers Limited ("Shaw Brothers"), all of which are shareholders of the Company. Mr. Li is a director of YLH, YLA and Shaw Brothers. Mr. Li is a board member of Special Olympics. Mr. Li holds a Master Degree of Arts and a Bachelor Degree of Arts of Journalism from Fudan University. Mr. Li was a non-executive director of WPP, a company listed on the London Stock Exchange and the New York Stock Exchange. He was also a non-executive director of IMAX China Holding, Inc., which is listed on the main board of the Stock Exchange. Save as disclosed in this paragraph, Mr. Li did not hold any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas.

At the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Li is deemed to be interested in 113,888,628 shares of the Company, representing approximately 26% of the total number of ordinary shares of the Company in issue *(see note on page 24)*. Such interests are held indirectly through CMC M&E Acquisition Co. Ltd.'s interest in YLH. CMC M&E Acquisition Co. Ltd. is controlled by Mr. Li. Save as disclosed in this paragraph, he does not hold any other interest in the shares of the Company.

Mr. Li is a director of YLH, YLA and SBL, which are substantial shareholders of the Company. He, together with Dr. Charles Chan Kwok Keung (the former Chairman and a former Non-executive Director of the Company) and Ms. Wang Hsiueh Hong (spouse of Mr. Chen Wen Chi, a Non-executive Director of the Company), are indirect shareholders of the Company which hold the aforesaid 26% of the total number of ordinary shares of the Company in issue *(see note below)*. Save as disclosed in this paragraph, he does not have any relationship with any other Directors, senior management, or substantial or controlling shareholders of the Company.

Mr. Li continues to serve the Board since his last election at the Company's 2017 annual general meeting. He is subject to retirement and re-election at every third annual general meeting of the Company following his last election in accordance with the Articles of Association.

Mr. Li was entitled to a Vice Chairman's fee of HK\$280,000, a Director's fee of HK\$260,000 for the year ended 31 December 2019. Upon his successful re-election as a Director at the AGM, he will be entitled to a Vice Chairman's fee of HK\$280,000, a Director's fee of HK\$260,000, a fee of HK\$150,000 for serving as a member of the Executive Committee and a fee of HK\$55,000 for serving as a member of the Remuneration Committee for the year ending 31 December 2020. The fees are payable on a pro-rata basis by reference to the length of his service. The Vice Chairman's fee and Director's fee have been reviewed by the Remuneration Committee, endorsed by the Board and approved by Shareholders. The Board Committees' fees have been reviewed by the Remuneration Committee and approved by the Board.

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

*Note:*

Subsequent to the year ended 31 December 2019, the Company has been notified that Dr. Charles Chan Kwok Keung, who resigned as the Chairman and a Non-executive Director of the Company on 4 February 2020, had signed a conditional sale and purchase agreement to dispose of his shareholding interests in YLH as part of a proposed reorganisation of the ownership interests among the shareholders of YLH ("Proposed Transactions"). As the Proposed Transactions are subject to the approval of the Communications Authority ("CA"), the Company submitted an application to the CA for the necessary approval.

The Company noted several disclosure of interests notices from the parties (including the notices filed by Dr. Charles Chan Kwok Keung, Mr. Li Ruigang and Mr. Chen Wen Chi and their associates) to the Stock Exchange in January 2020 reporting the movement in their interests in the ordinary shares of the Company. Shareholders can refer to the information as set out on page 79 of the Company's 2019 Annual Report.

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

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

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

(a) Shareholders' approval

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

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

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

A maximum of 5% of the total number of share of a company in issue at the date of passing of the relevant resolution may be repurchased on the Stock Exchange. A company may not issue or announce a proposed issue of new shares for a period of 30 days immediately following a share repurchase whether on the Stock Exchange or otherwise (other than an issue of shares pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue shares, which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange.

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

As at 17 April 2020, being the Latest Practicable Date prior to the printing of this explanatory statement, the Company had 438,000,000 Shares in issue. If the ordinary resolution authorising the Directors to repurchase its own Shares under the Share Repurchase Mandate is passed at the AGM, and assuming that there is no change in the issued share capital of the Company after the Latest Practicable Date and up to the date of passing the said resolution, up to 21,900,000 Shares (representing 5% of the existing number of Shares in issue) may be repurchased by the Company during the Relevant Period.

**3. Reasons for repurchases**

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

**4. Funding of repurchases**

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

**5. Financial effect of repurchases**

The Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the funding requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. However, on the basis of the consolidated financial position of the Company as at 31 December 2019 (being the date to which the latest published audited financial statements of the Company have been made up), there might be a material adverse impact on the funding or gearing position of the Company in the event that the Share Repurchase Mandate is exercised in full.

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

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate set out in the notice of AGM in accordance with the Listing Rules and the applicable laws of Hong Kong.

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

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

**7. Hong Kong Code on Takeovers and Mergers**

If, as the result of a repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the 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 the Shareholders' interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. As at the Latest Practicable Date, The Shaw Foundation Hong Kong Limited, the estate of the late Mona Fong, Dr. Charles Chan Kwok Keung, Innovative View Holdings Limited, CMC M&E Acquisition Co. Ltd., Profit Global Investment Limited, Young Lion Holdings Limited, Young Lion Acquisition Co. Limited and Shaw Brothers Limited held, directly and indirectly, a total of 130,984,828 Shares, representing approximately 29.91% of the existing number of Shares in issue *(see note on page 24)*. If the Directors were to exercise the Share Repurchase Mandate in full, such Shares would represent approximately 31.48% of the number of Shares in issue assuming that there is no other change in 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 a manner as to trigger off any general offer obligations.

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

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

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

**9. Share Prices**

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

	<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2019</b>	April	16.40	15.24
	May	15.84	13.06
	June	14.00	12.40
	July	13.90	12.62
	August	13.08	11.50
	September	13.80	11.98
	October	13.34	12.30
	November	13.22	12.54
	December	12.90	11.74
	<b>2020</b>	January	12.84
February		12.50	11.04
March		11.50	8.04
April (up to the Latest Practicable Date)		10.88	9.06

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

Shareholders whose names appeared on the Company's register of members on 29 April 2020 are eligible to attend, speak and vote at the AGM. The register of members will be closed and no transfer of Shares will be registered from 29 April 2020 to 27 May 2020 (both dates inclusive). Eligible Shareholders who wish to attend and vote at the AGM are advised to complete and return the Declaration of Voting Controllers ("Declaration Form") to the Company no later than 11 May 2020. The Declaration Form with its explanatory notes are despatched to Shareholders together with the circular of the Company accompanying the notice of AGM dated 22 April 2020.

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**COVID-19**

At the Latest Practicable Date, the coronavirus situation in Hong Kong is still evolving and the situation at the time of AGM is difficult to predict.

The Company is required to convene and hold the AGM by 30 June 2020. Shareholders are welcome to attend the AGM. However, Shareholders are reminded that should coronavirus COVID-19 continue to affect Hong Kong at or around the time of the AGM, Shareholders should assess for themselves whether they should attend the AGM in person due to the health risks that may or may not pose.

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**Precautionary measures for the AGM**

The Company wishes to emphasise that attendees' health and safety are its primary concerns. In view of the ongoing pandemic caused by coronavirus COVID-19, the Company will implement certain precautionary measures, including but not limited to requiring all attendees to (i) have a compulsory body temperature check at the entrance of the AGM venue, to register at the reception and (ii) complete a questionnaire to provide their contact details (e.g. full name, HKID or passport number, telephone number and residential address, etc.) and (iii) declare whether they have travelled outside of Hong Kong; had close contact<sup>(Note)</sup> with any person who has been diagnosed with coronavirus COVID-19 or travelled outside of Hong Kong in the past 14 days; and they are subject to any compulsory quarantine prescribed by the Hong Kong Government, as well as (iv) wear surgical face masks before they are permitted to access to the AGM venue and throughout the AGM. Should anyone seeking to attend the AGM decline to follow the Company's precautionary measures and/or be found to have common coronavirus symptoms such as fever (however mild), cough or other respiratory symptoms or otherwise unwell, the Company reserves the right to refuse such person's admission to the AGM venue.

As additional precautionary measures and with a view to avoiding close contact amongst attendees, seating will be arranged as spacious as possible, and where necessary and practicable, multiple meeting rooms with telecommunication facilities will be put into use. In addition, no shuttle bus transportation will be arranged to the AGM venue, no refreshment will be served and no gifts will be distributed at the AGM this year.

In light of the above precautionary measures, Shareholders intending to attend the AGM in person are suggested to arrive at the AGM venue in advance of the scheduled time for the AGM to ensure that they have sufficient time to complete the registration process.

As an alternative to attending the AGM in person, **the Company strongly encourages and recommends Shareholders and their representatives to appoint the chairman of the AGM as their proxy to vote (voting entitlement is subject to fulfillment of the Communications Authority's directions) on their behalf at the AGM.**

In the event that the coronavirus situation deteriorates and requires the date and venue of the AGM to be changed, Shareholders will be notified of the revised arrangement and further announcement will be made by the Company on its website (<http://www.corporate.tvb.com>) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are advised to read the Company's announcement(s) in relation to the latest arrangement of the AGM (if any) published on the websites of the Company and the Stock Exchange before attending the AGM.

*Note:* "close contact" means if you have had any of the following activities with someone who had been diagnosed with coronavirus COVID-19:

- Had direct physical contact;
- Stayed in the same household;
- Travelled in the same vehicle or flight;
- Had social contact in close proximity such as dining together.

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### **Proxy Information**

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



**Dividend**

4. The Board has recommended a final dividend of HK\$0.20 per Share for the year ended 31 December 2019. Subject to Shareholders' approval at the AGM, the final dividend shall be paid in cash to Shareholders whose names are recorded on the Register of Members of the Company on 5 June 2020. Dividend warrants for the final dividend will be despatched to Shareholders on 16 June 2020.

**Declaration Form**

5. The Declaration Form and the relevant explanatory notes thereto, are despatched to Shareholders together with this circular of the Company accompanying the notice of AGM dated 22 April 2020.
6. Any Shareholder who wishes to vote at the AGM shall return the duly completed and signed Declaration Form to the Company in such manner as described therein no later than 11 May 2020.

**Closure of Register of Members**

## First Book Close

7. The Register of Members of the Company will be closed from Wednesday, 29 April 2020 to Wednesday, 27 May 2020, both dates inclusive, ("First Book Close Period") for the purpose of determining Shareholders' entitlement to attend and vote at the AGM. During the First Book Close Period, no transfer of Shares will be registered.
8. In order to be entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 28 April 2020.
9. The book close period from Wednesday, 29 April 2020 to Wednesday, 27 May 2020 is set to allow sufficient time for Shareholders to complete and return the Declaration Form as required under the provisions of the Broadcasting Ordinance.

## Second Book Close

10. The Register of Members of the Company will be re-opened on Thursday, 28 May 2020 and then will be closed again from Wednesday, 3 June 2020 to Friday, 5 June 2020, both dates inclusive, ("Second Book Close Period") for the purpose of determining Shareholders' entitlement to the final dividend. During the Second Book Close Period, no transfer of Shares will be registered.

11. In order to be entitled to the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 2 June 2020.

#### **Election and Re-election of Directors**

12. In relation to agenda item number (3) in the notice of AGM, Mr. Felix Fong Wo and Ms. Belinda Wong Ching Ying, who were appointed by the Board as Independent Non-executive Directors of the Company in December 2019, in accordance with Article 112 of the Articles of Association, will hold offices as Independent Non-executive Directors of the Company until the AGM and, being eligible, offer themselves for election at the AGM.
13. In relation to agenda item number (4) in the notice of AGM. Mr. Li Ruigang, in accordance with Article 117(A) of the Articles of Association, will retire at the AGM and, being eligible, offer himself for re-election at the AGM.
14. Details of each of the Directors who are subject to retirement for election or re-election at the AGM, as at 17 April 2020, being the latest practicable date prior to the printing of the circular and the notice of AGM, are set out in Appendix I to this circular accompanying the notice of AGM dated 22 April 2020.

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

15. The following sets out the procedures for Shareholders to propose a person for election as a Director at the AGM:
  - (i) A Shareholder who wishes to propose a person ("Candidate") to be elected as a Director of the Company at AGM should first lodge a written notice of such intention ("Notice") with the Company Secretary at the address below. The Notice shall be duly signed by the Shareholder and contain information including the name, the contact details and the biographical details of the Candidate as required to be disclosed under Rule 13.51(2) of the Listing Rules.
  - (ii) The Notice shall be accompanied by a written notice duly signed by the Candidate indicating his/her willingness to be elected as a Director, and the Candidate's written consent to the collection and publication of his/her personal data.
  - (iii) The Notice may be given to the Company during the period commencing the day after the despatch of the written notice of AGM and ending no later than 7 days prior to the date of such AGM.

16. Proposals from Shareholders for nomination of a Director should be sent to the Company at the following address, or by email to [companysecretary@tvb.com.hk](mailto:companysecretary@tvb.com.hk):

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

**Re-appointment of Auditor**

17. In relation to agenda item number (5) in the notice of AGM regarding the re-appointment of the Auditor, PricewaterhouseCoopers, the Company's external auditor, will retire at the AGM and, being eligible, offer itself for re-appointment at the AGM.

**General Mandates to Issue and Repurchase Shares**

18. In relation to agenda item number (6) in the notice of AGM, the purpose of this resolution is to give a general mandate to authorise the Directors to issue additional Shares of the Company.
19. In relation to agenda item number (7) in the notice of AGM, the purpose of this resolution is to give a general mandate to authorise the Directors to repurchase issued Shares of the Company.
20. In relation to agenda item number (8) in the notice of AGM, the purpose of this resolution is to extend the authority given under Resolution (6) to Shares of the Company repurchased under the authority given in Resolution (7).

**Extension of Book Close Period**

21. In relation to agenda item number (9) in the notice of AGM, the purpose of this resolution is to extend the book close period for 2020, from 30 days to 60 days, according to practical need.

**Voting on a Poll**

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

**Poll Voting Procedures**

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

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

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

#### Shareholders' Communication Policy

26. The Company has established a Shareholders' Communication Policy ("Policy") to set out the provisions with the objective of ensuring that the Shareholders and the investment community are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance profile), in order to allow Shareholders and members of the investment community to engage actively with the Company.
27. The Board reviews the Policy on a regular basis to ensure its effectiveness and that it meets the best market practice. You can view the full text of the updated Policy on the Company's website at [www.corporate.tvb.com](http://www.corporate.tvb.com).

#### Shareholders' Communication Channels

28. The Policy provides communication channels to Shareholders:

In relation to general shareholders' matters

Enquiries should be addressed to:

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

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

Enquiries should be addressed to:

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