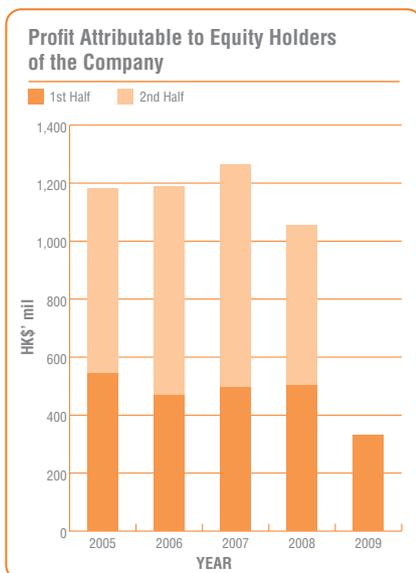
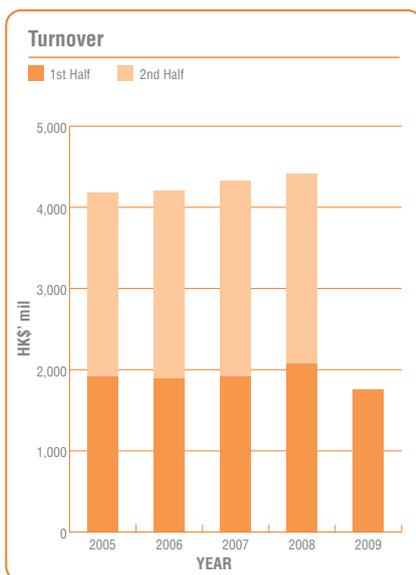
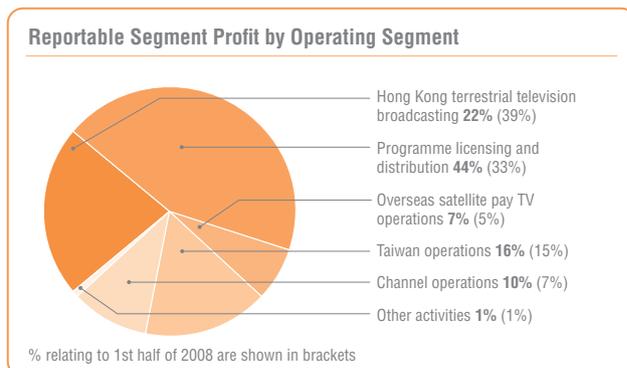
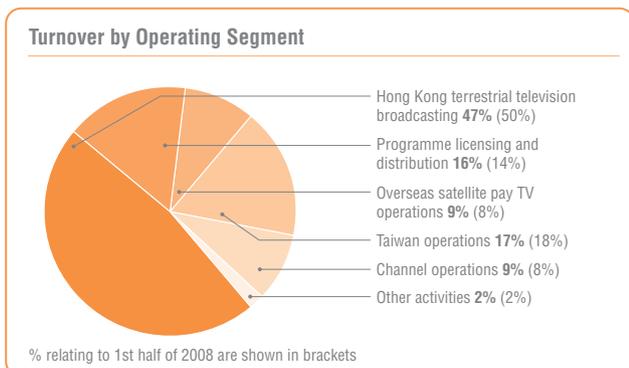


FINANCIAL HIGHLIGHTS



	Six months ended 30 June		
	2009	2008	Change
Performance			
Earnings per share	HK\$0.75	HK\$1.15	-34%
Interim dividend per share	HK\$0.25	HK\$0.30	-17%
	HK\$'mil	HK\$'mil	
Turnover			
- Hong Kong terrestrial television broadcasting	832	1,043	-20%
- Programme licensing and distribution	328	362	-9%
- Overseas satellite pay TV operations	162	175	-7%
- Taiwan operations	300	366	-18%
- Channel operations	160	171	-6%
- Other activities	46	42	+10%
- Inter-segment elimination	(74)	(86)	-14%
	1,754	2,073	-15%
Total expenses	(1,330)	(1,496)	-11%
Share of losses of associates	(30)	(31)	-4%
Profit attributable to equity holders	330	503	-34%
	30 June 2009	31 December 2008	
	HK\$'mil	HK\$'mil	
Total assets	6,391	6,742	-5%
Total liabilities	1,047	1,108	-6%
Total equity	5,344	5,634	-5%
Number of issued shares	438,000,000	438,000,000	
Ratios			
Current ratio	5.03	5.34	
Gearing	6%	6%	



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C O R P O R A T E I N F O R M A T I O N

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Sir Run Run SHAW, G.B.M. (*Executive Chairman*)
Dr. Norman LEUNG Nai Pang, G.B.S., LL.D., J.P.
(*Executive Deputy Chairman*)
Mona FONG (*Deputy Chairperson and Managing Director*)
(*appointed as Managing Director on 1 January 2009*)

NON-EXECUTIVE DIRECTORS

Christina LEE LOOK Ngan Kwan
Dr. CHOW Yei Ching, G.B.S.
Kevin LO Chung Ping

INDEPENDENT NON-EXECUTIVE DIRECTORS

Edward CHENG Wai Sun, S.B.S., J.P.
Chien LEE
Gordon SIU Kwing Chue, G.B.S., J.P.

ALTERNATE DIRECTOR

Anthony LEE Hsien Pin
(*Alternate Director to Christina LEE LOOK Ngan Kwan*)

BOARD COMMITTEES

EXECUTIVE COMMITTEE

Sir Run Run SHAW (*Chairman*)
Dr. Norman LEUNG Nai Pang
Mona FONG
Christina LEE LOOK Ngan Kwan
Kevin LO Chung Ping

AUDIT COMMITTEE

Gordon SIU Kwing Chue (*Chairman*)
Chien LEE
Kevin LO Chung Ping

REMUNERATION COMMITTEE

Chien LEE (*Chairman*)
Edward CHENG Wai Sun
Gordon SIU Kwing Chue

EXECUTIVE OFFICERS

SENIOR MANAGEMENT

Stephen CHAN Chi Wan (*General Manager – Broadcasting*)
CHEONG Shin Keong (*General Manager – Broadcasting*)
Mark LEE Po On (*General Manager – Finance and Administration*)
George CHAN Ching Cheong (*Assistant Managing Director,*
retired on 31 July 2009)

COMPANY SECRETARY

Adrian MAK Yau Kee

REGISTERED OFFICE

TVB City, 77 Chun Choi Street
Tseung Kwan O Industrial Estate
Kowloon, Hong Kong

AUDITORS

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

PRINCIPAL BANKERS

Shanghai and Commercial Bank Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited



SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

AMERICAN DEPOSITARY RECEIPTS

The Bank of New York Mellon
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
USA

STOCK CODES

Ordinary Shares	
The Stock Exchange of Hong Kong	00511
Reuters	0511.HK
Bloomberg	511 HK
ADR Level 1 Programme	TVBCY

WEBSITE

www.tvb.com

CHAIRMAN'S STATEMENT

The directors of Television Broadcasts Limited ("Directors") are pleased to present the interim report and condensed consolidated financial information for the six months ended 30 June 2009 in respect of Television Broadcasts Limited ("Company" or "TVB") and its subsidiaries (collectively, "Group"). The consolidated statement of financial position of the Group as at 30 June 2009 and the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the six months ended 30 June 2009, all of which are unaudited and condensed, along with explanatory notes, are set out on pages 16 to 36 of this report.

RESULTS AND INTERIM DIVIDEND

We report that the Group's turnover for the six months ended 30 June 2009 ("Period") decreased by 15% from HK\$2,073 million to HK\$1,754 million. Under our vigilant cost control efforts, cost of sales decreased by 11%, from HK\$962 million to HK\$854 million during the Period. Overhead expenses decreased by 11% from HK\$534 million to HK\$476 million. We equity accounted for the losses in our associate TVB Pay Vision Holdings Limited ("TVBPVH") which amounted to HK\$30 million (2008: HK\$31 million), representing a decrease of 4%. As a result, the profit attributable to shareholders decreased by 34% from HK\$503 million to HK\$330 million. Earnings per share was HK\$0.75 (2008: HK\$1.15). At the Period end, our total equity stood at HK\$5,344 million (31 December 2008: HK\$5,634 million).

Directors are pleased to declare an interim dividend of HK\$0.25 (2008: HK\$0.30) per share for the 438,000,000 ordinary shares in issue of HK\$0.05 each in respect of the six months ended 30 June 2009. The interim dividend will be paid to shareholders, on or around 28 September 2009, whose names are recorded on the Register of Members on 23 September 2009.

BUSINESS AND OUTLOOK

The impact of the global economic downturn was felt across the media industry during the Period. Advertising related revenue declined sharply, along with our peers

across the industry, as advertisers turned prudent in their spending. We took steps, across all segments of our business, to review our costs and, as a result, rationalised our manpower resources in some areas of operations. Such a move was necessary to respond to the market uncertainty.

We enriched our digital terrestrial TV channel offerings with a 24 hour news channel – iNews. We are pleased to note that the market penetration for digital TV further increased, as more fill-in stations come on stream.

On the other hand as a content provider, we placed strong emphasis on programme quality, as a means to attract audience, home and abroad. Our investment in programming remained a high priority, not just for today's business but for our long term future.

We were fortunate that our international licensing and satellite TV businesses remained stable, generating steady revenue streams and offsetting the decline in the home market. We will continue to widen our distribution channels, exploring business opportunities with new media operators.

Run Run Shaw
Executive Chairman

Hong Kong, 26 August 2009

REVIEW OF OPERATIONS

OVERVIEW

OPERATING RESULTS FOR THE PERIOD

For the six months ended 30 June 2009, the Group recorded a turnover of HK\$1,754 million (2008: HK\$2,073 million), a decrease of 15% over the same period of last year. Cost of sales amounted to HK\$854 million (2008: HK\$962 million), a decrease of 11% over the same period of last year. Gross profit for the Period stood at HK\$900 million (2008: HK\$1,111 million).

Included in cost of sales were the costs of programmes, film rights and stocks for the Period which amounted to HK\$582 million (2008: HK\$655 million), a decrease of 11% over the same period of last year.

Selling, distribution and transmission costs for the Period amounted to HK\$218 million (2008: HK\$247 million), a decrease of 12% over the same period of last year. General and administrative expenses amounted to HK\$258 million (2008: HK\$286 million), a decrease of 10% over the same period of last year.

The Group's share of the losses of an associate, TVBPVH, decreased from HK\$31 million to HK\$30 million.

Income tax expense for the Period amounted to HK\$76 million (2008: HK\$102 million).

Overall, the Group's profit attributable to equity holders amounted to HK\$330 million (2008: HK\$503 million), a decrease of 34% over the same period of last year. Earnings per share was HK\$0.75 (2008: HK\$1.15).

HONG KONG TERRESTRIAL TELEVISION BROADCASTING

ADVERTISING REVENUE

The full impact of the financial crisis was felt in the Hong Kong advertising market in the first quarter of 2009. The grave economic uncertainty and negativism brought about by the global financial tsunami had reached a peak, and many advertisers took the decision to massively withhold spending in this traditionally weak first quarter, particularly in those categories most affected by the financial turmoil. Among these were credit cards, banking

services, investment products, finance companies, insurance services, internet-based recruitment services, and local properties. Many business-to-business oriented sectors such as courier services, computer / printing equipment and airlines cut spending almost completely. In addition, we were also affected by the absence of government / community promotions related to the 2008 Beijing Olympic Games and a drop in spending by digital TV set top boxes manufacturers.

In this negative advertising environment, we were able to creatively canvass increased spending from daily-use products least affected by the crisis.

Advertising demand picked up significantly in the second quarter, but was still weaker than 2008. We were successful in growing spending in additional categories that potentially could survive in a recession. These include particularly the supermarket category and the large beauty-oriented category of skin care. We were also able to reverse the trend of spending decline in the insurance category, record companies and the very sizeable spending digital camera category. Our constant efforts to canvass local property advertisers resulted in an increase in advertising market share and increase in real spending.

Nevertheless, revenue performance continued to be dragged down by continued decline in spending in the hard-hit financial business categories.

The successful experience of the first two quarters in providing creative solutions and looking for opportunistic selling prospects will be leveraged in the coming period, utilising our diverse portfolio of media properties including tvb.com, J2, HD Jade, iNews, the pay channels and TVB Weekly.

REVIEW OF OPERATIONS

TERRESTRIAL TV CHANNELS PERFORMANCE

With the launch of an additional digital channel iNews in January 2009, TVB currently operates seven terrestrial TV channels: two analogue channels – Jade and Pearl and five digital channels – digital simulcast channels of Jade and Pearl, with the same programme schedule as their analogue counterparts, and HD Jade, J2 and iNews.

TVB continued to attain a majority audience share¹ in the terrestrial TV market – Total Jade² achieved an average of 84% share during weekday prime time³; and Pearl achieved an average of 72% share during weekly prime time⁴.

Station-produced drama and non-drama programmes were again marks of quality and audience's favourites.

The period drama *Rosy Business*, a story of the fourth wife of a Wuxi rice baron who ran the family rice business with the help of a strong-willed subordinate "Chaijiu", became the top-rated Jade drama in the first half of 2009. The series achieved 33 TVRs and 92% share on average, with the final episode soaring to an average of 42 TVRs and 92% share. Another hit drama, action series *E.U.* which depicted the life of two policemen, an undercover agent "Laughing Gor" and a member of the emergency unit, captured an average of 30 TVRs and 92% share. The character "Laughing Gor" was so popular that a spin-off movie was produced (a TVB-Shaw Brothers joint venture).

In the non-drama category, *Super Trio Supreme*, the long-running game show series continued to attain an average of 30 TVRs and 89% share during the Period. The beloved cooking variety, *Beautiful Cooking (Sr. 2)*,

which featured female artistes and celebrities in cooking sessions, returned and gained an average of 30 TVRs and 89% share. *Boom Boom Ba*, a game show in which the contestants faced various challenges in music and sound, captured an average of 24 TVRs and 84% share. The talk show *Club Sparkle*, featuring cosy chats with celebrity guests on hot topics, gossips and rumours in the entertainment business, achieved an average of 22 TVRs and 91% share.

Quality documentaries as well as dramas showcased the impact of full HD on HD Jade, TVB's 24-hour high definition ("HD") channel. By the end of June, about 80% of weekday programmes on HD Jade were native HD (originally produced in HD format) programmes. Highlights of documentaries on the channel included the award-winning title *Planet Earth*, as well as *World Heritage* and *Home*. Asian and Hollywood dramas such as *Sik Gaek* and *Lost* provided impressive audio and visual enjoyment for audience who sought the full HD experience. HD Jade also produced the live financial programme *Money Smart*, providing updated stock market information during daytime on weekdays.

For the more trendy audience, J2 introduced many popular animation series as well as idol dramas, music and variety programmes. The anime series *Fullmetal Alchemist-Brotherhood* was broadcast on J2 three weeks after its telecast in Japan. J2 also produced programmes such as *Love Academy*, which provided a platform for youth to express their views on love matters.

TVB's iNews channel, the only free 24-hour news channel in Hong Kong, provided updates on local, regional and international news.

¹ Audience Share (%) is the percentage of ratings of particular channel(s) over the total ratings of the base channels for a specific period of time. For Total Jade², the base channels comprise Jade, HD Jade and Home; and for Pearl, the base channels comprise Pearl and World. Before 1 June 2009, measurement of TV ratings⁵ ("TVRs") included analogue broadcast only. From 1 June 2009 onwards, the measurement also includes digital broadcast.

² Total Jade is defined as the aggregate of Jade and HD Jade.

³ Jade's weekday prime time runs from 7 p.m. to 11 p.m.

⁴ Pearl's weekly prime time runs from 7 p.m. to midnight.

⁵ TV rating (TVR) represents the size of audience expressed as a percentage of the total TV population. For 2009, the TV population was estimated as 6,360,000, and therefore, 1 TVR represents 63,600 viewers (1% of the TV population). Ratings data source: CSM Media Research.

DIGITISATION

The penetration of digital terrestrial television (“DTT”) grew at a slower pace in the first half of 2009 than it did in 2008, due to the absence of a major event stimulus like the Beijing 2008 Olympic Games. However, the official launch of, iNews, Hong Kong’s only free-to-air 24 hour news channel at the beginning of this year provided a new stimulus for DTT adoption.

DTT household penetration (including PC-based receivers) grew marginally from 32.3% in December 2008 to 33.6% in March 2009, which was no doubt affected by the economic recession. However, penetration has since increased to 40.2% in June 2009.

To further stimulate DTT adoption on the back of improved market sentiment, we have expanded our interactive TV offerings in June 2009 and will progressively introduce additional interactive services in the second half of this year.

INTERNATIONAL OPERATIONS

With the exception of Taiwan, our international businesses, which were mostly licensing and subscription based, were comparatively stable and less affected by the economic downturn. Revenue remained steady in several key markets like Malaysia, Singapore, mainland China and Canada. The lackluster performance of TVBS in Taiwan caused by the slowdown of the advertising market has been improving gradually.

PROGRAMME LICENSING AND DISTRIBUTION

During the Period, revenue from programme licensing and distribution declined by 9% from HK\$362 million to HK\$328 million. Malaysia and Singapore, our traditional telecast markets, recorded a drop in revenue of 8% which was mainly due to fluctuations of currency exchange rates in the first half of 2009.

In Malaysia, the impact of the economic downturn on our telecast licensing business was less severe than the advertising based business. Subscriber numbers for ASTRO All Asia Networks plc’s (“ASTRO”) Dynasty package, of which TVB is a major content provider, were maintained steadily, whilst subscribers to ASTRO’s Near Video-On-Demand platform continued to grow.

We continued our strategy to strengthen TVB’s market position in Malaysia by organising a series of local marketing events which were attended by our artistes. These activities generated much attention and press coverage in the local community, and were well-received.

In Singapore, our channels on the StarHub Cable Vision platform continued to perform well, especially the news channel from Taiwan, TVBS-News, which recorded continuing growth in subscribers. The popularity of TVB dramas was the major attraction which helped generate additional advertising revenue for TVB channels.

The demand from mainland China’s domestic television stations for quality programmes remained strong. We recorded a 7% growth in revenue from mainland China during the first six months of the year, contributed mainly from an increase in telecast licensing revenue.

OVERSEAS SATELLITE PAY TV OPERATIONS

Our overseas pay TV businesses in North America and Australia recorded double-digit percentage growth in subscribers against the same period in 2008. The subscription of both TVB Vietnam channel and TVB Mandarin package maintained satisfactory growth in the US. The Australia platform managed to increase subscription fee by about 7.3% during the Period which has substantial contribution to its bottom-line. For the European platform, we expect to complete the migration of existing subscribers within this year to a new satellite on which we are able to launch new channels, i.e. Mandarin, Vietnamese and additional Cantonese channels in future.

TAIWAN

As a result of the global financial crisis, TVBS performance in the first half of 2009 was, as expected, less satisfactory. A double-digit percentage decline in advertising revenue had been recorded. However, the subscription based revenue and our cost management efforts helped mitigate the negative impact from revenue decline.

The outlook for the advertising market in the second half of 2009 appears, however, more encouraging.

In May 2009, TVBS has relocated its production facilities and offices to our wholly-owned brand new production

REVIEW OF OPERATIONS

studio and administration building in Neihu District, Taipei. This signified the successful completion of the complex process to consolidate various operating locations in Taipei into a headquarters and production base. With new equipment in place, we are now capable of producing digital and high definition programmes, which will help improve our competitive edge in the market.

CHANNEL OPERATIONS

TVB8 and Xing He Channels

The performance of TVB8 and Xing He channels was similarly affected by the economic downturn. We recorded a decline in revenue from Malaysia resulting from a contraction in advertising spending and lower currency exchange rates. We, however, remained committed to work with our business partners in Malaysia and Singapore and consider that the above decline is of a short-term nature.

Supply of Channels to TVB Pay Vision Limited ("TVBPV")

TVB continues to supply eight channels to TVBPV. This includes six entertainment channels: TVB Drama, TVB Lifestyle, TVB Classic, TVB Kids, TVB Entertainment News and TVBM; and two news channels TVBN and TVBN2.

As before, TVB Drama garnered hit Asian series, such as record high rating Taiwanese idol dramas *You're My Destiny* and *Queen of No Marriage*; Korean epic titles *East of Eden* and *The Legend*; and Japanese big hit series *Triangle*.

TVB Lifestyle's signature programme *Be My Guest* interviewed many notable celebrity guests. New programmes launched on TVB Lifestyle included *Trendy Gals*. The channel also featured the widely acclaimed Taiwanese talent show *One Million Star* season II.

TVB Classic's *Stardust Memories* presented packages starring Gigi Lai and Sandra Ng. *TVB Master Series* featuring classic drama series of the 70's produced by renowned directors, including Chung King Fai and Patrick Tam.

TVB Entertainment News live covered the red carpet ceremonies of The 45th Golden Horse Awards Ceremony, 28th Hong Kong Film Awards Presentation, and the 18th Hong Kong Theatre Awards Ceremony.

TVBM was re-launched in June 2009 with the new programme *Moving Music*. In addition, the channel also brought in variety / game show on music, songs and lyrics *Million Singer* which is hosted by Taiwanese singer, Harlem Yu.

INVESTMENT IN TVBPVH

TVB's equity interest in the associate, TVBPVH, remained at 29% throughout the Period. By way of a sale and purchase agreement entered into between the Group and Enjoy Profits Limited ("Enjoy Profits") on 30 June 2009, the Group agreed to purchase from Enjoy Profits 336,619,006 non-voting preferred shares, representing approximately 31% of the equity interest in TVBPVH for a cash consideration of HK\$212,745,098, subject to conditions which included the approval by the shareholders of Enjoy Profits' parent company See Corporation Limited. If the conditions are fulfilled, the Group would be interested in approximately 60% of the equity interest in TVBPVH and shall maintain a voting interest at 15% in TVBPVH.

The number of subscribers for the pay TV business continued to improve, generating higher subscription revenue for the pay TV platform. During the Period, TVB's share of the net loss of the associate at 29% was lowered from HK\$31 million to HK\$30 million.

OTHER BUSINESSES

INTERNET OPERATIONS

Licensing revenue to broadband internet and mobile operators decreased significantly due to decreasing number of subscribers caused by the widespread availability of free pirated content. However, advertising revenue grew by 73% as a result of the large scale upgrading of our tvb.com portal and our aggressive selling of integrated marketing solutions to large brand name advertisers. Traffic on our portal, www.tvb.com had grown by more than 105% in the last six months after the launch of My TV, a catch up TV service, and the artistes blogs⁶. At present tvb.com attracts over two million Hong Kong viewers per month⁷, and has successfully attracted major brand advertisers. The growth of advertising revenue in the first half of 2009 managed to make up for the decline in licensing revenue.

Significant investment will continuously be made in the second half in the effort to build tvb.com to become the leading media destination site in Hong Kong.

MAGAZINE PUBLISHING

Suffering from the market downturn, both magazine sales and advertising revenue from TVB Weekly dropped in the first half of 2009.

Creative sales events and integrated marketing projects had been organised, in order to generate new revenue. An effective usage of air time promotion in those projects had successfully attracted more clients.

New monthly titles (J2 Magazine and TVBeauty Queen) attached to TVB Weekly, were created to boost magazine sales, and to reach new advertising clients. The selling of TVB Weekly cover sponsorship has generated significant revenue and has potential to increase in popularity.

FINANCIAL REVIEW

IMPORTANT EVENTS

On 29 April 2009, the Company entered into a joint venture and shareholders' agreement with Shaw Brothers (Hong Kong) Limited ("Shaw Brothers") for the establishment of a joint venture company ("JV Company") with the objective of producing motion pictures. The Company and Shaw Brothers will contribute equally to all future funding required by the JV Company and anticipated that the total capital contribution by the Company is expected not to exceed HK\$20 million, being the Company's half share of the production budgets of two motion pictures plus a contingent amount. Contribution by the Company will be made through internal funding. As at 30 June 2009, HK\$2 million has been contributed to the JV Company.

On 30 June 2009, TVB Satellite TV Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("Agreement") with Enjoy Profits for the purchase of 336,619,006 non-voting preferred shares of TVBPVH, representing 31% of the entire issued share capital of TVBPVH at a cash consideration of HK\$212,745,098. As at 30 June 2009, HK\$106,372,549 had been paid as deposit and part payment of the consideration to Enjoy Profits. Completion of the Agreement is subject to the fulfillment of the conditions precedent. For details, please refer to Note 6(a) to the condensed consolidated financial information.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At 30 June 2009, total equity stood at HK\$5,344 million (31 December 2008: HK\$5,634 million), a decrease of 5% over the last year-end.

⁶ Traffic, in terms of page views, was measured by Nielsen Online

⁷ Source: Nielsen Online

REVIEW OF OPERATIONS

At 30 June 2009, the Group had bank deposits and cash balances of HK\$1,639 million (31 December 2008: HK\$2,094 million), representing a decrease of 22% over the last year-end. The drop in bank deposits and cash balances was largely due to the payment of the 2008 final dividend of HK\$613 million during the Period. About 10% of bank deposits and cash balances were maintained in overseas subsidiaries for their daily operation. Bank deposits and cash balances held by the Group were denominated mainly in Hong Kong dollars, US dollars, Renminbi and New Taiwan dollars.

The Group's net current assets amounted to HK\$2,540 million (31 December 2008: HK\$2,944 million), representing a decrease of 14% over the last year-end. The current ratio, expressed as a percentage of current assets to current liabilities, was 5.03 at 30 June 2009 (31 December 2008: 5.34).

The Group's total bank borrowing at 30 June 2009 was HK\$306 million. The loan is secured, denominated in New Taiwan dollars and is on a floating interest basis. At 30 June 2009, the maturity profile of the Group's borrowings was as follows: within one year, HK\$22 million (7%); in the second year, HK\$22 million (7%); in the third to fifth years, HK\$67 million (22%); over five years, HK\$195 million (64%). The gearing ratio, expressed as a ratio of gross debts to total equity, was 6% (31 December 2008: 6%).

As at 30 June 2009, certain assets of a subsidiary of the Group with net asset value of HK\$749 million were pledged to secure loans and banking facilities granted to that subsidiary. In addition, bank deposits of HK\$7 million were pledged to secure banking and credit facilities granted to certain subsidiaries of the Group.

As at 30 June 2009, capital commitments of the Group were HK\$446 million (31 December 2008: HK\$422 million), representing an increase of 6%.

CONTINGENT LIABILITIES

At 30 June 2009, the Group provided guarantees for banking facilities granted to an investee company of HK\$9 million (31 December 2008: HK\$8 million).

The Group had received protective profits tax assessment notices from the Inland Revenue Department of Hong Kong for the five consecutive years of assessment from 1998/99 to 2002/03 on the profits generated by the Group's programme licensing and distribution business carried out overseas, to which the Group had objected. Out of the total tax demanded, the Group has been granted conditional holdovers by the purchase of Tax Reserve Certificates in the amounts of HK\$24 million, HK\$24 million, HK\$20 million, HK\$35 million and HK\$49 million for the five consecutive years of assessment from 1998/99 to 2002/03 respectively, whereas unconditional holdovers have been granted for the remaining tax demanded of HK\$74 million, HK\$75 million, HK\$66 million, HK\$110 million and HK\$160 million for the five consecutive years of assessment from 1998/99 to 2002/03 respectively. The Group believes that its objection is well-founded, and is determined to defend the Group's position vigorously. On this basis, the Group is of the view that no additional tax provision is necessary.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's foreign currency exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange trading exposures mainly arise from trade receipts from overseas customers.

The Group is also exposed to currency fluctuation on translation of the accounts of overseas subsidiaries and also on the repatriation of earnings and loans. In order to mitigate the potential impact of currency movement, the Group closely monitors its foreign exchange exposures and uses suitable hedging arrangements against significant foreign currency exposures where necessary. No forward exchange or hedging contract was entered into by the Group during the Period under review.



HUMAN RESOURCES

At 30 June 2009, the Group employed, excluding Directors and freelance workers but including contract artistes and staff in overseas subsidiaries, a total of 4,313 full-time employees (31 December 2008: 4,525).

About 27% of the Group's manpower was employed in overseas subsidiaries and was paid on a scale and system relevant to the respective localities and local legislations. For employment in Hong Kong, different pay schemes apply to contract artistes, sales and non-sales personnel. Contract artistes are paid either on a per-show basis or by a package of shows. Sales personnel are remunerated on commission based schemes. Non-sales personnel are remunerated on monthly salaries. Discretionary bonuses may be awarded as an incentive for better performance.

The Group does not operate any employee share option scheme.

From time to time, the Group organises, either in-house or with vocational institutions, seminars, courses and workshops on subjects of technical interest, such as industrial safety, management skills and other related studies, apart from sponsorship of training programmes that employees may enrol on their own initiatives.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

During the six months ended 30 June 2009, Dr. Li Dak Sum retired as an Independent Non-executive Director of the Company as from the conclusion of the annual general meeting held on 20 May 2009.

At 30 June 2009, the Board of Directors of the Company ("Board") comprises nine Directors and an Alternate Director as follows:

Run Run Shaw (*Executive Chairman*) *
Norman Leung Nai Pang (*Executive Deputy Chairman*) *
Mona Fong (*Deputy Chairperson and Managing Director*) *
Christina Lee Look Ngan Kwan #
Chow Yei Ching #
Kevin Lo Chung Ping #
Edward Cheng Wai Sun ^
Chien Lee ^
Gordon Siu Kwing Chue ^
Anthony Lee Hsien Pin
(*Alternate Director to Mrs. Christina Lee Look Ngan Kwan #*)

In addition, Ms. Mona Fong, formerly Acting Managing Director of the Company, was appointed the Managing Director of the Company with effect from 1 January 2009.

The composition of the Board of the Company complies with Rule 3.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") which required, at least three Independent Non-executive Directors, and at least one of them possesses related financial management expertise.

During the Period, three Directors of the Company reported update to their personal details pursuant to Rule 13.51B of the Listing Rules as follows:

Dr. Chow Yei Ching, a Non-executive Director of the Company, resigned as a Director of Shaw Brothers (Hong Kong) Limited, a substantial shareholder of the Company, which was delisted on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 19 March 2009, with effect from 16 April 2009.

Mr. Edward Cheng Wai Sun, an Independent Non-executive Director of the Company, has been appointed as a member of the University Grants Committee, with effect from 1 April 2009.

Mr. Chien Lee, an Independent Non-executive Director of the Company, retired as a council member of The Hong Kong Institute of Education, with effect from 25 April 2009.

BOARD COMMITTEES

The Board is supported by three Board Committees, namely the Executive Committee, the Audit Committee and the Remuneration Committee. Each of them has defined terms of reference covering its duties, powers and functions and the terms of reference of each Committee are available on the Company's website.

During the Period, there were no changes in the composition of the said Committees.

Executive Committee

At 30 June 2009, the Executive Committee comprised the following five members:

Run Run Shaw (*Chairman*) *
Norman Leung Nai Pang *
Mona Fong *
Christina Lee Look Ngan Kwan #
Kevin Lo Chung Ping #

Audit Committee

At 30 June 2009, the Audit Committee comprised the following three members:

Gordon Siu Kwing Chue (*Chairman*) ^
Chien Lee ^
Kevin Lo Chung Ping #

The majority of the members are Independent Non-executive Directors of the Company.

Following the amendments to the Listing Rules, the Board has approved certain amendments to the terms of reference of the Audit Committee to include its responsibility of overseeing the adequacy of staffing of the Company's accounting and financial reporting functions.

Remuneration Committee

At 30 June 2009, the Remuneration Committee comprised the following three members:

Chien Lee (*Chairman*) ^
Edward Cheng Wai Sun ^
Gordon Siu Kwing Chue ^

All of the members are Independent Non-executive Directors of the Company.

* *Executive Directors*

Non-executive Directors

^ *Independent Non-executive Directors*

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

During the Period, the Company was in compliance with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 (“CG Code”) of the Listing Rules, save that the Chairman is not subject to retirement (as required under code provision A.4.2 of the CG Code). Pursuant to Article 114 of the Company’s Articles of Association, every Director, except for the Chairman, shall be subject to retirement at least once every three years but shall be eligible for re-election.

The Board considers that this deviation is well-founded as the Chairman, being a founder of the Company, has a wealth of experience which is essential to the Board and contributes to the continued stability of the Company’s business.

Save for the above, none of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the Period, in compliance with the CG Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 (“Model Code”) of the Listing Rules as the code for Directors and the Senior Management in their dealings in the Company’s securities.

Dr. Li Dak Sum, who retired as Director of the Company on 20 May 2009, confirmed that he had complied with the Model Code throughout the period between 1 January 2009 and 20 May 2009.

All other Directors and members of the Senior Management confirmed, following specific enquiries by the Company, that they had complied with the Model Code throughout the Period.

INTERNAL CONTROLS

The Board has the responsibility for maintaining a sound and effective system of internal controls to safeguard the Company’s assets and shareholders’ interests, while the responsibility of day-to-day management of operational risks and implementation of remedial control measures rests with management and individual divisions, departments and offices.

A system of internal controls has been designed by Management in safeguarding assets from unauthorised use or disposition, ensuring reliability of financial reporting, and ensuring effectiveness and efficiency of operation and compliance with applicable laws and regulations. This system of internal controls is, however, designed to provide reasonable, but not absolute, assurance of no material mis-statement or loss, to manage, rather than eliminate, risk of failure in operational systems, and to help achieve the Group’s objectives.

A report on the review of internal controls for the year ending 31 December 2009, pursuant to the requirements set out under Appendix 14 of the Listing Rules, will be included in the Company’s next annual report.

REVIEW OF INTERIM RESULTS

The condensed consolidated financial information for the Period has not been audited, but has been reviewed by PricewaterhouseCoopers, the Company’s external auditors whose report is set out on page 37. The Audit Committee has reviewed with Management the accounting principles and practices adopted by the Group and discussed financial reporting matters, including a review of the unaudited condensed consolidated financial information and this interim report for the Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

OTHER INFORMATION

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK\$0.25 (2008: HK\$0.30) per share for the 438,000,000 ordinary shares in issue of HK\$0.05 each in respect of the six months ended 30 June 2009.

The interim dividend will be paid to shareholders whose names are recorded on the Register of Members of the Company on 23 September 2009. The dividend warrants will be despatched to shareholders on or around 28 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 21 September 2009 to Wednesday, 23 September 2009, both dates inclusive, during which

period no transfer of shares will be effected. In order to ascertain entitlement to the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrars, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 18 September 2009.

DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY

At 30 June 2009, interests and short positions of the Directors and chief executive of the Company in the shares of the Company as recorded in the register required to be kept pursuant to Section 352 of Part XV of the Securities and Futures Ordinance, Chapter 571 ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

Long positions in the shares of the Company

Name of director	Number of ordinary shares of HK\$0.05 each held				Total	Percentage of issued share capital (%)
	Personal interests	Family interests	Corporate interests	Other interests		
Run Run Shaw	–	1,146,000 [#]	141,174,828 ^{*(a)}	–	142,320,828	32.49
Christina Lee Look Ngan Kwan	602,144	–	16,701,000 ^(b)	–	17,303,144	3.95
Mona Fong	1,146,000 [#]	–	–	–	1,146,000	0.26
Chien Lee	400,000	–	–	–	400,000	0.09
Chow Yei Ching	100,000	–	–	–	100,000	0.02

Duplication of shareholdings occurred between parties[#] shown above and between parties^{*} shown above and below under the sub-heading of "Interests and Short Positions of Other Persons in the Shares of the Company".

Notes:

- (a) 113,888,628 shares were held by Shaw Brothers (Hong Kong) Limited and 27,286,200 shares were held by The Shaw Foundation Hong Kong Limited. Shaw Holdings Inc., directly and through its wholly owned subsidiaries, together with Ms. Mona Fong, the wife of Sir Run Run Shaw, have total equity interest of 100% in Shaw Brothers (Hong Kong) Limited. Sir Run Run Shaw exerts 100% control over Shaw Holdings Inc. through The Sir Run Run Shaw Charitable Trust.
- (b) 10,377,000 shares were held by Trio Investment Corporation S.A., 1,581,000 shares were held by Crystal Investments Limited, 3,162,000 shares were held by Compass Inc. and 1,581,000 shares were held by Bonus Inc. and in respect of such shares only, directors of these companies are all accustomed to act in accordance with the directions of Mrs. Christina Lee Look Ngan Kwan.

The Company and any of its subsidiaries did not operate any employee share option scheme and therefore none of the Directors or chief executive of the Company had been granted any right to subscribe for the securities of the Company and its associated corporations (within the meaning of the SFO) during the Period.

Save for the disclosed above, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the

register required to be kept pursuant to Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF OTHER PERSONS IN THE SHARES OF THE COMPANY

At 30 June 2009, interests or short positions of any persons (other than a Director or chief executive of the Company) in the shares of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO are set out below:

Long positions in the shares of the Company

Name	Number of ordinary shares of HK\$0.05 each held	Percentage of issued share capital (%)
Shaw Brothers (Hong Kong) Limited	113,888,628*	26.00
The Shaw Foundation Hong Kong Limited	27,286,200*	6.23
Dodge & Cox	27,065,000 (a)	6.18
Marathon Asset Management	24,007,504 (a)	5.48

Duplication of shareholdings occurred between parties* shown here and above under the sub-heading of "Directors' Interests in the Shares of the Company".

Note (a): Interests were held in the capacity of investment manager.

Save for the disclosed above, none of the other person had any interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company had not redeemed, and neither had the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities.

INTERIM REPORT

This interim report of the Company for the Period containing all the information required by the Listing Rules is published on the designated issuer website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tvb.com).

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Note	30 June 2009 Unaudited HK\$'000	31 December 2008 Audited HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,329,543	2,322,872
Leasehold land	5	206,194	208,922
Goodwill	5	160,637	161,145
Interests in jointly controlled entity		2,000	–
Interests in associates		346,934	375,674
Available-for-sale financial assets		3	3
Deferred income tax assets		18,358	16,925
Prepayment	6	156,879	35,182
		3,220,548	3,120,723
Current assets			
Programmes and film rights		412,221	412,219
Stocks		13,261	12,952
Trade and other receivables, prepayments and deposits	6	1,097,060	1,095,718
Tax recoverable		2,696	1,716
Pledged bank deposits		6,840	5,158
Bank deposits maturing after three months		231,629	130,422
Cash and cash equivalents		1,407,157	1,963,094
		3,170,864	3,621,279
Total assets		6,391,412	6,742,002
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	7	21,900	21,900
Other reserves	8	707,944	696,886
Retained earnings			
– Interim / final dividend	15	109,500	613,200
– Others		4,479,416	4,276,314
		5,318,760	5,608,300
Minority interest		25,564	25,613
Total equity		5,344,324	5,633,913

	Note	30 June 2009 Unaudited HK\$'000	31 December 2008 Audited HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	10	283,878	296,357
Deferred income tax liabilities		124,786	124,394
Retirement benefit obligations		8,016	9,563
		416,680	430,314
Current liabilities			
Trade and other payables and accruals	9	552,139	593,810
Current income tax liabilities		56,004	61,598
Borrowings	10	22,265	22,367
		630,408	677,775
Total liabilities		1,047,088	1,108,089
Total equity and liabilities		6,391,412	6,742,002
Net current assets		2,540,456	2,943,504
Total assets less current liabilities		5,761,004	6,064,227

The notes on pages 22 to 36 form an integral part of this condensed consolidated financial information.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

	Note	Unaudited Six months ended 30 June	
		2009 HK\$'000	2008 HK\$'000
Turnover	4	1,754,296	2,073,494
Cost of sales		(853,692)	(962,097)
Gross profit		900,604	1,111,397
Other revenues	11	12,454	35,900
Selling, distribution and transmission costs		(218,175)	(247,390)
General and administrative expenses		(257,994)	(286,185)
Other gains, net		1,592	25,973
Finance costs		(2,303)	(2,956)
Share of losses of associates		(30,155)	(31,406)
Profit before income tax	12	406,023	605,333
Income tax expense	13	(75,799)	(102,349)
Profit for the period		330,224	502,984
Profit/(loss) attributable to:			
Equity holders of the Company		330,264	502,737
Minority interest		(40)	247
		330,224	502,984
Earnings per share (basic and diluted) for profit attributable to equity holders of the Company during the period	14	HK\$0.75	HK\$1.15
Dividends	15	109,500	131,400

The notes on pages 22 to 36 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Profit for the period	330,224	502,984
Other comprehensive income:		
Currency translation differences	(6,613)	29,736
Other comprehensive income for the period	(6,613)	29,736
Total comprehensive income for the period	323,611	532,720
Total comprehensive income attributable to:		
Equity holders of the Company	323,660	532,209
Minority interest	(49)	511
	323,611	532,720

The notes on pages 22 to 36 form an integral part of this condensed consolidated financial information.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Note	Unaudited					Minority interest HK\$'000	Total equity HK\$'000
		Attributable to equity holders of the Company				Total HK\$'000		
		Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000				
Balance at 1 January 2008		21,900	685,832	4,636,253	5,343,985	24,765	5,368,750	
Profit for the period		–	–	502,737	502,737	247	502,984	
Other comprehensive income: Currency translation differences		–	29,472	–	29,472	264	29,736	
Total comprehensive income for the period ended 30 June 2008		–	29,472	502,737	532,209	511	532,720	
Transfer		–	13,359	(13,359)	–	–	–	
2007 final dividends paid in June 2008		–	–	(657,000)	(657,000)	–	(657,000)	
Balance at 30 June 2008		21,900	728,663	4,468,631	5,219,194	25,276	5,244,470	
Balance at 1 January 2009		21,900	696,886	4,889,514	5,608,300	25,613	5,633,913	
Profit for the period		–	–	330,264	330,264	(40)	330,224	
Other comprehensive income: Currency translation differences		–	(6,604)	–	(6,604)	(9)	(6,613)	
Total comprehensive income for the period ended 30 June 2009		–	(6,604)	330,264	323,660	(49)	323,611	
Transfer		–	17,662	(17,662)	–	–	–	
2008 final dividends paid in May 2009	15	–	–	(613,200)	(613,200)	–	(613,200)	
Balance at 30 June 2009		21,900	707,944	4,588,916	5,318,760	25,564	5,344,324	

The notes on pages 22 to 36 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Net cash generated from operating activities	431,533	678,987
Net cash used in investing activities	(364,926)	(784,081)
Net cash used in financing activities	(625,776)	(303,368)
Net decrease in cash and cash equivalents	(559,169)	(408,462)
Cash and cash equivalents at 1 January	1,963,094	2,008,895
Effect of foreign exchange rate changes	3,232	4,289
Cash and cash equivalents at 30 June	1,407,157	1,604,722

The notes on pages 22 to 36 form an integral part of this condensed consolidated financial information.

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Television Broadcasts Limited (the “Company”) and its subsidiaries are collectively referred to as the Group in the condensed consolidated financial information. The principal activities of the Company are terrestrial television broadcasting, together with programme production and other television-related activities.

The Company is a limited liability company incorporated and listed in Hong Kong. Its registered office is at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong.

This condensed consolidated financial information is presented in Hong Kong dollars, unless otherwise stated. This condensed consolidated financial information was approved for issue on 26 August 2009.

This condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the six months ended 30 June 2009 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which were prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group adopted the following new or revised standards and amendments to standards, which are mandatory for the financial year ending 31 December 2009 and are relevant to its operation.

HKAS 1 (revised)	Presentation of financial statements
HKAS 23 (revised)	Borrowing costs
HKFRS 7 (amendment)	Financial instruments: disclosures
HKFRS 8	Operating segments

HKAS 1 (revised) introduces changes in the presentation and disclosures of financial statements (including changes to the titles of the main statements). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this revised standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements: an income statement and a statement of comprehensive income. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

HKFRS 8 replaces HKAS 14, “Segment reporting”. It requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group’s chief operating decision maker.

3 ACCOUNTING POLICIES (continued)

The adoption of the other amendments to standards has no effect on the Group's interim financial information.

The Group has not early adopted new or revised standards, amendments to standards and interpretations that have been issued but are not yet effective for the accounting period ending 31 December 2009. The Group is in the process of making an assessment of the impact of these new or revised standards, amendments to standards and interpretations to the Group's results and financial position in the period of initial application.

4 SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. The Group has six reportable segments as follows:

- (a) Hong Kong terrestrial television broadcasting – free-to-air broadcasting of television programmes and commercials and production of programmes
- (b) Programme licensing and distribution – distribution of television programmes and channels to video and telecast operators
- (c) Overseas satellite pay TV operations – provision of satellite pay television services to subscribers in USA, Europe and Australia
- (d) Taiwan operations – production of programmes and distribution of television channels to pay television operators in Taiwan
- (e) Channel operations – compilation and distribution of television channels in mainland China, Malaysia, Singapore, Hong Kong and other countries
- (f) Other activities – provision of contents to mobile devices, website portal, magazine publication and other related services

The segments are managed separately according to the nature of products and services provided. Segment performance is evaluated based on operating results which in certain respect, as explained in the table below, is measured differently from the profit before income tax in the condensed consolidated financial information.

The Group's inter-segment transactions mainly consist of licensing of programmes and film rights and provision of services. Licensing of programmes and film rights were entered into at similar terms as that contracted with third parties. The services provided were charged on a cost plus basis or at similar terms as that contracted with third parties.

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4 SEGMENT INFORMATION (continued)

An analysis of the Group's turnover and results for the period by operating segments is as follows:

	Hong Kong terrestrial television broadcasting HK\$'000	Programme licensing and distribution HK\$'000	Overseas satellite pay TV operations HK\$'000	Taiwan operations HK\$'000	Channel operations HK\$'000	Other activities HK\$'000	Elimination HK\$'000	Total HK\$'000
Six months ended 30 June 2009								
Turnover								
External customers	828,968	270,676	162,077	297,814	153,150	41,611	–	1,754,296
Inter-segment	3,120	57,401	176	1,752	7,214	4,465	(74,128)	–
Total	832,088	328,077	162,253	299,566	160,364	46,076	(74,128)	1,754,296
Reportable segment profit	94,181	191,713	32,286	70,381	44,533	3,084	–	436,178
Interest income	4,814	1,683	155	356	–	188	–	7,196
Finance costs	–	–	–	(2,303)	–	–	–	(2,303)
Depreciation and amortisation of leasehold land	(118,426)	(2,572)	(2,729)	(16,253)	(88)	(1,627)	–	(141,695)
Additions to non-current assets*	63,605	342	1,093	125,950	2	7,385	–	198,377
Six months ended 30 June 2008								
Turnover								
External customers	1,039,501	293,810	175,262	363,944	163,153	37,824	–	2,073,494
Inter-segment	3,356	68,495	232	1,982	7,469	4,797	(86,331)	–
Total	1,042,857	362,305	175,494	365,926	170,622	42,621	(86,331)	2,073,494
Reportable segment profit	246,867	211,600	33,309	93,578	47,906	3,479	–	636,739
Interest income	19,451	5,382	607	852	1,772	939	–	29,003
Finance costs	–	–	–	(2,956)	–	–	–	(2,956)
Depreciation and amortisation of leasehold land	(112,272)	(2,624)	(3,313)	(15,592)	(80)	(890)	–	(134,771)
Additions to non-current assets*	158,597	943	3,853	664,067	275	2,860	–	830,595
Reportable segment assets								
At 30 June 2009	3,632,396	380,411	156,029	1,212,357	313,943	174,136	–	5,869,272
At 31 December 2008	4,050,146	526,165	150,662	1,199,809	148,994	169,124	–	6,244,900

* Amount comprises additions to property, plant and equipment (including prepayments), leasehold land and goodwill.

4 SEGMENT INFORMATION (continued)

A reconciliation of reportable segment profit to profit before income tax is provided as follows:

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Reportable segment profit	436,178	636,739
Share of losses of associates	(30,155)	(31,406)
Profit before income tax	406,023	605,333

Reportable segments assets are reconciled to total assets as follows:

	30 June	31 December
	2009	2008
	HK\$'000	HK\$'000
Reportable segment assets	5,869,272	6,244,900
Interests in jointly controlled entity	2,000	–
Interests in associates	346,934	375,674
Available-for-sale financial assets	3	3
Tax recoverable	2,696	1,716
Tax reserve certificates	152,149	102,784
Deferred income tax assets	18,358	16,925
Total assets per statement of financial position	6,391,412	6,742,002

An analysis of the Group's turnover from external customers for the period by geographical location is as follows:

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Hong Kong	978,179	1,191,740
Taiwan	299,080	377,070
USA and Canada	107,497	106,192
Australia	43,982	50,563
Europe	38,916	47,413
Mainland China	88,037	81,916
Malaysia and Singapore	185,290	203,588
Other countries	13,315	15,012
	1,754,296	2,073,494

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5 CAPITAL EXPENDITURE

	Goodwill HK\$'000	Property, plant and equipment HK\$'000	Leasehold land HK\$'000
Opening net book amount as at 1 January 2008	163,034	1,721,921	185,775
Additions	–	802,294	28,301
Disposals	–	(410)	–
Depreciation/amortisation charge (Note 12)	–	(132,345)	(2,426)
Exchange differences	7,698	21,038	–
Closing net book amount as at 30 June 2008	170,732	2,412,498	211,650
Opening net book amount as at 1 January 2009	161,145	2,322,872	208,922
Additions	–	147,871	–
Disposals	–	(707)	–
Depreciation/amortisation charge (Note 12)	–	(138,967)	(2,728)
Exchange differences	(508)	(1,526)	–
Closing net book amount as at 30 June 2009	160,637	2,329,543	206,194

As at 30 June 2009, land and buildings with net book value of HK\$748,858,000 (31 December 2008: HK\$711,448,000) were pledged to secure loans and banking facilities granted to a subsidiary of the Group.

6 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Non-current portion		
Prepayments related to capital expenditure	50,506	35,182
Deposit and part payment of the consideration related to purchase of additional non-voting preferred shares of TVB Pay Vision Holdings Limited (note (a))	106,373	–
	156,879	35,182
Current portion		
Receivables from:		
Associates	254,352	188,353
Related parties	61,605	66,464
Trade receivables (note (b))	741,294	836,804
	1,057,251	1,091,621
Less: provision for impairment loss of receivables from:		
Associates	(136,667)	(136,796)
Third parties	(99,583)	(96,467)
Other receivables, prepayments and deposits	123,910	134,576
Tax reserve certificates (Note 16(b))	152,149	102,784
	1,097,060	1,095,718
Total	1,253,939	1,130,900

Notes:

- (a) On 30 June 2009, TVB Satellite TV Holdings Limited (“TVBSTVH”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (“Agreement”) with Enjoy Profits Limited (“Enjoy Profits”) for the purchase of 336,619,006 non-voting preferred shares of TVB Pay Vision Holdings Limited (“TVBPVH”), representing 31% of the entire issued share capital of TVBPVH at a cash consideration of HK\$212,745,098. Completion of the Agreement is subject to two conditions precedent: (i) the approval of the shareholders of Enjoy Profits’ parent company See Corporation Limited and (ii) the approval of the Broadcasting Authority (“BA”) to extend the completion deadline to 25 November 2009. The extension had been approved by the BA in July 2009. As at 30 June 2009, HK\$106,372,549 had been paid as deposit and part payment of the consideration to Enjoy Profits, with the remaining balance of HK\$106,372,549 to be paid after the fulfillment of the conditions precedent referred to above. If any of the conditions precedent has not been fulfilled, the Agreement shall cease and none of the parties to the Agreement shall have any obligations or liabilities. In this case, Enjoy Profits shall refund the paid cash consideration to TVBSTVH without interest.

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (continued)

Notes:

- (b) The Group operates a controlled credit policy and allows an average credit period of forty to sixty days to the majority of the Group's customers who satisfy the credit evaluation of the Group. Cash on delivery, advance payments or bank guarantees are required from other customers of the Group.

At 30 June 2009 and 31 December 2008, the aging analysis of the trade receivables including trading balances due from associates and related parties is as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Current	382,267	386,940
1-2 months	196,581	230,587
2-3 months	129,743	138,495
3-4 months	70,436	94,358
4-5 months	26,635	56,119
Over 5 months	251,479	184,952
	1,057,141	1,091,451
Trade receivables due from:		
Third parties	741,294	836,804
Associates and related parties	315,847	254,647
	1,057,141	1,091,451
Non-trading amounts due from related parties	110	170
	1,057,251	1,091,621

7 SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each	Nominal value HK\$'000
Authorised: At 1 January and 30 June 2008 and 1 January and 30 June 2009	1,300,000,000	65,000
Issued and fully paid: At 1 January and 30 June 2008 and 1 January and 30 June 2009	438,000,000	21,900

8 OTHER RESERVES

	Share premium HK\$'000	General reserve HK\$'000	Capital reserve HK\$'000	Legal reserve HK\$'000	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Total HK\$'000
Balance at 1 January 2008	602,026	70,000	864	49,750	40,118	(76,926)	685,832
Currency translation differences:							
– Group	–	–	–	–	–	29,472	29,472
Transfer from retained earnings	–	–	–	13,359	–	–	13,359
Balance at 30 June 2008	602,026	70,000	864	63,109	40,118	(47,454)	728,663
Currency translation differences:							
– Group	–	–	–	–	–	(32,105)	(32,105)
Transfer from retained earnings	–	–	–	328	–	–	328
Balance at 31 December 2008	602,026	70,000	864	63,437	40,118	(79,559)	696,886
Balance at 1 January 2009	602,026	70,000	864	63,437	40,118	(79,559)	696,886
Currency translation differences:							
– Group	–	–	–	–	–	(6,604)	(6,604)
Transfer from retained earnings	–	–	–	17,662	–	–	17,662
Balance at 30 June 2009	602,026	70,000	864	81,099	40,118	(86,163)	707,944

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9 TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Trade payables to:		
Associates	2,919	1,633
Related parties	314	339
Third parties	63,428	84,364
	66,661	86,336
Other payables and accruals	485,478	507,474
	552,139	593,810

At 30 June 2009 and 31 December 2008, the aging analysis of the trade payables including trading balances due to associates and related parties is as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Current	41,759	51,951
1-2 months	19,434	25,606
2-3 months	2,995	6,005
3-4 months	660	758
4-5 months	732	237
Over 5 months	1,081	1,779
	66,661	86,336

10 BORROWINGS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Bank borrowings:		
Non-current	283,878	296,357
Current	22,265	22,367
Total bank borrowings	306,143	318,724

10 BORROWINGS (continued)

Movement in bank borrowings is analysed as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Beginning of the period/year	318,724	–
Additions	–	359,426
Repayments	(10,894)	(17,563)
Exchange differences	(1,687)	(23,139)
End of the period/year	306,143	318,724

The Group's bank borrowings were repayable as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Within 1 year	22,265	22,367
Between 1 and 2 years	22,265	22,366
Between 2 and 5 years	66,795	67,100
Over 5 years	194,818	206,891
	306,143	318,724

11 OTHER REVENUES

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Interest income	7,196	29,003
Others	5,258	6,897
	12,454	35,900

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12 PROFIT BEFORE INCOME TAX

The following items have been charged/(credited) to the profit before income tax during the period:

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Depreciation	138,967	132,345
Amortisation of leasehold land	2,728	2,426
Costs of programmes, film rights and stocks	582,185	655,129
Net exchange gain	(1,592)	(25,973)

13 INCOME TAX EXPENSE

Hong Kong and overseas profits tax has been provided at the rate of 16.5% (2008: 16.5%) and at the rates of taxation prevailing in the countries in which the Group operates respectively. Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

The amount of income tax charged to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Current income tax:		
– Hong Kong	45,442	67,175
– Overseas	29,118	32,656
– Under/(over) provisions in prior periods	2,386	(603)
Deferred income tax:		
– Origination and reversal of temporary differences	(1,147)	9,373
– Effect of decrease in tax rate	–	(6,252)
	75,799	102,349

Refer to Note 16(b) for details of contingent liabilities regarding the additional profits tax assessments raised by the Inland Revenue Department of Hong Kong ("IRD") in respect of the years of assessment from 1998/99 to 2002/03.

14 EARNINGS PER SHARE

The earnings per share is calculated based on the Group's profit attributable to equity holders of HK\$330,264,000 (2008: HK\$502,737,000) and 438,000,000 ordinary shares in issue throughout the six months ended 30 June 2009 and 2008. No fully diluted earnings per share is presented as there were no potentially dilutive shares outstanding.

15 DIVIDENDS

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Interim dividend, declared after the end of the reporting period, of HK\$0.25 (2008: HK\$0.30) per ordinary share	109,500	131,400

Final dividend of HK\$1.40 per ordinary share for the year ended 31 December 2008 amounting to HK\$613,200,000 was approved by shareholders on 20 May 2009 and paid on 27 May 2009.

16 CONTINGENT LIABILITIES

(a) The amounts of contingent liabilities are as follows:

	30 June	31 December
	2009	2008
	HK\$'000	HK\$'000
Guarantees for banking facilities granted to an investee company	8,718	8,304
Guarantees for a performance bond	–	2,000
	8,718	10,304

(b) The Group had received protective profits tax assessment notices from the IRD for the five consecutive years of assessment from 1998/99 to 2002/03 on the profits generated by the Group's programme licensing and distribution business carried out overseas, to which the Group had objected. Out of the total tax demanded, the Group has been granted conditional holdovers by the purchase of Tax Reserve Certificates in the amounts of HK\$23,990,000, HK\$23,561,000, HK\$20,205,000, HK\$35,028,000 and HK\$49,365,000 for the five consecutive years of assessment from 1998/99 to 2002/03 respectively, whereas unconditional holdovers have been granted for the remaining tax demanded of HK\$74,287,000, HK\$75,015,000, HK\$65,819,000, HK\$109,538,000 and HK\$159,902,000 for the five consecutive years of assessment from 1998/99 to 2002/03 respectively. The Group believes that its objection is well-founded, and is determined to defend the Group's position vigorously. On this basis, the Group is of the view that no additional tax provision is necessary.

17 CAPITAL COMMITMENTS

The amounts of commitments for property, plant and equipment are as follows:

	30 June	31 December
	2009	2008
	HK\$'000	HK\$'000
Authorised but not contracted for	328,471	358,605
Contracted but not provided for	117,849	62,961
	446,320	421,566

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The following is a summary of significant related party transactions during the period carried out by the Group in the normal course of its business:

	Note	Six months ended 30 June	
		2009 HK\$'000	2008 HK\$'000
Sales of services:			
Associates			
Programmes/channel licensing fee	(i)	102,518	102,197
Channel package service fee	(i)	750	900
Rental income and related charges	(i)	3,162	3,176
Advertising income	(i)	1,304	–
Others	(i)	1,783	1,557
Other related parties			
Programmes/channel licensing fee	(ii)	92,402	103,024
Advertising agency fee	(ii)	22,131	26,435
Management fee	(ii)	15,933	17,901
Marketing and consultancy service fee	(ii)	4,102	4,609
Facilities service fee	(ii)	1,295	1,455
Channel licensing fee	(iii)	–	584
Advertising income	(iv)	1,551	1,965
		246,931	263,803
Purchases of services:			
Associates			
Playback and uplink service fee	(i)	(15,016)	(15,827)
Others	(i)	(2,406)	(2,994)
Other related parties			
Programmes/channel licensing fee	(v)	(972)	–
Programmes/channel licensing fee	(vi)	–	(898)
Programmes licensing fee	(vii)	(278)	(1,774)
Digital restoration of video tapes	(viii)	(181)	(874)
		(18,853)	(22,367)

18 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

Notes:

- (i) The fees and other amounts were received from/(paid to) TVB Pay Vision Limited (“TVBPV”), an associate of the Company.
- (ii) The fees were received from MEASAT Broadcast Network Systems Sdn. Bhd., an associate of a minority shareholder of non wholly-owned subsidiaries of the Company.
- (iii) The fees were received from All Asia Multimedia Networks FZ-LLC, an associate of a minority shareholder of non wholly-owned subsidiaries of the Company.
- (iv) The income was received from Sharp-Roxy (Hong Kong) Limited (“Sharp-Roxy”), an associate of a Director of the Company. Sharp-Roxy ceased to be a related party of the Company following retirement of the Director on 20 May 2009.
- (v) The fees were paid to Celestial Movie Channel Limited, an associate of a minority shareholder of non wholly-owned subsidiaries of the Company.
- (vi) The fees were paid to Celestial Television Networks Ltd., an associate of a minority shareholder of non wholly-owned subsidiaries of the Company.
- (vii) The fees were paid to Celestial Filmed Entertainment Limited, an associate of a minority shareholder of non wholly-owned subsidiaries of the Company.
- (viii) The amounts were paid to Shaw Brothers (Hong Kong) Limited, a substantial shareholder of the Company.

(b) Key management compensation

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Salaries and other short-term employee benefits	10,972	10,867

FINANCIAL INFORMATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Balances with related parties

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Receivables from associates (note)	254,352	188,353
Receivables from other related parties	61,605	66,464
	315,957	254,817
Payables to associates	2,919	1,633
Payables to other related parties	314	339
	3,233	1,972

Note:

At 30 June 2009, an impairment loss of receivable from associates of HK\$136,667,000 (31 December 2008: HK\$136,796,000) had been provided.

(d) Loans to related parties

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Associates		
Beginning of the period/year	569,212	215,315
Additional loan	–	348,333
Interest charged	1,415	8,968
Interest received	–	(3,404)
End of the period/year	570,627	569,212

The loan to the associates carries interest at the rate of 1-month HIBOR plus 0.25%.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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TO THE BOARD OF DIRECTORS OF TELEVISION BROADCASTS LIMITED

(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 16 to 36 which comprises the condensed consolidated statement of financial position of Television Broadcasts Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2009 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The Directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 August 2009



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