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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

ISSUANCE OF USD500,000,000 3.625% NOTES DUE 2021 GUARANTEED BY THE COMPANY

Reference is made to the announcement of the Company dated 23 September 2016 in respect of the Notes Issue. The Board is pleased to announce that on 29 September 2016, the Company, the Issuer and the Joint Lead Managers entered into the Subscription Agreement in connection with the Notes Issue in the aggregate principal amount of USD500,000,000.

The net proceeds of the Notes Issue, after deducting fees, commissions and expenses, are estimated to be approximately USD495.37 million. The Group will use the net proceeds to fund the expansion of its digital new media business and other capital expenditures, to make strategic investments and for its general corporate purposes.

The Issuer will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange.

As the conditions precedent to completion of the Notes Issue may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are urged to exercise caution when dealing in the securities of the Company.

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THE SUBSCRIPTION AGREEMENT

Date

29 September 2016

Parties to the Subscription Agreement:

- (1) the Issuer as the issuer of the Notes;
- (2) the Company as the guarantor of the Issuer's obligations in respect of the Notes; and
- (3) the Joint Lead Managers as joint lead managers in respect of the offer and sale of the Notes.

The Joint Lead Managers have severally agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Notes pursuant to the terms of the Subscription Agreement. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles them to terminate it in certain circumstances prior to payment being made to the Issuer.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Joint Lead Managers is an independent third party and not a connected person of the Company.

The Notes and the Guarantee have not been and will not be registered under the Securities Act or any securities law of any state of the United States. The Notes will only be offered and sold outside the United States in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong or placed to any connected persons of the Company.

PRINCIPAL TERMS OF THE NOTES TO BE ISSUED

Subject to satisfaction of the conditions precedent set out in the Subscription Agreement, the Issuer will issue the Notes in the aggregate principal amount of USD500,000,000 on 11 October 2016. The Notes will mature on 11 October 2021, unless earlier redeemed or purchased and cancelled in accordance with the Conditions.

The principal terms of the Notes are summarised as follows:

Issue Price

The issue price of the Notes will be 100% of the principal amount of the Notes.

Interest

The Notes will bear interest from 11 October 2016 at the rate of 3.625% per annum, payable semi-annually in arrear on 11 April and 11 October in each year commencing on 11 April 2017.

Status of the Notes

The Notes, when issued, will constitute direct, general, unconditional, unsubordinated and (subject to the negative pledge covenant under the Conditions) unsecured obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge covenant under the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Guarantee of the Notes

The company will, when the Notes are issued, unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the issuer under the Trust Deed and the Notes.

The obligation of the Company under the Guarantee will, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge covenant under the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed) neither the Issuer nor the Company will, and will ensure that none of its subsidiaries will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either: (a) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders; or (b) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

Redemption

Unless previously redeemed, or purchased and cancelled in accordance with Conditions, the Notes will be redeemed at their principal amount on 11 October 2021.

In accordance with the Conditions, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount (together with interest accrued but unpaid to the date fixed for redemption) at any time in the event of certain changes affecting taxes of the Cayman Islands or Hong Kong as set out in the Conditions.

Events of Default

If an event of default under the Notes occurs, the principal amount of the Notes, together with accrued interest, may become immediately due and payable, subject to the notice provisions and other applicable requirements under the Conditions.

The events of default under the Notes include, among other things: (i) the Issuer and the Company each fail to pay the principal of or any interest on any of the Notes when due and, in the case of interest, such failure continues for a period of 3 business days; (ii) the Issuer or the Company does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed or under the Guarantee, which default is in the opinion of the Trustee incapable of remedy or remains unremedied within the period stipulated in the Conditions, (iii) cross-default of the Issuer, the Company or their subsidiaries under other indebtedness in respect of money borrowed or raised; and (iv) the insolvency or winding-up of the Issuer, the Company or the Company's Principal Subsidiaries (as defined in the Conditions).

PROPOSED USE OF PROCEEDS

The net proceeds of the Notes Issue, after deducting fees, commissions and expenses, are estimated to be approximately USD495.37 million. The Group will use the net proceeds to fund the expansion of its digital new media business and other capital expenditures, to make strategic investments and for its general corporate purposes.

LISTING

The Issuer will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange shall not to be taken as an indication of the merits of the Notes, the Issuer or the Company.

GENERAL

As the conditions precedent to completion of the Notes Issue may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“BofA Merrill Lynch”	Merrill Lynch International
“Board”	the board of Directors
“Company”	Television Broadcasts Limited, a company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00511)
“Conditions”	the terms and conditions of the Notes
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by the Company of the payment of all sums from time to time payable by the Issuer in respect of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	TVB Finance Limited, a company incorporated in the Cayman Islands and a wholly-owned subsidiary of the Company
“Joint Lead Managers”	BofA Merrill Lynch and Credit Suisse

“Notes”	the USD – denominated notes to be issued by the Issuer and guaranteed by the Company
“Notes Issue”	the issue of the Notes by the Issuer
“Relevant Indebtedness”	any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market (which for the avoidance of doubt does not include bi-lateral loans, syndicated loans or club deal loans)
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 29 September 2016 entered into between the Issuer, the Company, and the Joint Lead Managers in relation to the Notes Issue
“Trust Deed”	the trust deed to be dated on or around 11 October 2016 to be entered into between the Issuer, the Company and the Trustee, pursuant to which the Trustee will be appointed as trustee for the holders of the Notes
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited
“USD”	United States dollars

By Order of the Board
Adrian MAK Yau Kee
Company Secretary

Hong Kong, 29 September 2016

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

Chairman and Non-executive Director

Dr. Charles CHAN Kwok Keung

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