

Broadcasting Authority Press Release

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This press release summarises the outcome of the Broadcasting Authority's deliberations in March 2011:

Changes in Shareholding Structure of Television Broadcasts Limited (TVB)

The Broadcasting Authority ("BA") has approved the application for a change in shareholding structure of Television Broadcasts Limited ("TVB") arising from the introduction of an investor group controlled by Dr Charles Chan Kwok Keung ("Dr Chan") under which the group will acquire the entire stake in Shaw Brothers (Hong Kong) Limited, which owns 26% of voting shares of TVB. The application was approved and the acquisition took effect on 31 March 2011.

The BA's approval is subject to the conditions that TVB shall continue to comply with all the relevant regulatory requirements applicable to it and that after the shareholding change, TVB and Dr Chan shall be respectively bound by the statements, representations, assurances and undertakings made in the application.

The BA is satisfied that the regulatory requirements under the Broadcasting Ordinance (Cap. 562) ("BO") are and will continue to be complied with by TVB after the change in shareholding structure. In particular, TVB will remain a company incorporated in Hong Kong and its control and management will continue to be bona fide exercised in Hong Kong. The selection, production or scheduling of programmes will continue to be carried out by principal officers who are ordinarily resident in Hong Kong within the meaning of the BO, and TVB's domestic free television programme service will remain primarily targeting Hong Kong.

The shareholding change will not affect TVB's investment commitment of \$6.3 billion from 2010 to 2015 made in the context of the mid-term review of its licence in 2010.

Separately, the BA has received an application from TVB in respect of the transfer by Shaw Foundation Hong Kong Limited of 2.59% of TVB shares to various education – based charities and institutions on 31 March 2011. The BA will process the application in accordance with established procedure.

~~**Approval of Application for Non-domestic Television Programme Service Licence**~~