
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your Shares in Television Broadcasts Limited (the “Company”), you should at once pass this circular, the notice of the annual general meeting (the “AGM”) and the accompanying proxy form, declaration from and explanatory notes thereto to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

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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) PROPOSED ADOPTION OF THE SHARE OPTION SCHEME;
(2) PROPOSED ADOPTION OF
THE SUBSIDIARY SHARE OPTION SCHEME;
(3) GENERAL MANDATE TO ISSUE SHARES;
(4) ELECTION AND RE-ELECTION OF DIRECTORS;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 4 to 10 of this circular.

A notice convening the AGM to be held at 10:30 a.m. on Thursday, 29 June 2017 at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong is set out on pages 42 to 53 of this circular. A proxy form for the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the accompanying proxy form and return it in accordance with the instructions printed thereon to the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for the holding of the AGM (or at any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM (or at any adjournment thereof) should you so wish and in such event, the proxy form shall be deemed to be revoked.

29 May 2017

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened at 10:30 a.m. on Thursday, 29 June 2017 at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong for the purposes of, among other things, considering and, if thought fit, approving the resolutions contained in the notice of the AGM which is set out on pages 42 to 53 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended, modified or supplemented from time to time
“associate”	has the same meaning as given to it under the Listing Rules
“Big Big Channel Limited”	Big Big Channel Limited, formerly known as TVB Network Vision Limited, a private company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of TVBPPVH
“Board”	the board of Directors
“Broadcasting Ordinance”	the Broadcasting Ordinance (Chapter 562 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“close associate”	has the same meaning as given to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
“Company”	Television Broadcasts Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 00511)
“controlling shareholder”	has the same meaning as given to it under the Listing Rules

DEFINITIONS

“core connected person”	has the same meaning as given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive Committee”	the Executive Committee of the Board
“Existing Issue Mandate”	has the meaning ascribed to this term under the section headed “5. Share Issue Mandate” in the Letter from the Board of this circular
“Existing Repurchase Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 25 May 2016 to exercise the powers of the Company to repurchase Shares not exceeding 10% of the number of Shares in issue at the date of passing the relevant ordinary resolution
“Government”	the Government of Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 May 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified or supplemented from time to time
“Remuneration Committee”	the Remuneration Committee of the Board
“Scheme Participants”	the Eligible Participants under the Share Option Scheme as defined in Appendix I to this circular

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amend, modified or supplemented from time to time
“Share Issue Mandate”	has the meaning ascribed to this term under the section headed “5. Share Issue Mandate” in the Letter from the Board of this circular
“Share Option(s)”	option(s) to subscribe for Share(s) pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Company subject to, among other things, the approval of the Shareholders, a summary of the principal terms of which is set out in Appendix I to this circular
“Share(s)”	ordinary share(s) of the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Scheme Participants”	the Eligible Participants under the Subsidiary Share Option Scheme as defined in Appendix II to this circular
“Subsidiary Share Option(s)”	option(s) to subscribe for share(s) of TVBPVH pursuant to the Subsidiary Share Option Scheme
“Subsidiary Share Option Scheme”	the share option scheme of TVBPVH proposed to be adopted by TVBPVH subject to, among other things, the approval of the Shareholders, a summary of the principal terms of which is set out in Appendix II to this circular
“substantial shareholder”	has the same meaning as given to it under the Listing Rules
“TVBPVH”	TVB Pay Vision Holdings Limited, a private company incorporated in Hong Kong with limited liability and an indirect non wholly-owned subsidiary of the Company
“%”	per cent.

LETTER FROM THE BOARD



Television Broadcasts Limited

電視廣播有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

Board of Directors:

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

Registered office:

TVB City

77 Chun Choi Street

Tseung Kwan O Industrial Estate

Kowloon

Hong Kong

29 May 2017

To Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE SHARE OPTION SCHEME;
(2) PROPOSED ADOPTION OF
THE SUBSIDIARY SHARE OPTION SCHEME;
(3) GENERAL MANDATE TO ISSUE SHARES;
(4) ELECTION AND RE-ELECTION OF DIRECTORS;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of (i) the proposed adoption of the Share Option Scheme; (ii) the proposed adoption of the Subsidiary Share Option Scheme; (iii) the proposed grant of the Share Issue Mandate; (iv) the election and re-election of Directors; and (v) the notice of the AGM.

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

The Board proposes to adopt the Share Option Scheme. The Share Option Scheme is designed to provide the Scheme Participants with the opportunity to acquire the proprietary interests in the Company, thereby encouraging the grantees of such options to work towards enhancing the value of the Company and for the benefit of the Company and Shareholders as a whole.

The shares to be issued upon an exercise of the Share Options granted under the Share Option Scheme will be the Company's Shares. There were no other share option schemes put in place by the Company as at the Latest Practicable Date.

The adoption of the Share Option Scheme is subject to the following conditions:

- (i) the Shareholders passing an ordinary resolution to approve the Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares in the Company which may fall to be allotted and issued pursuant to the exercise of the Share Options in accordance with the terms and conditions of the Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in the Company which may fall to be allotted and issued pursuant to the exercise of the Share Options granted under the Share Option Scheme.

As at the Latest Practicable Date, the issued share capital of the Company consisted of 438,000,000 Shares, all of which are listed and traded on the Stock Exchange. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the date of the adoption of the Share Option Scheme, the number of Shares issuable pursuant to the Share Option Scheme will be 43,800,000 Shares.

The Directors consider that it is not appropriate to state the value of the Share Options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date, as a number of variables which are crucial for the calculation of the option value have not been determined. Such variables include the subscription price, option period, lock-up period (if any), performance target (if any) and other relevant variables. The Directors believe that any calculation of the value of the Share Options as at the Latest Practicable Date would be based on a great number of speculative assumptions and would therefore not be meaningful and could be misleading to the Shareholders.

LETTER FROM THE BOARD

There is no trustee regime under the Share Option Scheme. As such, none of the Directors are trustees of the Share Option Scheme or have any direct or indirect interest in the trustee.

No Shareholder is required to abstain from voting on the resolution in respect of the adoption of the Share Option Scheme under the Listing Rules.

A summary of the principal terms of the Share Option Scheme is set out in Appendix I to this circular. Copy of the Share Option Scheme will be available for inspection at the Company's registered office at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong from Thursday, 15 June 2017 and up to Thursday, 29 June 2017 and at the AGM.

The Share Option Scheme complies with the requirements under Chapter 17 of the Listing Rules. With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

3. PROPOSED ADOPTION OF THE SUBSIDIARY SHARE OPTION SCHEME

TVBPVH, an indirect non wholly-owned subsidiary of the Company, proposes to adopt the Subsidiary Share Option Scheme. The Subsidiary Share Option Scheme is designed to provide the Subsidiary Scheme Participants with the opportunity to acquire the proprietary interests in TVBPVH, thereby encouraging the grantees of such options to work towards enhancing the value of TVBPVH and for the benefit of the Company as a whole.

TVBPVH currently holds the entire share capital of Big Big Channel Limited which is developing a digital social media platform, called Big Big Channel, which will allow distribution and exchange of social media content, user interaction and e-commerce via mobile capabilities and functionalities.

As at the Latest Practicable Date, the issued share capital of TVBPVH consisted of two classes of shares totalling 1,085,867,759 shares, of which 2 shares were ordinary shares and 1,085,867,757 shares were non-voting preferred shares. Except for having no rights to vote at general meetings of TVBPVH and the liquidation preference set out in the articles of association of TVBPVH, the non-voting preferred shares shall rank *pari passu* in all respects with the ordinary shares of TVBPVH. The shares of TVBPVH are not listed.

Big Big Channel Limited has made an application to surrender its domestic pay TV programme services licence. It is expected that upon fulfillment of all the relevant regulatory requirements under the Broadcasting Ordinance, all the non-voting preferred shares of TVBPVH currently in issue will be converted into ordinary shares.

LETTER FROM THE BOARD

The shares to be issued upon an exercise of the Subsidiary Share Options granted under the Subsidiary Share Option Scheme will be ordinary shares in TVBPVH, not the Company's Shares.

As at the Latest Practicable Date, there were no other share option schemes put in place by TVBPVH.

Assuming that there is no further change in the number of issued shares of TVBPVH between the Latest Practicable Date and the date of the adoption of the Subsidiary Share Option Scheme, the number of shares of TVBPVH issuable pursuant to the Subsidiary Share Option Scheme will be 108,586,775 shares.

There is no trustee regime under the Subsidiary Share Option Scheme. As such, none of the Directors are trustees of the Subsidiary Share Option Scheme or have any direct or indirect interest in the trustee.

No Shareholder is required to abstain from voting on the resolution in respect of the adoption of the Subsidiary Share Option Scheme under the Listing Rules.

The board of directors and the shareholders of TVBPVH have given their approvals for the adoption of the Subsidiary Share Option Scheme conditional upon the approval by the Shareholders at the AGM and completion of the conversion of all non-voting preferred shares of TVBPVH currently in issue into ordinary shares.

A summary of the principal terms of the Subsidiary Share Option Scheme is set out in Appendix II to this circular. Copy of the Subsidiary Share Option Scheme will be available for inspection at the Company's registered office at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong from Thursday, 15 June 2017 and up to Thursday, 29 June 2017 and at the AGM.

The Subsidiary Share Option Scheme complies with the applicable requirements under Chapter 17 of the Listing Rules.

4. LISTING RULES IMPLICATIONS OF THE SHARE OPTION SCHEME AND THE SUBSIDIARY SHARE OPTION SCHEME

Each of the Share Option Scheme and the Subsidiary Share Option Scheme constitutes a share option scheme pursuant to Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

The Share Option Scheme will only take effect upon the approval by the Shareholders at the AGM and the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares in the Company which may fall to be allotted and issued pursuant to the exercise of the Share Options granted under the Share Option Scheme.

The Subsidiary Share Option Scheme will only take effect upon the approval by the Shareholders at the AGM and completion of the conversion of all non-voting preferred shares of TVBPVH currently in issue into ordinary shares.

5. SHARE ISSUE MANDATE

By the ordinary resolution passed at the annual general meeting of the Company held on 25 May 2016, a general mandate (the “**Existing Issue Mandate**”) was given by the Company to the Directors to allot, issue and deal with additional Shares not exceeding 10% of the number of Shares in issue at the date of passing the relevant ordinary resolution and to approve the extension of the Existing Issue Mandate by adding to it the aggregate number of any Shares repurchased by the Company under the Existing Repurchase Mandate. The Existing Issue Mandate to allot, issue and deal with Shares will lapse at the conclusion of the AGM.

In light of the expiry of the Existing Issue Mandate at the conclusion of the AGM and in order to give flexibility to the Directors in the event that it becomes desirable to issue any Shares, an ordinary resolution will be proposed at the AGM to grant the Directors a general mandate to allot, issue and deal with additional Shares (the “**Share Issue Mandate**”) not exceeding 10% of the number of Shares in issue at the date of passing such ordinary resolution at the AGM.

The Share Issue Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws; or (iii) the date upon which such authority is revoked or varied or renewed by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the number of issued Shares was 438,000,000 Shares. Subject to the passing of the resolution approving the Share Issue Mandate and on the basis that there is no change in the issued share capital of the Company after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to issue a maximum of 43,800,000 Shares under the Share Issue Mandate.

LETTER FROM THE BOARD

6. ELECTION AND RE-ELECTION OF DIRECTORS

In accordance with Article 112 of the Articles of Association, Mr. Li Ruigang, who was appointed by the Board on 17 October 2016, will hold office as a Director until the AGM and, being eligible, offer himself for election at the AGM.

In accordance with Article 117(A) of the Articles of Association, Dr. Charles Chan Kwok Keung will retire at the AGM after his service on the Board from his last re-election in 2014 and, being eligible, offer himself for re-election at the AGM.

Details of each of the Directors who are subject to retirement for election or re-election at the AGM as at the Latest Practicable Date are set out in Appendix III to this circular.

7. AGM AND PROXY ARRANGEMENT

The Company will convene the AGM for purposes of, among other things, seeking approvals from the Shareholders with respect to the adoption of the Share Option Scheme and the Subsidiary Share Option Scheme, the grant of the Share Issue Mandate and the election and re-election of Directors.

A notice convening the AGM to be held at 10:30 a.m. on Thursday, 29 June 2017 at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong is set out on pages 42 to 52 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll.

The proxy form for the AGM to be used by the Shareholders is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the accompanying proxy form and return it in accordance with the instructions printed thereon to the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the AGM (or at any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM (or at any adjournment thereof) should you so wish and in such event, the proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

9. RECOMMENDATIONS

The Board considers that the proposed adoption of the Share Option Scheme and the Subsidiary Share Option Scheme, the proposed grant of the Share Issue Mandate and the election and re-election of the Directors are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

10. ADDITIONAL INFORMATION

Your attention is drawn to the summary of the principal terms of the Share Option Scheme as set out in Appendix I, the summary of the principal terms of the Subsidiary Share Option Scheme as set out in Appendix II, and the details of the Directors proposed to be elected or re-elected as set out in Appendix III to this circular.

Yours faithfully,
For and on behalf of the Board
Television Broadcasts Limited
Charles Chan Kwok Keung
Chairman

The following is a summary of the principal terms of the Share Option Scheme of the Company proposed to be approved and adopted by ordinary resolution of the Shareholders at the AGM.

1. DEFINITIONS

Unless otherwise defined below, terms used in this Appendix shall have the same meanings as those defined in the section headed “Definitions” in this circular:

“Adoption Date”	the date on which the Scheme is adopted by a resolution of the Shareholders
“Board”	the Board of the Company or where applicable, a committee duly formed to administer matters in relation to the Scheme
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Date of Grant”	the date (which must be a Business Day) on which the Board resolves to grant an Option to an Eligible Participant under the Scheme
“Eligible Participant”	any person who satisfies the eligibility criteria in paragraph 3
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the Scheme or (where the context so permits) his personal representative(s)
“Offer”	an offer of an Option made in accordance with paragraph 6 and the provisions of the Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant
“Option”	an option to subscribe for the Shares granted pursuant to the Scheme and for the time being subsisting
“Option Period”	in respect of any particular Option, the period within which the Shares must be taken up as determined and notified by the Board to the Grantee at the time of making an Offer, which shall not be beyond 10 years from the Date of Grant

“Scheme”	the Share Option Scheme as defined in the section headed “Definitions” in this circular
“Scheme Mandate Limit”	has the meaning as defined in paragraph 4.2 below
“Shareholders’ Approval”	the approval of the Shareholders
“Subscription Price”	the price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option pursuant to paragraph 8, subject to any adjustments made pursuant to paragraph 13
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes
“Termination Date”	has the meaning as defined in paragraph 10.1 below

2. PURPOSE

The purpose of the Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or will make to the Group and promote the long term success of the Company by aligning the interests of the Grantees with those of the Shareholders.

3. WHO MAY JOIN

The Board may at its discretion grant Options to any person belonging to any of the following classes of participants (the “**Eligible Participants**”):

- (a) a director (whether executive, non-executive, independent non-executive or alternate) or employee (whether part-time, full-time, seconded or otherwise) of the Company or its affiliate;
- (b) a representative, manager, agent, contractor, advisor, consultant, distributor or supplier engaged by the Company or its affiliate to provide service or goods to the Company or its affiliate;

- (c) a customer or joint venture partner of the Company or its affiliate;
- (d) a trustee of any trust established for the benefit of employees of the Company or its affiliate; or
- (e) any other class of participants which the Board, at its sole discretion, considers to have contributed or may contribute, by way of joint venture, business alliance, other business arrangement or otherwise, to the development and growth of the Group.

4. MAXIMUM NUMBER OF SHARES WHICH MAY BE ISSUED UPON EXERCISE OF ALL SHARE OPTIONS

- 4.1 The overall limit on the number of the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes for the time being of the Company shall not, in aggregate, exceed such number of the Shares as equals 30% of the Shares in issue from time to time, subject to the conditions set out below. No Option may be granted under the Scheme or any other share option schemes of the Company if it will result in the above-mentioned 30% limit being exceeded.
- 4.2 Within the limit as mentioned in paragraph 4.1 above, the total number of the Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”), unless the Shareholders’ Approval has been obtained pursuant to the provisions of the Scheme. Options lapsed in accordance with the terms of the Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- 4.3 The Scheme Mandate Limit may be refreshed by and subject to the Shareholders’ Approval from time to time but in any event, the total number of the Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders. Options previously granted under the Scheme or any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the Scheme or any other share option schemes of the Company or exercised options) will not be counted for the purpose of calculating the limit as refreshed. The Company shall comply with the relevant requirements under the Listing Rules.

- 4.4 Notwithstanding the foregoing, Shareholders' Approval in general meeting may be sought in order for the Company to grant Options beyond the Scheme Mandate Limit or the refreshed limit referred to above, provided that the Options in excess of the Scheme Mandate Limit or the refreshed limit shall be granted only to the Eligible Participants specifically identified by the Company before such approval is sought. The Company shall comply with the relevant requirements under the Listing Rules.

5. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

- 5.1 Subject to paragraph 5.2 below, no Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of the Shares issued and to be issued upon exercise of the Options already granted or to be granted to such Eligible Participant (including both exercised and outstanding Options) in any 12-month period up to and including the date of such new grant in aggregate exceeding 1% of the Shares in issue as at the date of such new grant.
- 5.2 Any grant of further Options above the 1% limit as mentioned in paragraph 5.1 above shall be subject to the following requirements:
- (a) the Shareholders' Approval in general meeting, with such Eligible Participant and his close associates (or his associates if such Eligible Participant is a connected person) abstaining from voting;
 - (b) a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time required by the Listing Rules;
 - (c) the identity of the Eligible Participant, the number and terms of the Options (including the Subscription Price) to be granted to such Eligible Participant shall be fixed before obtaining the Shareholders' Approval as mentioned above.
- 5.3 Any grant of Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee of the relevant Options).

5.4 Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue, and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

then such further grant must be subject to the Shareholders' Approval in the general meeting. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall comply with the relevant requirements under the Listing Rules.

5.5 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Eligible Participant at a time when the Eligible Participant would or might be prohibited from dealing in the Shares by the Listing Rules, the Company's own code for securities transactions by Directors and employees or by any other applicable rules, regulations or laws. In particular, no Offer shall be made by the Board in the following circumstances:

- (a) after inside information has come to the knowledge of the Company until the Company has announced such inside information; and
- (b) during the period commencing one month immediately before the earlier of:
 - (i) the date of the Board meeting (as such date as is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

6. TIME OF ACCEPTANCE AND EXERCISE OF SHARE OPTIONS

An Offer shall remain open for acceptance by the Eligible Participant concerned for a period of 28 days inclusive of, and from the Offer Date, provided that no Offer shall be open for acceptance after the Scheme has been terminated in accordance with the provisions thereof. The Eligible Participant accepting the Offer shall make a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant within 28 days from the Offer Date which shall be non-refundable.

7. VESTING PERIOD AND PERFORMANCE TARGET

Unless otherwise determined by the Board at its sole discretion, there is no minimum period for which an Option must be held and there is no performance target which must be satisfied or achieved before such an Option can be exercised under the terms of the Scheme.

8. SUBSCRIPTION PRICE FOR SHARES

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 13, be at the discretion of the Board on a fair and reasonable basis with reference to the performance of the Group and the past and potential contributions by the Eligible Participant to the Group, provided that it must be at least the higher of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the relevant Date of Grant (which must be a Business Day) in respect of such Option; and
- (b) the average of the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange for the five Business Days immediately preceding the relevant Date of Grant in respect of such Option.

9. RANKING OF SHARES

- 9.1 The Shares allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Allotment Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions (including distributions made upon the liquidation of the Company) paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date. Any Share allotted and issued upon the exercise of an Option shall not carry voting rights nor rank for dividend or other distribution until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.
- 9.2 The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

10. PERIOD OF THE SHARE OPTION SCHEME

- 10.1 Subject to the satisfaction of all the conditions in paragraph 10.2 below, the Scheme shall commence on the Adoption Date and shall continue in force until the date that falls on the expiry of 10 years after the Adoption Date or the date on which the Shareholders or the Board passing a resolution resolving to early terminate the Scheme, whichever is earlier (the “**Termination Date**”).
- 10.2 The Scheme is conditional upon fulfilment of the following:
- (a) the passing of an ordinary resolution by the Shareholders resolving to approve and adopt the Scheme at a general meeting of the Company and to authorise the Board to grant Options under the Scheme and to allot and issue the Shares pursuant to the exercise of any Options; and
 - (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares which may fall to be issued and allotted upon the exercise of the Options to be granted under the Scheme.

11. LAPSE OF SHARE OPTIONS

- 11.1 In the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and none of the events for termination of employment or engagement under the provisions of the Scheme then exists with respect to such Grantee, his personal representative(s) may exercise such Option (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of the Scheme within a period of 6 months (or such other period as the Board may determine) from the date of his death and any Option not so exercised shall lapse and determine at the expiry of such period.
- 11.2 In the event of the Grantee who is a director, employee, representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer or joint venture partner of an affiliate and that affiliate ceases to be an affiliate or in the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his ill-health, injury or disability which is not self-inflicted (in each case evidenced to the satisfaction of the Board), then the Grantee may exercise his Option (to the extent vested and not already exercised) in whole or in part at any time within a period of 3 months commencing on the date of the cessation and any Option not so exercised shall lapse and determine at the end of such period.
- 11.3 In the event of the Grantee (a) who is a director or employee of the Company or its affiliate ceasing to be such a director or employee of the Company or its affiliate by the reason of his retirement from office or employment or by the reason of his being removed as a director, resignation or by the reason of termination of his employment or appointment by his employing or appointing company; or (b) who is a representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer or joint venture partner of the Company or its affiliate ceasing to be such a representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer or joint venture partner of the Company or its affiliate by the reason of termination of his/its appointment or engagement; or (c) which belongs to the class of Eligible Participants set forth in paragraph 3(e) ceasing to have such relationship with the Group, such Option (to the extent not already exercised) shall lapse on the date of cessation of office, employment, appointment or contract of engagement (as the case may be) and not be exercisable. For the purpose of this paragraph 11.3, a Grantee who is a director will not be treated as ceasing to be a director if he retires and is re-elected as a director in a general meeting of the company concerned on the same day of his retirement.

- 11.4 If, in consequence of any general offer made to all Shareholders (including an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, then the Board shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee (or his personal representative) shall, unless otherwise determined by the Board at its sole discretion, be entitled at any time within the period of 21 days after such offer becomes or is declared unconditional, to exercise all or any of his outstanding Options (to the extent that such Options have been vested and have not lapsed or been cancelled), and such Options shall, to the extent not having been exercised, lapse and determine without compensation upon the expiry of such period.
- 11.5 In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution for the voluntary winding up of the Company, the Company shall forthwith give notice thereof to every Grantee and the Grantee (or his personal representative) shall be entitled by notice in writing to the Company to exercise all or any of his outstanding Options (to the extent that such Options have been vested and have not lapsed or been cancelled) and the Company shall as soon as possible and in any event not later than the day immediately prior to the date of the proposed general meeting, allot and issue such number of the Shares to the Grantee which falls to be issued on such exercise and all Options shall, to the extent not having been exercised, lapse and determine without compensation on the date of commencement of the winding up of the Company.
- 11.6 If a compromise or arrangement between the Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to every Grantee on the same day as it despatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his personal representative) shall be entitled by notice in writing to the Company accompanied by the remittance for the Subscription Price in respect of his Options to exercise all or any of his outstanding Options (to the extent that such Options have been vested and have not lapsed or been cancelled). With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent not having been exercised, thereupon lapse and determine without compensation. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options under this paragraph 11.6 shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on

the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court having jurisdiction (the “**Court**”) (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

11.7 Without prejudice to the foregoing, any Option shall lapse on the earliest of:

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee ceases to be an Eligible Participant by reason of a termination of his employment, appointment or engagement on the grounds set forth in the Scheme;
- (c) the date of commencement of the winding up of the Company;
- (d) the date on which the Grantee commits a breach of paragraph 12 below;
- (e) the date on which any of the events in relation to the bankruptcy and inability to pay debts as set forth in the Scheme happens, unless otherwise waived by the Board;
- (f) the date on which the Grantee commits a breach of any terms and conditions attached to the grant of his Option, if the Board shall exercise the Company’s right to cancel the Option without compensation;
- (g) the date on which the Board considers that the Grantee fails to meet the continuing eligibility criteria as provided in the Scheme, if the Board shall exercise the Company’s right to cancel the Option without compensation;
- (h) the date on which the Board resolves to cancel any Option pursuant to paragraph 14 below.

12. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do.

13. ADJUSTMENT TO THE SUBSCRIPTION PRICE

13.1 In the event of any alteration in the capital structure of the Company (other than an issue of the Shares as consideration in respect of a transaction to which the Company is a party) whilst any Option remains exercisable or the Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, bonus issue, rights issue, open offer, consolidation or sub-division of Shares or reduction of share capital of the Company in accordance with legal requirements in Hong Kong and requirements of the Stock Exchange, then, in any such case, the number of Shares to which the Scheme or any Option(s) relates (insofar as it is/they are unexercised) and/or the Subscription Price thereunder and/or the relevant maximum limits determined under the Scheme may be adjusted in such manner as the Board may deem appropriate provided always that (save where an adjustment arises by way of a capitalisation issue):

- (a) any such adjustment shall be made on the basis that the proportion of the issued share capital of the Company for which any Grantee would have been entitled had he exercised all the Options held by him immediately prior to such adjustment shall equal to the proportion of the issued share capital of the Company for which he would have been entitled had he exercised all the Options held by him immediately after such adjustment (as interpreted in accordance with the Supplementary Guidance);
- (b) any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (c) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than HK\$1.00; and

- (d) any adjustments as a result of a rights issue, open offer or capitalisation issue shall be made in accordance with the acceptable adjustments set forth in the Supplementary Guidance and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

13.2 If any adjustments occur pursuant to paragraph 13.1 above (save where an adjustment arises by way of a capitalisation issue) the Board shall instruct the Company's auditor or an independent financial adviser to certify in writing that in their fair and reasonable opinion the adjustments proposed comply with Rule 17.03(13) of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance.

14. CANCELLATION OF SHARE OPTIONS

14.1 The Board may cancel any Option provided that: (a) the Company pays to the Grantee an amount equal to the cash value of the Option at the date of cancellation as determined by the Board by reference to the difference between the market value of a Share and the Subscription Price; or (b) the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or (c) the Board makes such arrangements as the Grantee may agree to compensate him for the loss of the Option. Where the Company cancels Options and issue new Options to the same Grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit and/or the refreshed limit(s) as referred to above (as the case may be).

14.2 Any Options granted but subsequently renounced by the Grantee may be cancelled by the Board without compensation.

15. TERMINATION

15.1 The Company by an ordinary resolution of the Shareholders in general meeting or the Board may at any time terminate the operation of the Scheme.

15.2 On or after the Termination Date, no further Options will be offered but in all other respects the provisions of the Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior to the Termination Date or otherwise as may be required in accordance with the provisions of the Scheme and any Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

16. ALTERATION OF THE SHARE OPTION SCHEME

- 16.1 The Scheme may be altered in any respect by a resolution of the Board except that the provisions of the Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of any Eligible Participant except with the prior Shareholders' Approval with the Eligible Participants and their associates abstaining from voting.
- 16.2 Any alteration to the terms and conditions of the Scheme which are of a material nature or any change to the terms of the Options granted prior to such alteration shall be subject to the Shareholders' Approval, except that the terms of the Options granted can be changed by the Board if the alterations take effect automatically under the existing terms of the Scheme.
- 16.3 The amended terms of the Scheme and all Options shall continue to comply with the relevant requirements of the Listing Rules.
- 16.4 The Board shall be entitled to amend the terms of the Scheme so as to comply with the Listing Rules and the Supplementary Guidance or any future guidance or interpretation of the Listing Rules from time to time applicable to the Scheme, provided that such amendments are allowed by the Listing Rules and the Supplementary Guidance or any future guidance or interpretation of the Listing Rules.
- 16.5 Any change to the authority of the Board in relation to any alteration to the terms of the Scheme must be subject to the Shareholders' Approval.
- 16.6 Where a change is proposed to the terms of any Options granted to an Eligible Participant who is a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates, then the proposed change must be subject to the Shareholders' Approval in general meeting and to such other requirements of the Listing Rules. The Grantees, his associates and all core connected persons of the Company must abstain from voting in favour of such resolution in the general meeting. The Company shall comply with the relevant requirements under the Listing Rules.

APPENDIX II

SUMMARY OF THE PRINCIPAL TERMS OF THE SUBSIDIARY SHARE OPTION SCHEME

The following is a summary of the principal terms of the Subsidiary Share Option Scheme of TVBPVH proposed to be approved and adopted by ordinary resolution of the Shareholders at the AGM.

1. DEFINITIONS

Unless otherwise defined below, terms used in this Appendix shall have the same meanings as those defined in the section headed “Definitions” in this circular:

“Adoption Date”	the date on which the Scheme is adopted by a resolution of the TVBPVH Shareholders or by a resolution of the ListCo Shareholders, whichever is later
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Date of Grant”	the date (which must be a Business Day) on which TVBPVH Board resolves to grant an Option to an Eligible Participant under the Scheme
“Eligible Participant”	any person who satisfies the eligibility criteria in paragraph 3
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the Scheme or (where the context so permits) his personal representative(s)
“ListCo”	Television Broadcasts Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 00511)
“ListCo Shareholders”	holder(s) of share(s) of ListCo
“NAV”	the net asset value of TVBPVH calculated based on its audited accounts for the latest financial year prepared by its auditors in accordance with Hong Kong Financial Reporting Standards or International Financial Reporting Standards
“Offer”	an offer of an Option made in accordance with paragraph 6 and the provisions of the Scheme

APPENDIX II

**SUMMARY OF THE PRINCIPAL TERMS OF
THE SUBSIDIARY SHARE OPTION SCHEME**

“Offer Date”	the date on which an Offer is made to an Eligible Participant
“Option”	an option to subscribe for the TVBPVH Shares granted pursuant to the Scheme and for the time being subsisting
“Option Period”	in respect of any particular Option, the period within which the TVBPVH Shares must be taken up as determined and notified by TVBPVH Board to the Grantee at the time of making an Offer, which shall not be beyond 10 years from the Date of Grant
“Scheme”	the Subsidiary Share Option Scheme as defined in the section headed “Definitions” in this circular
“Scheme Mandate Limit”	has the meaning as defined in paragraph 4.2 below
“Shareholders’ Approvals”	the approval of the TVBPVH Shareholders and so long as TVBPVH remains a subsidiary of ListCo, the approval of the ListCo Shareholders
“Subscription Price”	the price per TVBPVH Share at which a Grantee may subscribe for the TVBPVH Shares on the exercise of an Option pursuant to paragraph 8, subject to any adjustments made pursuant to paragraph 13
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes
“Termination Date”	has the meaning as defined in paragraph 10.1 below
“TVBPVH Board”	the board of TVBPVH Directors or where applicable, a committee duly formed to administer matters in relation to the Scheme
“TVBPVH Director(s)”	the director(s) of TVBPVH
“TVBPVH Group”	TVBPVH and its subsidiaries

“TVBPVH Shareholder(s)”	holder(s) of the TVBPVH Share(s)
“TVBPVH Share(s)”	share(s) in the share capital of TVBPVH, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of TVBPVH, shares forming part of the ordinary share capital of TVBPVH as shall result from any such sub-division, consolidation, re-classification or re-construction

2. PURPOSE

The purpose of the Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or will make to TVBPVH Group and promote the long term success of TVBPVH by aligning the interests of the Grantees with those of the TVBPVH Shareholders.

3. WHO MAY JOIN

TVBPVH Board may at its discretion grant Options to any person belonging to any of the following classes of participants (the “**Eligible Participants**”):

- (a) a director (whether executive, non-executive, independent non-executive or alternate) or employee (whether part-time, full-time, seconded or otherwise) of TVBPVH or its affiliate;
- (b) a representative, manager, agent, contractor, advisor, consultant, distributor or supplier engaged by TVBPVH or its affiliate to provide service or goods to TVBPVH or its affiliate;
- (c) a customer or joint venture partner of TVBPVH or its affiliate;
- (d) a trustee of any trust established for the benefit of employees of TVBPVH or its affiliate; or
- (e) any other class of participants which TVBPVH Board, at its sole discretion, considers to have contributed or may contribute, by way of joint venture, business alliance, other business arrangement or otherwise, to the development and growth of TVBPVH Group.

**4. MAXIMUM NUMBER OF TVBPVH SHARES WHICH MAY BE ISSUED UPON
EXERCISE OF ALL SHARE OPTIONS**

- 4.1 The overall limit on the number of the TVBPVH Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes for the time being of TVBPVH shall not, in aggregate, exceed such number of the TVBPVH Shares as equals 30% of the TVBPVH Shares in issue from time to time, subject to the conditions set out below. No Option may be granted under the Scheme or any other share option schemes of TVBPVH if it will result in the above-mentioned 30% limit being exceeded.
- 4.2 Within the limit as mentioned in paragraph 4.1 above, the total number of TVBPVH Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of TVBPVH must not, in aggregate, exceed 10% of the TVBPVH Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”), unless the Shareholders’ Approvals have been obtained pursuant to the provisions of the Scheme. Options lapsed in accordance with the terms of the Scheme or any other share option schemes of TVBPVH will not be counted for the purpose of calculating the Scheme Mandate Limit.
- 4.3 The Scheme Mandate Limit may be refreshed by and subject to the Shareholders’ Approvals from time to time but in any event, the total number of the TVBPVH Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of TVBPVH under the limit as refreshed must not exceed 10% of the TVBPVH Shares in issue as at the date of approval of the refreshed limit by the TVBPVH Shareholders or (so long as TVBPVH remains a subsidiary of ListCo) as at the date of approval of the refreshed limit by the ListCo Shareholders, whichever is later. Options previously granted under the Scheme or any other share option schemes of TVBPVH (including those outstanding, cancelled or lapsed in accordance with the Scheme or any other share option schemes of TVBPVH or exercised options) will not be counted for the purpose of calculating the limit as refreshed. TVBPVH and ListCo shall comply with the relevant requirements under the Listing Rules.

- 4.4 Notwithstanding the foregoing, separate Shareholders' Approvals in general meeting may be sought in order for TVBPVH to grant Options beyond the Scheme Mandate Limit or the refreshed limit referred to above, provided that the Options in excess of the Scheme Mandate Limit or the refreshed limit shall be granted only to the Eligible Participants specifically identified by TVBPVH before such approvals are sought. TVBPVH and ListCo shall comply with the relevant requirements under the Listing Rules.

5. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

- 5.1 Subject to paragraph 5.2 below, no Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of the TVBPVH Shares issued and to be issued upon exercise of the Options already granted or to be granted to such Eligible Participant (including both exercised and outstanding Options) in any 12-month period up to and including the date of such new grant in aggregate exceeding 1% of the TVBPVH Shares in issue as at the date of such new grant.
- 5.2 Any grant of further Options above the 1% limit as mentioned in paragraph 5.1 above shall be subject to the following requirements:
- (a) the Shareholders' Approvals in general meeting, with such Eligible Participant and his close associates (or his associates if such Eligible Participant is a connected person) abstaining from voting;
 - (b) a circular in relation to the proposal for such further grant having been sent by ListCo to its shareholders with such information from time to time required by the Listing Rules;
 - (c) the identity of the Eligible Participant, the number and terms of the Options (including the Subscription Price) to be granted to such Eligible Participant shall be fixed before obtaining the Shareholders' Approvals as mentioned above.
- 5.3 Any grant of Options to a director, chief executive or substantial shareholder of ListCo or any of their respective associates, for so long as TVBPVH remains a subsidiary of ListCo, must be approved by the independent non-executive directors of ListCo (excluding any independent non-executive director of ListCo who is a Grantee of the relevant Options).

5.4 Where any grant of Options to a substantial shareholder or an independent non-executive director of ListCo or any of their respective associates would result in the TVBPVH Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the TVBPVH Shares in issue, and
- (b) having an aggregate value, based on the NAV or (where TVBPVH has resolved to seek a listing of its shares on the Stock Exchange) the new issue price of the TVBPVH Shares as referred to in paragraph 8 below or (where the TVBPVH Shares are listed on the Stock Exchange) the closing price of the TVBPVH Shares at the date of each grant, in excess of HK\$5,000,000,

then such further grant must be subject to the approval of the ListCo Shareholders in the general meeting. The Grantee, his associates and all core connected persons of ListCo must abstain from voting in favour of such resolution in such general meeting. TVBPVH and ListCo shall comply with the relevant requirements under the Listing Rules.

6. TIME OF ACCEPTANCE AND EXERCISE OF SHARE OPTIONS

An Offer shall remain open for acceptance by the Eligible Participant concerned for a period of 28 days inclusive of, and from the Offer Date, provided that no Offer shall be open for acceptance on or after the date on which the TVBPVH Shares are listed on the Stock Exchange or after the Scheme has been terminated in accordance with the provisions thereof. The Eligible Participant accepting the Offer shall make a remittance in favour of TVBPVH of HK\$1.00 by way of consideration for the grant within 28 days from the Offer Date which shall be non-refundable.

7. VESTING PERIOD AND PERFORMANCE TARGET

Unless otherwise determined by TVBPVH Board at its sole discretion, there is no minimum period for which an Option must be held and there is no performance target which must be satisfied or achieved before such an Option can be exercised under the terms of the Scheme.

8. SUBSCRIPTION PRICE FOR TVBPVH SHARES

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 13, be at the discretion of TVBPVH Board on a fair and reasonable basis with reference to the performance of TVBPVH Group and the past and potential contributions by the Eligible Participant to TVBPVH Group, provided that it must be at least the higher of:

- (a) the NAV per TVBPVH Share; and
- (b) the new issue price (if any) either after TVBPVH has resolved to seek a listing of the TVBPVH Shares on the Stock Exchange or during the period commencing 6 months prior to the lodgement of an application with the Stock Exchange for the listing of the TVBPVH Shares thereon up to the date of the listing.

9. RANKING OF TVBPVH SHARES

9.1 The TVBPVH Shares allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of TVBPVH and will rank *pari passu* in all respects with the existing fully paid TVBPVH Shares in issue on the date of allotment or, if that date falls on a day when the register of members of TVBPVH is closed, the first day of the re-opening of the register of members (the “**Allotment Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions (including distributions made upon the liquidation of TVBPVH) paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date. Any TVBPVH Share allotted and issued upon the exercise of an Option shall not carry voting rights nor rank for dividend or other distribution until the name of the Grantee has been duly entered onto the register of members of TVBPVH as the holder thereof.

9.2 The Options do not carry any right to vote in general meeting of TVBPVH, or any right, dividend, transfer or any other rights, including those arising on the liquidation of TVBPVH.

10. PERIOD OF THE SHARE OPTION SCHEME

10.1 Subject to the satisfaction of all the conditions in paragraph 10.2 below, the Scheme shall commence on the Adoption Date and shall continue in force until the date that falls on the expiry of 10 years after the Adoption Date or the date on which the TVBPVH Shareholders or TVBPVH Board passing a resolution resolving to early terminate the Scheme, whichever is earlier (the “**Termination Date**”).

10.2 The Scheme is conditional upon fulfilment of the following:

- (a) the passing of an ordinary resolution by the TVBPVH Shareholders resolving to approve and adopt the Scheme at a general meeting of TVBPVH and to authorise TVBPVH Board to grant Options under the Scheme and to allot and issue the TVBPVH Shares pursuant to the exercise of any Options; and
- (b) the passing of a resolution by the board of directors of ListCo resolving to approve and adopt the Scheme; and
- (c) the passing of an ordinary resolution by the ListCo Shareholders resolving to approve and adopt the Scheme.

11. LAPSE OF SHARE OPTIONS

11.1 In the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and none of the events for termination of employment or engagement under the provisions of the Scheme then exists with respect to such Grantee, his personal representative(s) may exercise such Option (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of the Scheme within a period of 6 months (or such other period as TVBPVH Board may determine) from the date of his death and any Option not so exercised shall lapse and determine at the expiry of such period.

- 11.2 In the event of the Grantee who is a director, employee, representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer or joint venture partner of an affiliate and that affiliate ceases to be an affiliate or in the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his ill-health, injury or disability which is not self-inflicted (in each case evidenced to the satisfaction of TVBPVH Board), then the Grantee may exercise his Option (to the extent vested and not already exercised) in whole or in part at any time within a period of 3 months commencing on the date of the cessation and any Option not so exercised shall lapse and determine at the end of such period.
- 11.3 In the event of the Grantee (a) who is a director or employee of TVBPVH or its affiliate ceasing to be such a director or employee of TVBPVH or its affiliate by the reason of his retirement from office or employment or by the reason of his being removed as a director, resignation or by the reason of termination of his employment or appointment by his employing or appointing company; or (b) who is a representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer or joint venture partner of TVBPVH or its affiliate ceasing to be such a representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer or joint venture partner of TVBPVH or its affiliate by the reason of termination of his/its appointment or engagement; or (c) which belongs to the class of Eligible Participants set forth in paragraph 3(e) ceasing to have such relationship with TVBPVH Group, such Option (to the extent not already exercised) shall lapse on the date of cessation of office, employment, appointment or contract of engagement (as the case may be) and not be exercisable. For the purpose of this paragraph 11.3, a Grantee who is a director will not be treated as ceasing to be a director if he retires and is re-elected as a director in a general meeting of the company concerned on the same day of his retirement.
- 11.4 If, in consequence of any general offer made to all TVBPVH Shareholders (including an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of TVBPVH other than pursuant to a reorganisation for listing of the TVBPVH Shares on the Stock Exchange) or otherwise, and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, then TVBPVH Board shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee (or his personal representative) shall, unless otherwise determined by TVBPVH Board at its sole discretion, be entitled at any time within the period of 21 days after such offer becomes or is declared unconditional, to exercise all or any of his outstanding Options (to the extent that such Options have been vested and have not lapsed or been cancelled), and such Options shall, to the extent not having been exercised, lapse and determine without compensation upon the expiry of such period.

- 11.5 In the event a notice is given by TVBPVH to the TVBPVH Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution for the voluntary winding up of TVBPVH, TVBPVH shall forthwith give notice thereof to every Grantee and the Grantee (or his personal representative) shall be entitled by notice in writing to TVBPVH to exercise all or any of his outstanding Options (to the extent that such Options have been vested and have not lapsed or been cancelled) and TVBPVH shall as soon as possible and in any event not later than the day immediately prior to the date of the proposed general meeting, allot and issue such number of the TVBPVH Shares to the Grantee which falls to be issued on such exercise and all Options shall, to the extent not having been exercised, lapse and determine without compensation on the date of commencement of the winding up of TVBPVH.
- 11.6 If a compromise or arrangement between TVBPVH and the TVBPVH Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of TVBPVH or its amalgamation with any other company or companies, TVBPVH shall give notice thereof to every Grantee on the same day as it despatches to each TVBPVH Shareholder or creditor of TVBPVH a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his personal representative) shall be entitled by notice in writing to TVBPVH accompanied by the remittance for the Subscription Price in respect of his Options to exercise all or any of his outstanding Options (to the extent that such Options have been vested and have not lapsed or been cancelled). With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent not having been exercised, thereupon lapse and determine without compensation. TVBPVH Board shall endeavour to procure that the TVBPVH Shares issued as a result of the exercise of Options under this paragraph 11.6 shall for the purposes of such compromise or arrangement form part of the issued share capital of TVBPVH on the effective date thereof and that such TVBPVH Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court having jurisdiction (the “**Court**”) (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the Scheme) as if such compromise or arrangement had not been proposed by TVBPVH and no claim shall lie against TVBPVH or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

11.7 Without prejudice to the foregoing, any Option shall lapse on the earliest of:

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee ceases to be an Eligible Participant by reason of a termination of his employment, appointment or engagement on the grounds set forth in the Scheme;
- (c) the date of commencement of the winding up of TVBPVH;
- (d) the date on which the Grantee commits a breach of paragraph 12 below;
- (e) the date on which any of the events in relation to the bankruptcy and inability to pay debts as set forth in the Scheme happens, unless otherwise waived by TVBPVH Board;
- (f) the date on which the Grantee commits a breach of any terms and conditions attached to the grant of his Option, if TVBPVH Board shall exercise TVBPVH's right to cancel the Option without compensation;
- (g) the date on which TVBPVH Board considers that the Grantee fails to meet the continuing eligibility criteria as provided in the Scheme, if TVBPVH Board shall exercise TVBPVH's right to cancel the Option without compensation;
- (h) the date on which TVBPVH Board resolves to cancel any Option pursuant to paragraph 14 below.

12. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do.

13. ADJUSTMENT TO THE SUBSCRIPTION PRICE

13.1 In the event of any alteration in the capital structure of TVBPVH (other than an issue of the TVBPVH Shares as consideration in respect of a transaction to which TVBPVH is a party) whilst any Option remains exercisable or the Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, bonus issue, rights issue, open offer, consolidation or sub-division of TVBPVH Shares or reduction of share capital of TVBPVH in accordance with legal requirements in Hong Kong and (where applicable) requirements of the Stock Exchange, then, in any such case, the number of TVBPVH Shares to which the Scheme or any Option(s) relates (insofar as it is/they are unexercised) and/or the Subscription Price thereunder and/or the relevant maximum limits determined under the Scheme may be adjusted in such manner as TVBPVH Board may deem appropriate provided always that (save where an adjustment arises by way of a capitalisation issue):

- (a) any such adjustment shall be made on the basis that the proportion of the issued share capital of TVBPVH for which any Grantee would have been entitled had he exercised all the Options held by him immediately prior to such adjustment shall equal to the proportion of the issued share capital of TVBPVH for which he would have been entitled had he exercised all the Options held by him immediately after such adjustment (as interpreted in accordance with the Supplementary Guidance);
- (b) any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (c) no such adjustment shall be made the effect of which would be to enable a TVBPVH Share to be issued at less than HK\$1.00; and
- (d) any adjustments as a result of a rights issue, open offer or capitalisation issue shall be made in accordance with the acceptable adjustments set forth in the Supplementary Guidance and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

- 13.2 If any adjustments occur pursuant to paragraph 13.1 above (save where an adjustment arises by way of a capitalisation issue) TVBPVH Board shall instruct TVBPVH's auditor or an independent financial adviser to certify in writing that in their fair and reasonable opinion the adjustments proposed comply with Rule 17.03(13) of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance.

14. CANCELLATION OF SHARE OPTIONS

- 14.1 TVBPVH Board may cancel any Option provided that: (a) TVBPVH pays to the Grantee an amount equal to the cash value of the Option at the date of cancellation as determined by TVBPVH Board by reference to the difference between (i) the NAV per TVBPVH Share or (where TVBPVH has resolved to seek a listing of the TVBPVH Shares on the Stock Exchange) the new issue price of the TVBPVH Shares or (where the TVBPVH Shares are listed on the Stock Exchange) the closing price of the TVBPVH Share as shown in the daily quotations sheet of the Stock Exchange on the relevant date of cancellation, and (ii) the Subscription Price; or (b) TVBPVH Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or (c) TVBPVH Board makes such arrangements as the Grantee may agree to compensate him for the loss of the Option. Where TVBPVH cancels Options and issue new Options to the same Grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit and/or the refreshed limit(s) as referred to above (as the case may be).
- 14.2 Any Options granted but subsequently renounced by the Grantee may be cancelled by TVBPVH Board without compensation.

15. TERMINATION

- 15.1 TVBPVH by an ordinary resolution of the TVBPVH Shareholders in general meeting or TVBPVH Board may at any time terminate the operation of the Scheme.
- 15.2 On or after the Termination Date or the date on which the TVBPVH Shares are listed on the Stock Exchange, no further Options will be offered but in all other respects the provisions of the Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior to the Termination Date or otherwise as may be required in accordance with the provisions of the Scheme and any Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

16. ALTERATION OF THE SHARE OPTION SCHEME

- 16.1 The Scheme may be altered in any respect by a resolution of TVBPVH Board except that the provisions of the Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of any Eligible Participant except with the prior Shareholders' Approvals with the Eligible Participants and their associates abstaining from voting.
- 16.2 Any alteration to the terms and conditions of the Scheme which are of a material nature or any change to the terms of the Options granted prior to such alteration shall be subject to the Shareholders' Approvals, except that the terms of the Options granted can be changed by TVBPVH Board if the alterations take effect automatically under the existing terms of the Scheme.
- 16.3 The amended terms of the Scheme and all Options shall continue to comply with the relevant requirements of the Listing Rules.
- 16.4 TVBPVH Board shall be entitled to amend the terms of the Scheme so as to comply with the Listing Rules and the Supplementary Guidance or any future guidance or interpretation of the Listing Rules from time to time applicable to the Scheme, provided that such amendments are allowed by the Listing Rules and the Supplementary Guidance or any future guidance or interpretation of the Listing Rules.
- 16.5 Any change to the authority of TVBPVH Board in relation to any alteration to the terms of the Scheme must be subject to the Shareholders' Approvals.
- 16.6 Where a change is proposed to the terms of any Options granted to an Eligible Participant who is a substantial shareholder or an independent non-executive director of ListCo or any of their respective associates, then the proposed change must be subject to the Shareholders' Approvals in general meeting and to such other requirements of the Listing Rules. The Grantees, his associates and all core connected persons of ListCo must abstain from voting in favour of such resolution in the general meetings. TVBPVH and ListCo shall comply with the relevant requirements under the Listing Rules.

The following are the particulars (as required by the Listing Rules) of the Directors proposed to be elected or re-elected at the AGM.

Mr. Li Ruigang

Mr. Li Ruigang, aged 47, was appointed as a Non-executive Director of the Company and the Vice Chairman of the Board on 17 October 2016. In addition, he holds directorships in two subsidiaries of the Company. Mr. Li is the Founding Chairman of CMC Capital Partners and CMC Holdings (together with its affiliates, collectively, “CMC”). Mr. Li has rich operational experience and in-depth insight into China’s media and entertainment industry. Mr. Li is a pioneer in establishing extensive international partnerships, and has led CMC in the creation of many industry champions across the areas of media, entertainment, sports, Internet, mobile, and lifestyle. Mr. Li is a non-executive director of WPP, a world leader in marketing communications which is listed on the London Stock Exchange and the New York Stock Exchange. Mr. Li is a member of the Chinese Football Association’s Executive Committee and a board member of the Special Olympics. Mr. Li is also the Honorary Chairman of Shanghai Oriental Pearl Media Co. Ltd., which is listed on the Shanghai Stock Exchange. Mr. Li is the chairman and a non-executive director of Shaw Brothers Holdings Limited and is a non-executive director of IMAX China Holding, Inc., both of which are listed on the main board of the Stock Exchange. Mr. Li was formerly the chairman and president of Shanghai Media Group (“SMG”) in China for more than ten years, and had successfully transformed SMG from a provincial broadcaster into a media conglomerate with a comprehensive business scope, including the A-share listed Shanghai Oriental Pearl Media Co. Ltd. and China Business Network. Mr. Li was also Chief of Staff of the Shanghai Municipal Government. Mr. Li holds a Master Degree of Arts and Bachelor Degree of Arts of Journalism from Fudan University. Save as disclosed in this paragraph, Mr. Li did not have any other directorships in the past three years in public companies, the securities of which are listed on any securities market in Hong Kong and overseas.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Li was deemed to be interested in 113,888,628 Shares, representing approximately 26% of the total number of Shares of the Company in issue. Such interests were held indirectly through CMC M&E Acquisition Co. Ltd. (“CMC M&E Acquisition”) in Young Lion Holdings Limited (“YLH”). CMC M&E Acquisition was a wholly-owned subsidiary of CMC M&E Holdings Ltd., which was in turn a wholly-owned subsidiary of CMC Holdings Limited (“CMC Holdings”). CMC Holdings was a non wholly-owned subsidiary of Gold Pioneer Worldwide Limited which was wholly-owned and controlled by Mr. Li. Save as disclosed in this paragraph, Mr. Li did not hold any other interest in the Shares of the Company as at the Latest Practicable Date.

Mr. Li is a director of YLH, Young Lion Acquisition Co. Limited (“YLA”) and Shaw Brothers Limited (“Shaw Brothers”), which are substantial shareholders of the Company. He, together with Dr. Charles Chan Kwok Keung (the Chairman and a Non-executive Director of the Company) and Ms. Wang Hsiueh Hong (spouse of Mr. Chen Wen Chi, a Non-executive Director of the Company), are indirect shareholders of Shaw Brothers which hold the aforesaid 26% of shareholding interest of the Company. Save as disclosed in this paragraph, Mr. Li does not have any relationship with any other Directors, senior management, or substantial shareholders or controlling shareholders of the Company.

Upon Mr. Li’s successful election at the AGM, he will be subject to retirement and re-election at every third annual general meeting of the Company in accordance with the Articles of Association.

The amount payable as Director’s fee and Board Committees’ fees are subject to review by the Remuneration Committee and endorsed/determined by the Board, and if required, approved by Shareholders in general meetings.

Subject to the Shareholders’ approval and his successful election as a Director at the AGM, Mr. Li will be entitled to a Vice Chairman’s fee of HK\$250,000 per annum and a Director’s fee of HK\$240,000 per annum for the year ending 31 December 2017.

Save as the information disclosed above, there are no other matters in relation to the election of Mr. Li as a Director of the Company which need to be brought to the attention of the Shareholders, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

Dr. Charles Chan Kwok Keung

Dr. Charles Chan Kwok Keung, age 62, was appointed as a Non-executive Director of the Company on 1 April 2011. Dr. Chan serves as the Chairman of the Board and the chairman of the Executive Committee since January 2015 and as a member of the Remuneration Committee since February 2015. Dr. Chan has over 36 years of international corporate management experience in the construction and the property sectors, as well as in strategic investments. He resigned as the chairman and executive director of ITC Corporation Limited (“ITC”) on 28 March 2017, and retired as a non-executive director of PYI Corporation Limited (“PYI”) on 5 September 2014, both of which are listed on the main board of the Stock Exchange. Dr. Chan holds an Honorary Degree of Doctor of Laws and a Bachelor’s Degree in Civil Engineering. Save as disclosed in this paragraph, Dr. Chan did not hold any other directorships in the past three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas.

At the Latest Practicable Date and within the meaning of Part XV of the SFO, Dr. Chan was deemed to be interested in 113,888,628 Shares, representing approximately 26% of the total number of Shares of the Company in issue, as he was a party to an agreement to which Section 317 of the SFO applied. Dr. Chan held those Shares through Shaw Brothers. Shaw Brothers was an indirect wholly-owned subsidiary of YLH, which was controlled by Dr. Chan through Innovative View Holdings Limited. Save as disclosed in this paragraph, Dr. Chan did not hold any other interest in the Shares of the Company as at the Latest Practicable Date.

Dr. Chan is an indirect shareholder of YLA, a company which is interested in 100% of the shares in issue of Shaw Brothers, a substantial shareholder of the Company. Both YLA and Shaw Brothers are the subsidiaries of YLH, which is controlled by Dr. Chan, with Mr. Li Ruigang, the Vice Chairman and a Non-executive Director of the Company and Ms. Wang Hsiueh Hong (spouse of Mr. Chen Wen Chi, a Non-executive Director of the Company) as the other two members. Dr. Chan is a director of YLH, YLA and Shaw Brothers. Save as disclosed in this paragraph, Dr. Chan does not have any other relationship with any Directors, senior management, or substantial shareholders or controlling shareholders of the Company.

Dr. Chan continues to serve the Board since his last re-election at the Company's 2014 annual general meeting. He is subject to retirement and re-election at every third annual general meeting of the Company following his last re-election in accordance with the Articles of Association.

The amount payable as Director's fee and Board Committees' fees are subject to review by the Remuneration Committee and endorsed/determined by the Board, and if required, approved by Shareholders in general meetings.

Dr. Chan was entitled to a Chairman's fee of HK\$286,000, a Director's fee of HK\$220,000, a fee of HK\$195,000 for serving as the chairman of the Executive Committee and a fee of HK\$55,000 for serving as a member of the Remuneration Committee for the year ended 31 December 2016. Upon his successful re-election as a Director at the AGM, and subject to Shareholders' approval at the AGM of the increase in the Director's fee, Dr. Chan will be entitled to a Chairman's fee of HK\$286,000, a Director's fee of HK\$240,000, a fee of HK\$195,000 for serving as the chairman of the Executive Committee and a fee of HK\$55,000 for serving as a member of the Remuneration Committee for the year ending 31 December 2017.

On 17 December 1998, the Listing Committee of the Stock Exchange (“Listing Committee”) made a public statement against Dr. Chan in respect of the sale (“Sale”) of shares in Nam Pei Hong (Holdings) Limited (now known as Concord New Energy Group Limited, “CNE”) by International Tak Cheung Holdings Limited (now known as Common Splendor International Health Industry Group Limited, “Common Splendor”) and PYI to Victory Hunter Holdings Limited, a company then controlled by Mr. Yau Wai Ming (“Mr. Yau”), in July 1997. The Listing Committee was of the view that Dr. Chan, being a then member of the management of CNE, should have informed the Stock Exchange earlier of the meetings between Mr. Yau and the representatives of Common Splendor prior to the Sale and the Sale pursuant to the Listing Agreement. In addition, the Listing Committee found that CNE had been in breach of its obligations under the Listing Agreement and the then management of CNE, which included Dr. Chan, had to be blamed for such a breach.

On 15 November 2005, the Securities and Futures Commission of Hong Kong (the “SFC”) criticised the board of directors of ITC for breaching Rule 21.3 of the Hong Kong Code on Takeovers and Mergers in respect of the dealing in securities of Hanny Holdings Limited (now known as Master Glory Group Limited) during an offer period without the consent of the executive director of the Corporate Finance Division of the SFC. Dr. Chan was a member of the board of directors of ITC at the material time.

Save as the information disclosed above, there is no other information in relation to the re-election of Dr. Chan as a Director of the Company which needs to be brought to the attention of the Shareholders, and there is no other information which needs to be disclosed pursuant to any requirements set out in Rule 13.51(2) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



Television Broadcasts Limited

電視廣播有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00511

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Television Broadcasts Limited (the “**Company**”) will be held at TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate, Kowloon, Hong Kong on Thursday, 29 June 2017 at 10:30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements, the Report of the Directors and the Independent Auditor’s Report of the Company for the year ended 31 December 2016;
2. To elect retiring Director, Mr. Li Ruigang;
3. To re-elect retiring Director, Dr. Charles Chan Kwok Keung;
4. To approve the Vice Chairman’s fee;
5. To approve an increase in the Director’s fee; and
6. To re-appoint PricewaterhouseCoopers as the auditor of the Company and authorise the Directors to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass or without modification the following resolutions as Ordinary Resolutions:

7. **“THAT:**

- (a) subject to paragraph (c) below and in substitution of all previous authorities, the exercise by Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, to grant rights to subscribe for, or convert into, shares of the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise Directors of the Company during the Relevant Period to grant rights to subscribe for, or convert into, shares of the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the shares in the Company in accordance with the Articles of Association of the Company (the “**Articles**”); (iii) any grant of options or rights to acquire shares in the Company or an issue of shares in the Company upon the exercise of options or rights granted under any option scheme or similar arrangement for the time being adopted and approved by the shareholders of the Company; or (iv) the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted by the Company or any securities which are convertible into shares of the Company, shall not exceed 10 per cent of the number of shares of the Company in issue at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any other applicable laws to be held; and
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to Directors of the Company by this Resolution; and

“**Rights Issue**” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by Directors of the Company, to holders of shares of the Company on the register (and, where appropriate, to holders of other securities of the Company entitled to be offered them) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities of the Company), subject in all cases to such exclusions or other arrangements as Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong.”

8. “**THAT** the period of 30 days during which the Company’s Register of Members may be closed under Section 632(1) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”) during the calendar year 2017, be and is hereby extended, pursuant to Section 632(3) and Section 632(4) of the Companies Ordinance, to 60 days.”
9. “**THAT** conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, on the Stock Exchange, any shares in the Company which may fall to be allotted and issued pursuant to the exercise of the share options granted under the proposed share option scheme (the “**Share Option Scheme**”) of the Company, the rules of the Share Option Scheme be and are hereby approved and the Directors be and are hereby authorised to grant options thereunder and to allot and issue shares pursuant to the Share Option Scheme and to execute such documents and take such actions as they deem appropriate to implement and give effect to the scheme, including but not limited to making modifications and/or amendments to the Share Option Scheme from time to time in accordance with the provisions of the Share Option Scheme and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).”

NOTICE OF ANNUAL GENERAL MEETING

10. “**THAT** the rules of the proposed share option scheme (the “**Subsidiary Share Option Scheme**”) of TVB Pay Vision Holdings Limited (“**TVBPVH**”) be and are hereby approved and the Directors and the directors of TVBPVH be and are hereby authorised to execute such documents and take such actions as they deem appropriate to implement and give effect to the scheme.”

By order of the Board
Television Broadcasts Limited
Adrian MAK Yau Kee
Company Secretary

Hong Kong, 29 May 2017

As at the date of this notice, the Board of Directors 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

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

Proxy Information

1. A shareholder who is entitled to attend and vote at the AGM convened by this notice of AGM can appoint up to two (2) proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company. Where a shareholder appoints more than one (1) proxy, the shareholder shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
2. A proxy form for the AGM is enclosed. To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power of attorney or authority must be deposited at the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the AGM (or at any adjournment thereof), and in default thereof the proxy form and such power of attorney or authority shall not be treated as valid.
3. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the AGM or any adjournment thereof should he so wish, and in such event, the proxy form shall be deemed to be revoked.

Declaration Form

4. The declaration of voting controllers (the "**Declaration Form**") and the explanatory notes thereto, are despatched to shareholders together with the circular of the Company accompanying this notice of AGM dated 29 May 2017.
5. Any shareholder who wishes to vote at the AGM shall return the duly completed and signed Declaration Form to the Company in such manner as described therein no later than 18 June 2017.

NOTICE OF ANNUAL GENERAL MEETING

Closure of Register of Members

6. The Register of Members of the Company will be closed from Thursday, 8 June 2017 to Thursday, 29 June 2017 (both dates inclusive) (the “**Book Close Period**”) for the purpose of determining shareholders’ entitlement to attend and vote at the AGM. During the Book Close Period, no transfer of Shares will be registered. In order to qualify for shareholders’ entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Share Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4: 30 p.m. on Wednesday, 7 June 2017.
7. The Book Close Period is set to allow sufficient time for shareholders of the Company to complete and return the Declaration Form as required under the provisions of the Broadcasting Ordinance (Chapter 562 of the Laws of Hong Kong).

Election and Re-election of Directors

8. In relation to agenda item number 2 in this notice of AGM, Mr. Li Ruigang, in accordance with Article 112 of the Articles, will retire at the AGM after his appointment as a Director by the Board of Directors of the Company (the “**Board**”) on 17 October 2016 and, being eligible, offer himself for election at the AGM.
9. In relation to agenda item number 3 in this notice of AGM, Dr. Charles Chan Kwok Keung, in accordance with Article 117(A) of the Articles, will retire at the AGM after his service on the Board from his last re-election in 2014 and, being eligible, offer himself for re-election at the AGM.
10. Details of each of the Directors who are subject to retirement for election or re-election at the AGM, as at 24 May 2017, being the latest practicable date prior to the printing of this notice of AGM, are set out in Appendix III to the circular of the Company accompanying this notice of AGM dated 29 May 2017.

Vice Chairman’s fee

11. In relation to agenda item number 4 in this notice of AGM, it was recommended to consider a Vice Chairman’s fee of HK\$250,000 per annum payable to the Vice Chairman of the Board who is a Non-executive Director of the Company, effective from 17 October 2016.

NOTICE OF ANNUAL GENERAL MEETING

Increase in Director's fee

12. In relation to agenda item number 5 in this notice of AGM, it was recommended to consider an increase in the Director's fee from HK\$220,000 per annum to HK\$240,000 per annum, effective from 1 January 2017 to align with the prevailing market rate.
13. The annual fees paid or will be paid to the Directors for serving on the Board and the additional annual fees paid or will be paid to Non-executive Directors for serving on the Board Committees for the year ended 31 December 2016 and for the year ending 31 December 2017 are set out below.

Individual Director serving	Annual Fees for 2016 HK\$	New annual fees for 2017 HK\$	
Chairman	286,000	286,000	
Vice Chairman	250,000	250,000	<i>Note (i)</i>
Board of Directors	220,000	240,000	<i>Note (ii)</i>
Executive Committee			
Chairman	195,000	195,000	
Members	150,000	150,000	
Audit Committee			
Chairman	170,000	190,000	<i>Note (iii)</i>
Members	120,000	130,000	<i>Note (iii)</i>
Remuneration Committee			
Chairman	70,000	70,000	
Members	55,000	55,000	
Nomination Committee			
Chairman	70,000	70,000	
Members	55,000	55,000	
Risk Committee			
Chairman	70,000	70,000	
Members	55,000	55,000	

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Notes:

On the recommendation of the Remuneration Committee by its resolution-in-writing passed on 13 October 2016 and at its meeting held on 29 November 2016:

- (i) It was proposed a Vice Chairman's fee of HK\$250,000 per annum payable to the Vice Chairman of the Board who is a Non-executive Director of the Company effective from 17 October 2016, subject to shareholders' approval at the AGM.
- (ii) It was proposed an increase of fee payable to the Directors from HK\$220,000 per annum to HK\$240,000 per annum effective from 1 January 2017, subject to shareholders' approval at the AGM.
- (iii) The Board approved an increase in the fee payable to the chairman of the Audit Committee from HK\$170,000 per annum to HK\$190,000 per annum with effect from 1 January 2017. The Board also approved an increase in the fee payable to members of the Audit Committee from HK\$120,000 per annum to HK\$130,000 per annum with effect from 1 January 2017.

Procedures for shareholders to propose a person for election as a director at the AGM

- 14. The following sets out the procedures for shareholders to propose a person for election as a director of the Company at the AGM:
 - (i) A shareholder who wishes to propose a person (the “**Candidate**”) to be elected as a director of the Company at AGM should first lodge a written notice of such intention (the “**Notice**”) with the Company Secretary at the address below. The Notice shall be duly signed by the shareholder of the Company and contain information including the name, the contact details and the biographical details of the Candidate as required to be disclosed under Rule 13.51(2) of the Listing Rules.
 - (ii) The Notice shall be accompanied by a written notice duly signed by the Candidate indicating his/her willingness to be elected as a director of the Company, and the Candidate's written consent to the publication of his/her personal data.
 - (iii) The Notice may be given to the Company during the period commencing the day after the despatch of the written notice of AGM and ending no later than 7 days prior to the date of such AGM.

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15. Proposals from shareholders for nomination should be sent to the Company at the following address, or by email to companysecretary@tvb.com.hk:

Television Broadcasts Limited
TVB City
77 Chun Choi Street
Tseung Kwan O Industrial Estate
Kowloon, Hong Kong
Attention: The Company Secretary

Re-appointment of Auditor

16. In relation to agenda item number 6 in this notice of AGM regarding the re-appointment of the Auditor, PricewaterhouseCoopers, the Company's external auditor, will retire at the AGM and, being eligible, offer itself for re-appointment at the AGM.

General Mandate to Issue Shares

17. In relation to agenda item number 7 in this notice of AGM, the purpose of this resolution is to give a general mandate to authorise the Directors to issue additional shares of the Company.

Extension of Book Close Period

18. In relation to agenda item number 8 in this notice of AGM, the purpose of this resolution is to extend the book close period during the calendar year 2017, from 30 days to 60 days, according to practical need.

Adoption of Share Option Scheme

19. In relation to agenda item number 9 in this notice of AGM, the purpose of this resolution is to adopt the Share Option Scheme of the Company.

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Adoption of Subsidiary Share Option Scheme

20. In relation to agenda item number 10 in this notice of AGM, the purpose of this resolution is to adopt the Subsidiary Share Option Scheme of TVBPVH.

Voting on a Poll

21. Pursuant to the Listing Rules, voting by poll is mandatory at all general meetings except where the chairman of a general meeting, in good faith, decides to allow a resolution which purely relates to a procedural and administrative matter (as defined under the Listing Rules) to be voted on by a show of hand.
22. The chairman of a general meeting shall ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by poll. Poll results are released on the Stock Exchange's website and the Company's website, in accordance with the requirements under the Listing Rules.
23. Separate resolutions are proposed for each substantially separate issue and are voted by poll at the general meetings of the Company.

Poll Voting Procedures

24. (i) In accordance with the Listing Rules, all resolutions in this notice of AGM will be voted at the AGM by way of poll.
- (ii) As instructed by the Communications Authority, only those shareholders who have duly completed and returned the Declaration Forms to the Company on or before the prescribed date will be entitled to vote on the poll. The poll voting will be conducted immediately after conclusion of the last business of the AGM.
- (iii) The poll slip in different colour will be distributed to qualified and unqualified voting controllers (or their proxies or representatives), respectively at the time of registration at the registration desk of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) You can tick either “For” or “Against” in the box next to each and every resolution. For corporate representatives who represent multiple voting controllers, you may tick both “For” and “Against” for each and every resolution, but please specify the number of shares for each box that you will tick. For any resolution you have not ticked “For” or “Against”, we shall assume that you “Abstain” from the vote.
- (v) Before you drop the voting slip into the polling box, please make sure that you have:
- written down your name in BLOCK CAPITALS and signed it; and
 - signed in the same way as you did at the registration desk.

Please note that any alteration made to the voting slip must carry a signature against it.

- (vi) Computershare Hong Kong Investor Services Limited, the Company’s share registrars, has been appointed as scrutineer to count and certify the poll results of the AGM. The Company will then announce the poll results of the AGM in accordance with the manner prescribed under the Listing Rules.

Shareholders’ Communication Policy

25. The Company has established a Shareholders’ Communication Policy (the “**Policy**”) to set out the provisions with the objective of ensuring that the Company’s shareholders and the investment community are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance profile), in order to allow shareholders and members of the investment community to engage actively with the Company.
26. The Board reviews the Policy on a regular basis to ensure its effectiveness and that it meets the best market practice. You can view the full text of the updated Policy on the Company’s website at www.corporate.tvb.com.

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Shareholders' Communication Channels

27. The Policy provides communication channels to shareholders:

In relation to general shareholders' matters

Enquiries should be addressed to:

Address: Television Broadcasts Limited
TVB City, 77 Chun Choi Street, Tseung Kwan O Industrial Estate,
Kowloon, Hong Kong
Attention: Head of Investor Relations
Email: ir@tvb.com.hk

In relation to share certificates and titles to Share Registrars and Transfer Office

Enquiries should be addressed to:

Address: Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre, 183 Queen's Road East
Wan Chai, Hong Kong
Telephone: (852) 2862 8555
Fax: (852) 2865 0990/2529 6087
Email: hkinfo@computershare.com.hk