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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

**(1) CONDITIONAL CASH OFFER BY
MERRILL LYNCH (ASIA PACIFIC) LIMITED
ON BEHALF OF TELEVISION BROADCASTS LIMITED
TO REPURCHASE UP TO 120,000,000 SHARES
AT HK\$35.075 PER SHARE,
AND
(2) APPLICATION FOR WHITEWASH WAIVER
UPDATE ANNOUNCEMENT**

Financial Adviser to the Company

Bank of America 
Merrill Lynch

Reference is made to (1) the announcement of Television Broadcasts Limited (the “**Company**”) dated 24 January 2017 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 Shares at HK\$30.50 per Share and the application for a whitewash waiver (the “**Announcement**”), (2) the announcement of the Company dated 8 February 2017 in relation to an unsolicited possible offer proposal from TLG Movie and Entertainment Group Limited (“**TLG**”), (3) the announcement of the Company dated 13 February 2017 in relation to the revision of the terms of the Offer to reduce the Maximum Number of Shares to be repurchased under the Offer from 138,000,000 to 120,000,000 and a consequential increase in the Offer Price from HK\$30.50 to HK\$35.075 (the “**Offer**”) so as to maintain the same aggregate consideration for the Offer as the Company had originally proposed, and (4) the announcement of the Company dated 14 February 2017 in relation to the delay in the despatch of the Offer Document. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless stated otherwise.

The Board wishes to provide the following updates in relation to the Offer:

1. The Board notes the press release published by Silchester International Investors LLP (“**Silchester**”) on 16 February 2017, setting out, inter-alia, a request for the Board to recommend for approval by Shareholders a resolution to pay a special dividend of HK\$9.60 per share, if the Offer or the Whitewash Waiver is not approved by the Independent Shareholders, or for any other reason, the other conditions of the Offer are not fully satisfied. The Board wishes to clarify certain points set out in that press release:
 - The Offer is being made by the Company, not by Young Lion, and involves a repurchase of Shares which is made equally to all Shareholders and in accordance with the requirements of the Share Buy-Back Code and the Takeovers Code. All Shareholders have the same opportunity to accept the Offer in respect of some or all of their shareholding, or to reject the Offer. The Board notes that the Offer and the Whitewash Waiver are conditional on approval by Independent Shareholders at the EGM, and the Young Lion Concert Party Group will not be entitled to vote on those resolutions.
 - The proposals and comments put forward by Silchester (both in writing and verbally) to the Company have been shared with all members of the Board, including the Independent Board Committee, and with the Independent Financial Adviser. The Board takes all such comments from Shareholders seriously and has considered, and will continue to consider them carefully. The Board has taken note of Silchester’s specific proposal for a special dividend, but at this stage believes it is in all Shareholders’ interests to deal with matters concerning any dividend after the outcome of the Offer is known, as the Offer will clearly have an impact on the number of Shares in issue and the balance of cash and distributable reserves that the Company has for any such dividend. The views of the Board, the Independent Board Committee and the Independent Financial Adviser in relation to the Offer will be set out in full in the Offer Document.

2. Following the receipt of an unsolicited possible offer proposal from TLG on 7 February 2017, the Company has contacted TLG to request additional information in relation to TLG's possible proposal, including the background and ultimate beneficial owner(s) of TLG, the proposed offer price, the source of funds that TLG proposes to rely on to fund its proposal, the fund proof and details of the regulatory requirements that TLG will be subject to and how it proposes to address those requirements. To date, TLG has not provided any additional information to the Company in response to the Company's request, and at this stage has not taken any steps to engage with the Company or its advisers to progress its proposal. Furthermore, the Company has particularly sought to obtain information which is required to satisfy all of the legal and regulatory requirements under the Broadcasting Ordinance in relation to TLG's possible proposal. In the absence of such information, the Company believes that there has not been any progress in this respect.

At this time, no firm offer or proposal has been communicated to the Company and there is no certainty that TLG's possible proposal will materialise into a credible offer. Shareholders and/or potential investors in the Company should therefore exercise caution when dealing in the shares of the Company.

By Order of the Board
Adrian MAK Yau Kee
Company Secretary

Hong Kong, 17 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.