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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

CONTINUING CONNECTED TRANSACTIONS CONSULTANCY AGREEMENT

CONSULTANCY AGREEMENT

On 26 May 2021, the Company entered into the Consultancy Agreement with Mr. Lee pursuant to which Mr. Lee has agreed to provide strategic advice and industry expertise to the Company and ensure that there is orderly and smooth transitioning of his duties (including but not limited to those under his Employment Contract). The Consultancy Agreement is effective for a 12-month term from 15 June 2021 to 14 June 2022 (inclusive).

LISTING RULES IMPLICATIONS

Mr. Lee is the Vice Chairman, Group Chief Executive Officer and Executive Director of the Company and is therefore a connected person of the Company. Accordingly, the transactions under the Consultancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual cap under the Consultancy Agreement is more than 0.1% but less than 5%, the Consultancy Agreement (including the proposed annual cap) will be subject to reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 26 May 2021, the Company entered into the Consultancy Agreement with Mr. Lee pursuant to which Mr. Lee has agreed to provide strategic advice and industry expertise to the Company and ensure that there is orderly and smooth transitioning of his duties (including but not limited to those under his Employment Contract). The Consultancy Agreement is effective for a 12-month term from 15 June 2021 to 14 June 2022 (inclusive).

PRINCIPAL TERMS

The principal terms of the Consultancy Agreement are:

Date:	26 May 2021
Parties:	(1) The Company (2) Mr. Lee
Terms:	Commencing from 15 June 2021 to 14 June 2022 (inclusive)
Scope of services:	To provide strategic advice and industry expertise to the Company and to ensure that there is orderly and smooth transitioning of his duties (including but not limited to those under his Employment Contract) (“ Consultancy Services ”).
Consideration and payment terms:	Monthly service fees of HK\$572,094 which shall be payable on the last working day of each month to Mr. Lee’s nominated bank account. Upon the satisfactory completion of the 12-month term, a bonus equivalent to 10% of the total service fees under the Consultancy Agreement shall be payable to Mr. Lee subject to the Company’s approval and such approval shall not be unreasonably withheld.

HISTORICAL TRANSACTION AMOUNTS

No historical transaction amount is available as Mr. Lee had not previously provided Consultancy Services to the Group.

ANNUAL CAP

The maximum annual transaction amounts to be paid by the Company to Mr. Lee for the provision of Consultancy Services are as follows:

For the period from 15 June 2021 to 31 December 2021	HK\$3,737,681
For the period from 1 January 2022 to 14 June 2022	HK\$3,813,960

BASIS OF DETERMINATION OF CONSIDERATION AND ANNUAL CAP

The proposed consideration and annual cap under the Consultancy Agreement were determined by reference to Mr. Lee’s monthly remuneration pursuant to the Employment Contract. The terms of the Consultancy Agreement were determined after arm’s length negotiations between the relevant parties. In arriving at the above annual cap, the Board has taken into account the monthly service fees and the 10% bonus to be paid from the Company to Mr. Lee pursuant to the Consultancy Agreement.

REASONS FOR AND BENEFITS OF THE CONSULTANCY AGREEMENT

Mr. Lee has been with the Company since 1 February 2007 and has during this time performed different roles and functions within the Group. As a result, he has developed a deep understanding of the operations and the business of the Group. He has also accumulated a significant amount of knowledge, experience, connections and goodwill within the broadcasting industry. In view of this, the Company believes that it will benefit from the continued guidance and advice which Mr. Lee will be able to offer to the Group in his capacity as an independent contractor, following his departure as Vice Chairman, Group Chief Executive Officer and Executive Director of the Company with effect from 27 May 2021.

LISTING RULES IMPLICATIONS

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As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the cap amount under the Consultancy Agreement is more than 0.1% but less than 5%, the Consultancy Agreement (including the proposed annual cap) will be subject to reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DIRECTORS' CONFIRMATION IN RESPECT OF THE CONSULTANCY AGREEMENT

The Directors (including the independent non-executive Directors) are of the view that the Consultancy Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and the terms of the Consultancy Agreement and the transactions contemplated thereunder (including the proposed annual cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Lee is considered to have a material interest in the Consultancy Agreement and the transactions contemplated thereunder and accordingly has abstained from voting on the relevant Board resolutions in respect of the approval of the Consultancy Agreement and the transactions contemplated thereunder (including the proposed annual cap). Save as disclosed above, none of the Directors has a material interest in the Consultancy Agreement and the transactions contemplated thereunder and none of them has abstained from voting on the relevant Board resolutions.

INFORMATION ON THE COMPANY AND THE GROUP

The Group is principally engaged in terrestrial television broadcasting with programme production, digital new media business, programme licensing and distribution, overseas pay TV operations and channel operations.

INFORMATION ON MR. LEE

Mr. Lee is the Vice Chairman, Group Chief Executive Officer and Executive Director of the Company. He is also the chairman of the Executive Committee, members of the Risk Committee, the Investment Committee and the Regulatory Committee and serves as directors of subsidiaries of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the Board of Directors
“Company”	Television Broadcasts Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 00511)
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Consultancy Agreement”	the consultancy agreement dated 26 May 2021 which was entered into between the Company and Mr. Lee in relation to the provision of strategic advice, industry expertise and ensure that there is orderly and smooth transitioning of his duties (including but not limited to those under his Employment Contract)
“Director(s)”	the director(s) of the Company
“Employment Contract”	the employment contract between the Company and Mr. Lee dated 22 January 2016
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lee”	Mr. Mark Lee Po On, JP
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“0%”

per cent.

By Order of the Board
Adrian MAK Yau Kee
Company Secretary

Hong Kong, 26 May 2021

As at the date of this announcement and immediately following the conclusion of the annual general meeting of the Company for 2021, the Board of Directors of the Company comprises:

Chairman and Non-executive Director

Thomas HUI To

Vice Chairman and Executive Director

Mark LEE Po On JP, Group Chief Executive Officer

Non-executive Directors

LI Ruigang

Anthony LEE Hsien Pin

Kenneth HSU Kin

Independent Non-executive Directors

Dr. William LO Wing Yan JP

Dr. Allan ZEMAN GBM, GBS, JP

Felix FONG Wo BBS, JP

Belinda WONG Ching Ying