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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

Guarantor of the USD500,000,000 3.625%

Guaranteed Notes Due 2021 issued by TVB Finance Limited

Stock Code: 4577

**(1) CONDITIONAL CASH OFFER BY
MERRILL LYNCH (ASIA PACIFIC) LIMITED
ON BEHALF OF TELEVISION BROADCASTS LIMITED
TO REPURCHASE UP TO 138,000,000 SHARES
AT HK\$30.50 PER SHARE AND
(2) APPLICATION FOR WHITEWASH WAIVER**

**REVISION OF THE MAXIMUM NUMBER,
INCREASE OF OFFER PRICE
AND RESUMPTION OF TRADING**

Financial Adviser to the Company

Bank of America 
Merrill Lynch

REVISION OF THE MAXIMUM NUMBER AND INCREASE OF OFFER PRICE

The Board announces that BofAML, on behalf the Company, wishes to announce that the maximum number of Shares to be repurchased under the Offer will be reduced from 138,000,000 to 120,000,000, representing approximately 27.40% of the share capital of the Company in issue as at the date of this announcement. The Offer Price will accordingly be increased from HK\$30.50 to HK\$35.075 per Share to maintain the same aggregate consideration for the Offer as the Company had originally proposed.

REASONS FOR THE REVISED OFFER

The Company is concerned over the possibility of the public float requirement under the Listing Rules being breached as a result of the previous Offer. Such a concern may materialise in the remote circumstances where all major Shareholders elect to retain their Shares and not accept the Offer, while all other Shareholders elect to tender their Shares in acceptance of the Offer. In order to address this concern, the Company has decided to reduce the number of Shares the Company will seek to repurchase such that at least 25% of the Shares will be held by the public at all time during the Revised Offer and upon the close of the Revised Offer, while maintaining the same aggregate consideration for the Offer as it had originally proposed. The change has, therefore, resulted in an increase in the Offer Price per Share.

The Revised Offer Price represents:

- a premium of approximately 15.6% to the closing price of the Shares of HK\$30.35 per Share as quoted on the Stock Exchange on 10 February 2017;
- a premium of approximately 31.9% to the closing price of the Shares of HK\$26.60 per Share as quoted on the Stock Exchange on 24 January 2017;
- a premium of approximately 31.2% to the average closing price of the Shares of approximately HK\$26.73 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 24 January 2017;
- a premium of approximately 30.7% to the average closing price of the Shares of approximately HK\$26.84 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 24 January 2017;

- a premium of approximately 32.7% to the average closing price of the Shares of approximately HK\$26.44 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including 24 January 2017; and
- a premium of approximately 115.2% to the Group's net asset value per Share of approximately HK\$16.30 pursuant to the latest unaudited condensed consolidated interim financial information of the Company as at 30 June 2016.

Save as aforesaid, no other changes to the terms of the Offer are being made.

WARNING:

The Revised Offer is subject to all of the Conditions being fulfilled in full and therefore may or may not become unconditional. If any of the Conditions is not fulfilled, the Revised Offer will not proceed and will immediately lapse. Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Reference is made to the announcement of Television Broadcasts Limited (“**Company**”) dated 24 January 2017 (“**Announcement**”) in relation to the conditional cash offer by Merrill Lynch (Asia Pacific) Limited on behalf of the Company to repurchase up to 138,000,000 ordinary shares of the Company at HK\$30.50 per share (“**Offer**”) and the application for whitewash waiver. Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless the context requires otherwise.

REVISION OF THE MAXIMUM NUMBER AND INCREASE OF OFFER PRICE

The Board announces that BofAML, on behalf the Company, wishes to announce that the Maximum Number will be reduced from 138,000,000 to 120,000,000 (the “**Revised Maximum Number**”), representing approximately 27.40% of the share capital of the Company in issue as at the date of this announcement. The previous Offer Price per Share was calculated based on the consideration for the Offer of HK\$4,209 million over 138,000,000 Shares. The revised Offer Price per Share is now HK\$35.075 (the “**Revised Offer Price**”), representing the same Offer consideration of HK\$4,209 million over the Revised Maximum Number of 120,000,000 Shares (the “**Revised Offer**”).

REASONS FOR THE REVISED OFFER

The Company is concerned over the possibility of the public float requirement under the Listing Rules being breached as a result of the previous Offer. Such a concern may materialise in the remote circumstances where all major Shareholders elect to retain their Shares and not accept the Offer, while all other Shareholders elect to tender their Shares in acceptance of the Offer. In order to address this concern, the Company has decided to reduce the number of Shares the Company will seek to repurchase such that at least 25% of the Shares will be held by the public at all time during the Revised Offer and upon the close of the Revised Offer, while maintaining the same aggregate consideration for the Offer as it had originally proposed. The change has, therefore, resulted in an increase in the Offer Price per Share.

THE REVISED OFFER PRICE

The Revised Offer Price of HK\$35.075 in cash per Share represents:

- a premium of approximately 15.6% to the closing price of the Shares of HK\$30.35 per Share as quoted on the Stock Exchange on 10 February 2017 (being the last trading day before the date of this announcement);
- a premium of approximately 31.9% to the closing price of the Shares of HK\$26.60 per Share as quoted on the Stock Exchange on 24 January 2017 (being the last trading day before the date of the Announcement);
- a premium of approximately 31.2% to the average closing price of the Shares of approximately HK\$26.73 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 24 January 2017;
- a premium of approximately 30.7% to the average closing price of the Shares of approximately HK\$26.84 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 24 January 2017;
- a premium of approximately 32.7% to the average closing price of the Shares of approximately HK\$26.44 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including 24 January 2017; and
- a premium of approximately 115.2% to the Group's net asset value per Share of approximately HK\$16.30 pursuant to the latest unaudited condensed consolidated interim financial information of the Company as at 30 June 2016.

Save as aforesaid, no other changes to the terms of the Offer are being made.

The consideration for the Revised Offer, being approximately HK\$4,209 million if the Revised Offer is accepted in full (being the same as the consideration for the Offer), will be paid in cash and will be funded by existing cash resources of the Group. BofAML is satisfied that sufficient financial resources are, and will remain, available to the Company to implement the Revised Offer in full as described above.

CHANGES IN SHAREHOLDING STRUCTURE

All Shareholders (other than the Young Lion Concert Party Group) accept the Revised Offer in full

The table below sets out the Company's existing shareholding structure and the shareholding structure assuming that (i) all Shareholders (other than the Young Lion Concert Party Group) accept the Revised Offer in full, and (ii) no additional Shares are issued from the date of the Announcement up to and including the date of close of the Revised Offer:

Name of Shareholders	Immediately before the Revised Offer		Upon close of the Revised Offer	
	Number of Shares	% of the total share capital in issue	Number of Shares	% of the total share capital in issue
Young Lion	113,888,628	26.00%	113,888,628	35.81%
Ms Fong ⁽¹⁾	17,096,200	3.90%	17,096,200	5.38%
the Young Lion Concert Party Group	130,984,828	29.90%	130,984,828	41.19%
Silchester International Investors LLP ⁽²⁾	61,753,200	14.10%	37,616,334	11.83%
Dodge & Cox ⁽³⁾	40,163,800	9.17%	24,465,371	7.69%
other Shareholders	205,098,172	46.83%	124,933,467	39.29%
Total	<u>438,000,000</u>	<u>100.00%</u>	<u>318,000,000</u>	<u>100.00%</u>
Shares held in public hands ⁽⁴⁾⁽⁵⁾	<u>244,823,972</u>	<u>55.90%</u>	<u>149,132,035</u>	<u>46.90%</u>

Notes:

- (1) comprising a personal interest in 1,146,000 Shares and a beneficial interest in 15,950,200 Shares held through Shaw Foundation
- (2) existing shareholding as confirmed in writing by Silchester International Investors LLP ("Silchester") on 7 February 2017

- (3) existing shareholding based on the most recent disclosure of interest forms filed in accordance with Part XV of the SFO
- (4) “in public hands” as defined in the Listing Rules
- (5) based on the most recent disclosure of interest forms filed in accordance with Part XV of the SFO and as at the date of this announcement, the Company confirms that other than Young Lion, Silchester and Dodge & Cox, there are no other shareholders holding more than 5% of the Shares

In the event all Shareholders (other than the Young Lion Concert Party Group, Silchester and Dodge & Cox) accept the Revised Offer in full

The table below sets out the Company’s existing shareholding structure and the shareholding structure assuming that (i) all Shareholders (other than the Young Lion Concert Party Group, Silchester and Dodge & Cox) accept the Revised Offer in full, and (ii) no additional Shares are issued from the date of the Announcement up to and including the date of close of the Revised Offer. As at the date of this announcement, Silchester and Dodge & Cox have not indicated whether they will tender Shares held by each of them in acceptance of the Revised Offer:

Name of Shareholders	Immediately before the Revised Offer		Upon close of the Revised Offer	
	<i>Number of Shares</i>	<i>% of the total share capital in issue</i>	<i>Number of Shares</i>	<i>% of the total share capital in issue</i>
Young Lion	113,888,628	26.00%	113,888,628	35.81%
Ms Fong ⁽¹⁾	17,096,200	3.90%	17,096,200	5.38%
the Young Lion Concert Party Group	130,984,828	29.90%	130,984,828	41.19%
Silchester International Investors LLP ⁽²⁾	61,753,200	14.10%	61,753,200	19.42%
Dodge & Cox ⁽³⁾	40,163,800	9.17%	40,163,800	12.63%
other Shareholders	205,098,172	46.83%	85,098,172	26.76%
Total	<u>438,000,000</u>	<u>100.00%</u>	<u>318,000,000</u>	<u>100.00%</u>
Shares held in public hands ⁽⁴⁾⁽⁵⁾	<u>244,823,972</u>	<u>55.90%</u>	<u>84,916,440</u>	<u>26.70%</u>

Notes:

- (1) comprising a personal interest in 1,146,000 Shares and a beneficial interest in 15,950,200 Shares held through Shaw Foundation
- (2) existing shareholding as confirmed in writing by Silchester International Investors LLP on 7 February 2017
- (3) existing shareholding based on the most recent disclosure of interest forms filed in accordance with Part XV of the SFO
- (4) “in public hands” as defined in the Listing Rules
- (5) based on the most recent disclosure of interest forms filed in accordance with Part XV of the SFO and as at the date of this announcement, the Company confirms that other than Young Lion, Silchester and Dodge & Cox, there are no other shareholders holding more than 5% of the Shares

DESPATCH OF OFFER DOCUMENT

It is the intention of the Company that an Offer Document containing, amongst other things, further details of the Revised Offer, the expected timetable, information regarding the Company, recommendations from the Independent Board Committee with respect to the Revised Offer and the Whitewash Waiver, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a Form of Acceptance and a notice convening the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable regulations.

RESUMPTION OF TRADING

An application has been made to the Stock Exchange for trading to resume in the Shares at 9 a.m. on Tuesday, 14 February, 2017.

By Order of the Board
Adrian MAK Yau Kee
Company Secretary

Hong Kong, 13 February 2017

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

Chairman and Non-executive Director

Dr. Charles CHAN Kwok Keung

Vice Chairman and Non-executive Director

LI Ruigang

Executive Directors

Mark LEE Po On Group Chief Executive Officer

CHEONG Shin Keong General Manager

Non-executive Directors

Mona FONG

Anthony LEE Hsien Pin

CHEN Wen Chi

Thomas HUI To

Independent Non-executive Directors

Dr. Raymond OR Ching Fai SBS, JP

Dr. William LO Wing Yan JP

Professor Caroline WANG Chia-Ling

Dr. Allan ZEMAN GBM, GBS, JP

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