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Television Broadcasts Limited

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

CONTINUING CONNECTED TRANSACTIONS TENANCY AGREEMENTS AND AGREEMENTS FOR PROVISION OF FACILITIES SERVICES

On 21 February 2013, a series of continuing connected transactions has been entered into between Shaw (as landlord), and the Company and TVB.COM (as tenants), respectively, in the form of tenancy agreements and agreements for provision of Facilities Services. These Agreements renewed the leases under a previous set of agreements entered into in 2010 for a further period of three years, commencing on 1 February 2013.

As Shaw is an associate of a Director of the Company, the entering into the Agreements constitutes continuing connected transactions for the Company under the Listing Rules.

These transactions are exempt from independent shareholders' approval requirement, but are subject to the annual review, and reporting and announcement requirements under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated 2 February 2010 in connection with a series of continuing connected transactions between Shaw (as landlord), and the Company and TVB.COM (as tenants), respectively in the form of tenancy agreements and agreements for provision of Facilities Services. The Board of the Television Broadcasts Limited announces that the series of continuing connected transactions has been renewed for a further period of three years, commencing on 1 February 2013, under the following key terms as stipulated in the Agreements:-

TENANCY AGREEMENTS ALL DATED 21 FEBRUARY 2013

(“Tenancy Agreements”)

Tenancy 1

Landlord: Shaw

Tenant: the Company

Property : Office at Ground Floor, Administration Building, Shaw Moviecity, with a total gross floor area of approximately 14,150 square feet (“Property 1”)

Term: Three-year fixed term commencing from 1 February 2013 to 31 January 2016 (both days inclusive)

Rent: HK\$162,725 per month (equivalent to HK\$11.50 per square foot per month) for the first year, i.e., from 1 February 2013 to 31 January 2014;

HK\$167,677 per month (equivalent to HK\$11.85 per square foot per month) for the second year, i.e., from 1 February 2014 to 31 January 2015;

HK\$172,630 per month (equivalent to HK\$12.20 per square foot per month) for the third year, i.e., from 1 February 2015 to 31 January 2016;

(exclusive of management fee, rates and other outgoings, payable on the first day of each and every calendar month in advance)

Management Fee: HK\$82,070 per month (equivalent to HK\$5.80 per square foot per month)

Government Rates: HK\$8,136 per month (estimated)

Tenancy 2

Landlord: Shaw

Tenant: TVB.COM

Property: Office at Level 4, Production Building, Shaw Moviecity, with a total gross floor area of approximately 18,000 square feet (“Property 2”)

Term: Three-year fixed term commencing from 1 February 2013 to 31 January 2016 (both days inclusive)

Rent: HK\$189,000 per month (equivalent to HK\$10.50 per square foot per month) for the first year, i.e., from 1 February 2013 to 31 January 2014;

HK\$195,300 per month (equivalent to HK\$10.85 per square foot per month) for the second year, i.e., from 1 February 2014 to 31 January 2015;

HK\$201,600 per month (equivalent to HK\$11.20 per square foot per month) for the third year, i.e., from 1 February 2015 to 31 January 2016;

(exclusive of management fee, rates and other outgoings, payable on the first day of each and every calendar month in advance)

Management Fee: HK\$104,400 per month (equivalent to HK\$5.80 per square foot per month)

Government Rates: HK\$9,450 per month (estimated)

Tenancy 3

Landlord: Shaw

Tenant: TVB.COM

Property: Part of Level 5, Production Building, Shaw Moviecity, with a total gross floor area of approximately 10,200 square feet (“Property 3”)

Term: Three-year fixed term commencing from 1 February 2013 to 31 January 2016 (both days inclusive)

Rent: HK\$107,100 per month (equivalent to HK\$10.50 per square foot per month) for the first year, i.e., from 1 February 2013 to 31 January 2014;

HK\$110,670 per month (equivalent to HK\$10.85 per square foot per month) for the second year, i.e., from 1 February 2014 to 31 January 2015;

HK\$114,240 per month (equivalent to HK\$11.20 per square foot per month) for the third year, i.e., from 1 February 2015 to 31 January 2016;

(exclusive of management fee, rates and other outgoings, payable on the first day of each and every calendar month in advance.)

Management Fee: HK\$59,160 per month (equivalent to HK\$5.80 per square foot per month)

Government Rates: HK\$5,355 per month (estimated)

COLOCATION AGREEMENT DATED 21 FEBRUARY 2013
("Colocation Services Agreement")

Service Provider: Shaw

Customer: TVB.COM

Colocation Service: For a total of 28 racks for storage of server equipment at Shaw Moviecity, with an option of TVB.COM to increase up to total of 45 racks

Service Period: Three-year fixed term commencing from 1 February 2013 to 31 January 2016 (both days inclusive)

Service Fee: HK\$336,000 per month, payable in cash monthly on the first day of each month (equivalent to HK\$12,000 per month per rack)

INTERNET PROTOCOL TELEPHONE LICENCE DATED 21 FEBRUARY 2013 ("IP Telephone Licence")

Licensor: Shaw

Licensee: TVB.COM

Telephone Services: Provision of an Internet protocol telephony communication system installed by the licensor at offices at Level 4 and part of Level 5, Production Building of Shaw Moviecity, occupied by the licensee as tenant

Licence Period: Three-year fixed term commencing from 1 February 2013 to 31 January 2016 (both days inclusive)

Licence Fee: HK\$21,800 per month, inclusive of all service fees and maintenance costs. A total licence fee of HK\$784,800 for the whole Licence Period is payable in advance on signing of agreement.

THE ANNUAL AGGREGATE TRANSACTION AMOUNTS PAYABLE FOR THE AGREEMENTS

Based on the terms of the Agreements and assuming that the options to take up additional racks under Colocation Services Agreement are exercised on 1 January 2014, the annual aggregate transaction amount that is payable by the Company and TVB.COM to Shaw under the Agreements, for each of the financial years ending 31 December 2013, 2014, 2015 and 2016 would be as follows:-

Year ending	Annual aggregate transaction amount HK\$
31 December 2013 (from 1 February to 31 December 2013)	15,632,000
31 December 2014	17,238,000
31 December 2015	17,492,000
31 December 2016 (from 1 January to 31 January 2016)	1,407,000

REASON FOR THE TRANSACTIONS

The Company has decided to extend the existing leases of office space and service agreements for supporting services at Shaw Moviecity for a further period of three years, as Shaw Moviecity remains a convenient location, within close proximity to TVB City in Tseung Kwan O Industrial Estate, for setting up the Company's electronic archive for television programmes and for the Internet portal business under www.tvb.com.

The terms of the respective Agreements had been negotiated on an arm's length basis between the Company and Shaw, and between TVB.COM and Shaw, and are on normal commercial terms. The rent payable for Property 1, 2, and 3, and the fees payable for the Facilities Services, have been arrived at by reference to the prevailing market data and conditions relating to similar premises in the nearby districts. The Board (including the Independent Non-executive Directors) is of the view that the Agreements are entered into in the ordinary and usual course of the respective businesses of the Company and TVB.COM, on normal commercial terms which are fair and reasonable and in the interest of the Company and its shareholders as a whole.

INFORMATION RELATING TO THE COMPANY, TVB.COM AND SHAW

The Company is principally engaged in television broadcasting, programme productions and other broadcasting related activities.

TVB.COM is an indirect wholly-owned subsidiary of the Company and is principally engaged in Internet web portal business.

Shaw is a private company and is principally engaged in the operation of film studio and ancillary facilities in Hong Kong. It is controlled by Sir Run Run Shaw, the husband of Ms. Mona Fong, a Non-executive Director of the Company.

CONNECTION BETWEEN THE PARTIES

Shaw is an indirect wholly-owned subsidiary of Shaw Holdings Inc. Sir Run Run Shaw, the husband of Ms. Mona Fong, a Non-executive Director of the Company, exerts 100% control over Shaw Holdings Inc. through The Sir Run Run Shaw Charitable Trust. Therefore, Shaw is an associate of a Director of the Company and is, in turn, a connected person. The entering into the Agreements constitutes continuing connected transactions for the Company under the Listing Rules. Given that the aggregate transaction amount payable by the Company and TVB.COM to Shaw under the Agreements, on an annual basis, would be less than 5% of each of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) and fall within the threshold prescribed in Rule 14A.34 of the Listing Rules, the entering into the Agreements is exempt from independent shareholders' approval requirement, but the terms of the Agreements will be subject to the annual review, and reporting and announcement requirements under Chapter 14A of the Listing Rules.

Details of the Agreements will be included in the annual report and accounts of the Company for each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Agreements”	the Tenancy Agreements, Colocation Services Agreement, and IP Telephone Licence, as more particularly described above
“Board”	the board of directors of the Company
“Company”	Television Broadcasts Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited
“Facilities Services”	The provision of colocation services for storage of server equipment and the provision of internet protocol telephone communication services
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Shaw”	Shaw Movie City Hong Kong Limited (formerly known as Hong Kong Movie City Company Limited), a company incorporated in Hong Kong
“Shaw Moviecity”	a property located at 201 Wan Po Road, Tseung Kwan O, Kowloon, Hong Kong, which is wholly-owned by Shaw
“TVB.COM”	TVB.COM Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

By Order of the Board

Adrian MAK Yau Kee
Company Secretary

Hong Kong, 21 February 2013

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

Executive Directors

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

Mark LEE Po On, Group General Manager

Non-executive Directors

Mona FONG

Kevin LO Chung Ping

Dr. Charles CHAN Kwok Keung

Cher WANG Hsiueh Hong

Jonathan Milton NELSON

Anthony LEE Hsien Pin

CHEN Wen Chi

Independent Non-executive Directors

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

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

Chien LEE

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

Raymond OR Ching Fai, S.B.S., J.P.

Alternate Directors

Dr. Allan YAP, Alternate Director to Dr. Charles CHAN Kwok Keung

Harvey CHANG Hsiao Wei, Alternate Director to Cher WANG Hsiueh Hong

SUN Tao, Alternate Director to Jonathan Milton NELSON