

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activities of the Company are terrestrial TV broadcasting, together with programme production and distribution, and other TV-related activities. The principal activities of the principal subsidiaries are detailed in Note 43 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segments is set out in Note 5 to the consolidated financial statements.

RESULTS, APPROPRIATIONS AND DISTRIBUTABLE RESERVES

The results of the Group for the year are set out in the consolidated income statement on page 126.

Distributable reserves of the Company amounted to HK\$4,552,024,000 at 31 December 2018 (2017: HK\$4,854,971,000).

DIVIDENDS

Based on the full year results, the Directors have recommended a final dividend of HK\$0.70 per share in cash to its shareholders. Together with the interim dividend of HK\$0.30 per share paid in cash on 4 October 2018, this will give a total of HK\$1.00 per share for the full year ended 31 December 2018.

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 22 May 2019 ("2019 AGM"), the final dividend shall be paid in cash to shareholders whose names are recorded on the Register of Members of the Company on 30 May 2019. Dividend warrants for the final dividend will be despatched to shareholders on 11 June 2019.

CLOSURE OF REGISTER OF MEMBERS

FIRST BOOK CLOSE

The Register of Members of the Company will be closed from Wednesday, 24 April 2019 to Wednesday, 22 May 2019, both dates inclusive, ("First Book Close Period") for the purpose of determining shareholders' entitlement to attend and vote at the 2019 AGM. During the First Book Close Period, no transfer of shares will be registered.

In order to be entitled to attend and vote at the 2019 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 at 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 Tuesday, 23 April 2019.

SECOND BOOK CLOSE

The Register of Members of the Company will be re-opened on Thursday, 23 May 2019 and then will be closed again from Tuesday, 28 May 2019 to Thursday, 30 May 2019, both dates inclusive, ("Second Book Close Period") for the purpose of determining shareholders' entitlement to the final dividend. During the Second Book Close Period, no transfer of shares will be registered.

In order to be entitled to the final dividend, 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 Monday, 27 May 2019.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$2,757,000.

SHARE ISSUED IN THE YEAR

The Company has not issued any shares in the year. Details of the share capital information of the Company are set out in Note 18 to the consolidated financial statements.

FIVE-YEAR FINANCIAL REVIEW

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 116.

BUSINESS REVIEW

A business review of the Group, by lines of business, for the year is presented as follows:

OVERALL

TVB has a dominant market share of over 85% in TV broadcasting Hong Kong, and employs a total of 4,041 (2017: 4,436) employees in Hong Kong and overseas. Details of the geographical distribution of employees can be found on page 59.

HONG KONG TV BROADCASTING

TVB operates under a domestic free TV programme service licence ("Free TV Licence") which was renewed by the Hong Kong SAR Government in May 2015 for a period of 12 years, ending in 2027. Under the Free TV Licence, TVB broadcasts five terrestrial TV channels, namely Jade, J2, TVB News Channel, Pearl and TVB Finance & Information Channel (collectively, "TVB channels") using the allocated digital TV spectrum (using digital TV sets or via set-top boxes), and two terrestrial TV channels, namely, Jade and Pearl using the allocated TV analogue spectrum. The Hong Kong SAR Government has confirmed that the analogue TV spectrum will be switched off by 1 December 2020. Since 2007, TVB has made substantial investment to build the DTT network by constructing a total of 29 signal transmission stations throughout Hong Kong. The DTT network already covers 99 percent of the population.

As a free TV service licensee, TVB is regulated under the Broadcasting Ordinance and various Codes of Practices. In particular, the duration of advertisements which can be broadcast on TVB channels during the broadcasting hours is strictly regulated. Further, TVB is required to broadcast certain Government-produced programmes and announcements. Under the licence, TVB is required to produce a news programme service for the general public, and positive programmes catering to the needs of children and elderly viewers.

myTV SUPER

myTV SUPER OTT service is the largest OTT platform in Hong Kong with over a total of 7.3 million registered users covering OTT boxes, mobile apps and the web. TVB monetises these content through its OTT service and website by subscription and by advertising through insertion of advertisements, in static (banner) or video (in roll advertisement) format, before and during programmes.

BIG BIG CHANNEL BUSINESS

Big Big Channel business comprises an online social media platform – Big Big Channel, events management and music entertainment – Voice Entertainment.

With the global launch of Big Big Channel, an online social media platform, TVB has successfully completed the new development of the three-media platform strategy. Big Big Channel rides on the global trend of social media and engages with users via a free registration mobile app and subsequently expand our global reach by adding a web version www.bigbigchannel.com.hk in January 2018.

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Voice Entertainment engages in artistes' sound recordings, music productions, music copyrights management, music publishing, concerts and artistes' management. This music production are primarily developed for TVB drama serials and programmes.

PROGRAMME LICENSING AND DISTRIBUTION

TVB licenses its self-produced channels and programmes to overseas TV broadcasters, including both free and pay operators, in return for licence fees. A number of business models are being used, depending on the markets. In Mainland China where content produced by TVB is regarded as non-Mainland produced, it is subject to the regulations governing imported TV programmes. In other key markets such as Malaysia and Singapore, TVB enters into supply agreements with the local operators supplying a fixed number of hours of programmes and channels in return for a licence fee. Beyond these key markets, TVB continues to explore licensing of content to other markets, including Vietnam and Cambodia, as part of its business to further widen distribution.

OVERSEAS PAY TV OPERATIONS AND TVB ANYWHERE

TVB operates its own platforms in North America (USA) under a subscription model. A number of channels are being compiled by TVB which may be TVB produced or acquired, to form a service pack. Viewers are required to subscribe for such service packs. In 2016, TVB began to distribute under an OTT service named TVB Anywhere for the global market.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

TVB regards the following risks as the top two macro risks affecting its operation:

- Terrestrial TV, as in many countries worldwide, is experiencing gradual decline in viewership, as many are opting for non-terrestrial TV platforms, such as the internet and mobile services, mainly because these platforms provide viewers with more channel choices, a much wider selection of programmes, and most importantly, a capability to deliver programmes on demand. If this technological threat is not properly addressed, it will present a significant negative impact on TVB undermining its future financial performance. TVB regards this business risk as the top risk, if not properly addressed. To mitigate this, TVB launched a new internet connected or OTT service called myTV SUPER in April 2016. TVB is partnering with major internet service providers in Hong Kong, HGC Broadband, 3HK and Hong Kong Broadband Network in its roll out of this service. Further, this platform is complemented by Big Big Channel to deliver social media related content.
- TVB recognises that the quality of drama programmes is of critical importance for the retention of viewers. Main factor attributing to the decline in quality experienced in the past is the loss of experienced scriptwriters to other studios in Mainland China and Taiwan. As a result, the average television ratings for TVB drama serials have been showing some decline. To rectify the problem, Management has strengthened the supporting resources to build a more sustainable production pipeline.

FUTURE DEVELOPMENT IN THE COMPANY'S BUSINESS

Key financial performance indicators

- For the year, the Group's gross profit percentage had increased from 47% to 48%.
- The Group's gearing ratio (calculated on the basis of net debt over total equity) as at 31 December 2018 was 29.1% (31 December 2017: 41.7%).

Dividend policy

The Board supports a policy to provide a steady dividend return to shareholders.

The Company adopted a written dividend policy ("Dividend Policy") at the Board Meeting on 6 December 2018. The full text of the Dividend Policy is set out on page 113 of this annual report.

The Company's environmental policies and performance

It is TVB's policy to ensure that its business is conducted in the most environmental friendly manner. TVB closely monitors the usage of electricity which is a major resource supporting the broadcasting business to ensure a high degree of efficiency.

Compliance with the relevant laws and regulations that have a significant impact on the Company

During the year, the Company was in compliance with the relevant laws and regulations in Hong Kong and other territories in which the Group operates.

The Company's key relationships with its employees, customers and suppliers

The Company maintains good relationships with its employees (including performance artistes), customers and suppliers.

DIRECTORS

The Directors of the Company during 2018 were, and at the date of this Annual Report are, as follows:

Executive Directors

Mark Lee Po On
Cheong Shin Keong
Thomas Hui To

Non-executive Directors

Charles Chan Kwok Keung
Li Ruigang
Anthony Lee Hsien Pin
Chen Wen Chi

Independent Non-executive Directors

Raymond Or Ching Fai
William Lo Wing Yan
Caroline Wang Chia-Ling
Allan Zeman

The Company issued letters of appointment for all Directors setting out the key terms and conditions of their appointments.

Pursuant to the Company's Articles of Association ("Articles"), any director appointed by the Company in general meeting shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. Any director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for election at the meeting. Subsequently, directors will be subject to retirement and re-election at every third annual general meeting of the Company following his/her last election or re-election.

Mr. Thomas Hui To had been re-designated from a Non-executive Director to an Executive Director on 21 March 2018.

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Mr. Cheong Shin Keong, Mr. Thomas Hui To, Mr. Anthony Lee Hsien Pin, Mr. Chen Wen Chi, Dr. William Lo Wing Yan, Professor Caroline Wang Chia-Ling and Dr. Allan Zeman who retired at the Company's annual general meeting held on 23 May 2018 ("2018 AGM") was successfully re-elected as Directors at the 2018 AGM.

In accordance with Article 117(A) of the Articles, Mr. Mark Lee Po On and Dr. Raymond Or Ching Fai will retire at the 2019 AGM and, being eligible, offer themselves for re-election at the 2019 AGM.

Biographical information of each of the Directors who are subject to retirement for re-election at the 2019 AGM, are set out in the notice of the 2019 AGM which will be sent to the shareholders of the Company.

DIRECTORS OF THE SUBSIDIARIES

A list of names of all the directors who have served on the boards of Company's subsidiaries during 2018 and up to the date of this report is available on the Company's website at www.corporate.tvb.com ("Corporate's Website").

DIRECTORS' SERVICES CONTRACTS

None of the Directors of the Company has a service contract with the Company which is not determinable within one year, without payment of compensation, other than statutory compensation.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

The biographical information of Directors and members of Senior Management are set out on pages 70 to 75 of this Annual Report.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 December 2018, interest of the Directors (other than independent Non-executive Directors) in the company/companies which is/are considered to compete or likely to compete, either directly or indirectly with the principal business of Group is required to be disclosed pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") are set out below.

Mr. Li Ruigang, a Non-executive Director and the Vice Chairman of the Company, is the founding Chairman of CMC Capital Partners and CMC Inc. (formerly known as CMC Holdings Limited, together with its affiliates, called "CMC") and through CMC has certain deemed interests as a substantial shareholder and/or has certain directorships in companies engaged in the businesses of television programme licensing and distribution in Mainland China ("Interested Companies"). In addition, Mr. Thomas Hui To, an Executive Director of the Company, is also a director of CMC Inc. which has interests in the Interested Companies.

The Interested Companies may be considered to be businesses which compete or are likely to compete with the Company's business. However, as the Interested Companies have been operating independently of, and at arm's length from, the business of the Company, and as the Interested Companies and business of the Company represent a small percentage of the total market for television programme licensing and distribution in Mainland China, no meaningful competition is considered to exist.

The Board is of the view that the Group is capable of carrying on its business independently of, and at arm's length from, the business of the Interested Companies.

Save as disclosed above, none of the Directors of the Company has any interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

At 31 December 2018, the interests and short positions of the Directors and chief executive in the shares and underlying shares of the Company and any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("SFO"), as recorded in the register required to be kept pursuant to Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 of the Listing Rules, are set out below:

INTERESTS IN THE SHARES OF THE COMPANY

Name of Director	Number of ordinary shares held				Total interests	Percentage in share capital (%) ^(a)
	Personal interests	Family interests	Corporate interests	Other interests		
Charles Chan Kwok Keung	-	-	-	113,888,628	113,888,628	^{#(b)(e)} 26.00
Li Ruigang	-	-	113,888,628	-	113,888,628	^{#(c)(e)} 26.00
Chen Wen Chi	-	113,888,628	-	-	113,888,628	^{#(d)(e)} 26.00
Mark Lee Po On	-	438,000	-	-	438,000	^(e) 0.10

Notes:

- Duplication of shareholdings occurred between parties[#] shown in the table here and below under the sub-heading of "Other Persons' Interests in the Shares of the Company".
- The nature of the interests shown in the table here is provided in the notes below and the notes under the sub-heading of "Other Persons' Interests in the Shares of the Company".

At 31 December 2018:

- ^(a) Percentage in the share capital was based on the 438,000,000 ordinary shares of the Company in issue.
- ^(b) Dr. Charles Chan Kwok Keung was deemed to be interested in these 113,888,628 shares of the Company as he was one of the parties to an agreement of which Section 317 of the SFO applies. Dr. Chan held these shares through Shaw Brothers Limited ("Shaw Brothers"). Shaw Brothers was an indirect wholly-owned subsidiary of Young Lion Holdings Limited ("YLH"), which was controlled by Dr. Chan through Innovative View Holdings Limited ("IVH") (see below note (c) under the sub-heading of "Other Persons' Interests in the Shares of the Company").
- ^(c) Mr. Li Ruigang was deemed to be interested in these 113,888,628 shares of the Company. Such interests were held indirectly through CMC M&E Acquisition Co. Ltd. ("CMC M&E Acquisition") in YLH. CMC M&E Acquisition was a wholly-owned subsidiary of CMC M&E Holdings Ltd. ("CMC M&E Holdings"), which was in turn a wholly-owned subsidiary of CMC Holdings Limited (now known as "CMC Inc"). CMC Inc. was a non wholly-owned subsidiary of Gold Pioneer Worldwide Limited ("Gold Pioneer"). Gold Pioneer held the interest in CMC Inc. directly and also held through its wholly-owned subsidiary, GLRG Holdings Limited ("GLRG Holdings"). Gold Pioneer was wholly-owned by Brilliant Spark Holdings Limited ("Brilliant Spark"). Brilliant Spark was wholly-owned and controlled by Mr. Li.
- ^(d) Mr. Chen Wen Chi was deemed to be interested in these 113,888,628 shares of the Company. Such interests were indirectly held by his spouse, Ms. Wang Hsiueh Hong through Profit Global Investment Limited ("Profit Global"), in which Ms. Wang indirectly held an interest. Profit Global was a party of the investor group which indirectly held the said shares through Shaw Brothers, an indirect wholly-owned subsidiary of YLH.
- ^(e) The interests held by these Directors represented long positions.

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INTEREST IN THE UNDERLYING SHARES OF THE COMPANY

Name of Director	Number of underlying shares held					Total interests	Percentage in share capital (%) ^(a)
	Personal interests	Family interests	Corporate interests	Other interests			
Mark Lee Po On	2,000,000	–	–	–	–	2,000,000	0.46
Cheong Shin Keong	1,000,000	–	–	–	–	1,000,000	0.23
Thomas Hui To	2,000,000	–	–	–	–	2,000,000	0.46

Notes:

At 31 December 2018:

- (a) Percentage in the share capital was based on 438,000,000 ordinary shares of the Company in issue.
- (b) Share options (“Options”) were granted to the Directors on 22 March 2018 under the share option scheme adopted by the Company on 29 June 2017. Each Option entitles the holder to subscribe for one share of the Company.
- (c) The exercise price of the Options granted is HK\$25.84 per share.
- (d) The validity period of the Options is 5 years, from 22 March 2018 (Date of Grant) up to 22 March 2023 (both days inclusive).
- (e) The vesting period of the Options, is set out below:
- 20% of the Options shall be exercisable from 1 December 2018 to 22 March 2023 (both days inclusive);
 - 20% of the Options shall be exercisable from 1 December 2019 to 22 March 2023 (both days inclusive);
 - 20% of the Options shall be exercisable from 1 December 2020 to 22 March 2023 (both days inclusive);
 - 20% of the Options shall be exercisable from 1 December 2021 to 22 March 2023 (both days inclusive); and
 - 20% of the Options shall be exercisable from 1 December 2022 to 22 March 2023 (both days inclusive).
- (f) All the interests stated above represent long positions.

INTERESTS IN THE SHARES OF THE ASSOCIATED CORPORATION OF THE COMPANY

Name of associated corporation	Name of Director	Number of ordinary shares held					Total interests	Percentage in share capital (%)
		Personal interests	Family interests	Corporate interests	Other interests			
Shine Investment Limited	Li Ruigang	–	–	102	–	–	102 ^{(b)(c)}	85.00 ^(a)

Notes:

At 31 December 2018:

- (a) Percentage in share capital of associated corporation was based on the total number of Class A shares of the associated corporation of the Company in issue.
- (b) These 102 shares of Shine Investment Limited were held by Shine Holdings Cayman Limited through certain corporations which are controlled by Mr. Li Ruigang.
- (c) The interests held by the Director represented long positions.

Save for the information disclosed above, at no time during the year, the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

Share Option Scheme of the Company

The Company adopted a share option scheme (“TVB Option Scheme”) at the annual general meeting of its Shareholders held on 29 June 2017 (“Adoption Date for TVB Option Scheme”). Details of movement in the Options during 2018, are set out below:

Name of grantee	Date of grant	Number of Options					Outstanding at 31 December 2018	Exercise price per share	Closing price of the Company's shares at the date of grant	Exercise period
		Outstanding at 1 January 2018	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year				
Directors										
Mark Lee Po On	22 March 2018	-	2,000,000	-	-	-	2,000,000	HK\$25.84	HK\$25.60	Note ²
Cheong Shin Keong	22 March 2018	-	1,000,000	-	-	-	1,000,000	HK\$25.84	HK\$25.60	Note ²
Thomas Hui To	22 March 2018	-	2,000,000	-	-	-	2,000,000	HK\$25.84	HK\$25.60	Note ²
Sub-total		-	5,000,000	-	-	-	5,000,000			
Employees										
(In aggregate)	22 March 2018	-	8,500,000	-	-	-	8,500,000	HK\$25.84	HK\$25.60	Note ²
Sub-total		-	8,500,000	-	-	-	8,500,000			
Employees of subsidiaries										
(In aggregate)	22 March 2018	-	3,000,000	-	-	-	3,000,000	HK\$25.84	HK\$25.60	Note ²
Sub-total		-	3,000,000	-	-	-	3,000,000			
Other Participant	22 March 2018	-	500,000	-	-	-	500,000	HK\$25.84	HK\$25.60	Note ²
Sub-total		-	500,000	-	-	-	500,000			
Total		-	17,000,000	-	-	-	17,000,000			

Notes:

- ¹ The validity period of the Options is 5 years, from 22 March 2018 (Date of Grant) up to 22 March 2023 (both days inclusive).
- ² The vesting period of the Options, is set out below:
 - (i) 20% of the Options shall be exercisable from 1 December 2018 to 22 March 2023 (both days inclusive);
 - (ii) 20% of the Options shall be exercisable from 1 December 2019 to 22 March 2023 (both days inclusive);
 - (iii) 20% of the Options shall be exercisable from 1 December 2020 to 22 March 2023 (both days inclusive);
 - (iv) 20% of the Options shall be exercisable from 1 December 2021 to 22 March 2023 (both days inclusive); and
 - (v) 20% of the Options shall be exercisable from 1 December 2022 to 22 March 2023 (both days inclusive).

The Options are exercisable from the aforesaid dates until 22 March 2023.

The Company offered to grant the Options (“Offer”) and each grantee accepted the offer of the Options of all the shares set out in their respective offer letters on 22 March 2018 by paying the Company HKD1.00 as consideration for the acceptance of the Offer. Each Option entitles the holder to subscribe for one share of the Company.

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The Options granted to Mr. Mark Lee Po On, Mr. Cheong Shin Keong and Mr. Thomas Hui To, all are Executive Directors of the Company, had been approved by the Directors (including all Independent Non-executive Directors) of the Company at its meeting on 22 March 2018.

The details of Options granted to the participants during the year as disclosed in above table and the accounting policy adopted for the Options are set out in Note 27 to the consolidated financial statements.

Subsidiary Share Option Scheme of Big Big Channel Holdings Limited

The Company approved the adoption of a share option scheme of its subsidiary, Big Big Channel Holdings Limited (“Subsidiary Option Scheme”) at the annual general meeting of its Shareholders held on 29 June 2017 (“Adoption Date for Subsidiary Option Scheme”). No share options were granted, exercised, cancelled and lapsed under the Subsidiary Option Scheme during 2018.

Save as the information disclosed above in relation to the TVB Option Scheme and the Subsidiary Option Scheme, at no time during 2018 was the Company or any of its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangements to enable the Directors and chief executive of the Company (including their spouses and children under 18 years of age) to acquire benefits by means of acquisition of shares, or underlying shares in, or debentures of, the Company or its associated corporations (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS IN THE SHARES OF THE COMPANY

At 31 December 2018, the interests or short positions of the persons (other than the Directors and chief executive of the Company), being 5% or more of the Company's issued capital, as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO, or as otherwise notified to the Company, are set out below:

INTERESTS IN THE SHARES OF THE COMPANY

Name	Number of ordinary shares held	Percentage in share capital (%) ^(a)
Shaw Brothers Limited ^(b)	113,888,628 ^{#(c)(f)(h)}	26.00
Young Lion Acquisition Co. Limited	113,888,628 ^{#(c)(f)(h)}	26.00
Young Lion Holdings Limited	113,888,628 ^{#(c)(f)(h)}	26.00
Innovative View Holdings Limited	113,888,628 ^{#(c)(f)(h)}	26.00
Brilliant Spark Holdings Limited	113,888,628 ^{#(d)(h)}	26.00
Gold Pioneer Worldwide Limited	113,888,628 ^{#(d)(h)}	26.00
GLRG Holdings Limited	113,888,628 ^{#(d)(h)}	26.00
CMC Holdings Limited	113,888,628 ^{#(d)(h)}	26.00
CMC M&E Holdings Ltd.	113,888,628 ^{#(d)(h)}	26.00
CMC M&E Acquisition Co. Ltd.	113,888,628 ^{#(d)(f)(h)}	26.00
Wang Hsiueh Hong	113,888,628 ^{#(e)(h)}	26.00
Kun Chang Investment Co. Ltd.	113,888,628 ^{#(e)(h)}	26.00
Profit Global Investment Limited	113,888,628 ^{#(e)(f)(h)}	26.00
Silchester International Investors LLP	61,407,500 ^{(g)(h)}	14.02
Dodge & Cox	40,163,800 ^{(g)(h)}	9.17
Silchester International Investors International Value Equity Trust	26,307,900 ^(h)	6.01

Notes:

Duplication of shareholdings occurred between parties[#] shown in the table here and above under the sub-heading of "Directors' and Chief Executive's Interests in the Shares and Underlying Shares of the Company and its Associated Corporation".

At 31 December 2018:

- ^(a) Percentage in the share capital was based on the 438,000,000 ordinary shares of the Company in issue.
- ^(b) Shaw Brothers was the registered shareholder of the 113,888,628 shares of the Company. It was an indirect wholly-owned subsidiary of YLH. YLH is controlled by Dr. Charles Chan Kwok Keung ("Dr. Chan", the Chairman of the Board of the Company) with Mr. Li Ruigang ("Mr. Li", the Vice Chairman of the Board of the Company) and Ms. Wang Hsiueh Hong ("Ms. Wang") as the other two members.
- ^(c) YLH was deemed to be interested in these 113,888,628 shares of the Company. Such interests were held indirectly through Shaw Brothers which was a wholly-owned subsidiary of Young Lion Acquisition Co. Limited ("YLA"), which was in turn a wholly-owned subsidiary of YLH, which was controlled by Dr. Chan, through IVH.
- ^(d) CMC M&E Acquisition was deemed to be interested in these 113,888,628 shares of the Company. Such interests were held through the interest in YLH. CMC M&E Acquisition was a wholly-owned subsidiary of CMC M&E Holdings, which was in turn a wholly-owned subsidiary of CMC Holdings Limited (now known as "CMC Inc.") CMC Inc. was a non wholly-owned subsidiary of Gold Pioneer. Gold Pioneer held the interest in CMC Inc. directly and also held through its wholly-owned subsidiary, GLRG Holdings. Gold Pioneer was wholly-owned by Brilliant Spark. Brilliant Spark was wholly-owned and controlled by Mr. Li.
- ^(e) Ms. Wang was deemed to be interested in these 113,888,628 shares of the Company. Such interests were held indirectly through the interest of Profit Global in YLH. Profit Global was controlled by Kun Chang Investment Co. Ltd. ("Kun Chang"). Directors and substantial shareholders of Kun Chang were all accustomed to act in accordance with the directions of Ms. Wang.
- ^(f) Dr. Chan, IVH, CMC M&E Acquisition, Profit Global, YLH, YLA and Shaw Brothers were the parties of an agreement ("Agreement") to hold the interest in these 113,888,628 shares in the Company. The Agreement was an agreement to which Section 317 of the SFO applied.
- ^(g) Interests were held in the capacity of investment managers.
- ^(h) The interests held by these persons/entities represented long positions.

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Save for the information disclosed above, at no time during the year, no other persons (other than the Directors or chief executive of the Company) had any interest or short position in the shares and underlying shares and debentures of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange.

DIRECTORS'/SUBSTANTIAL SHAREHOLDERS' INTERESTS IN CONTRACTS

The following transactions constituted continuing connected transactions of the Company which are subject to the requirements under Chapter 14A of the Listing Rules:

Continuing Connected Transactions

1. Continuing connected transactions with Shaw Movie City Hong Kong Limited ("Shaw Movie"), announced on 24 February 2016

As announced on 24 February 2016, the Company and TVB.COM Limited ("TVB.COM", now known as MyTV Super Limited), an indirect wholly-owned subsidiary of the Company, entered into several agreements on 24 February 2016 (including the tenancy agreements, colocation agreement, internet protocol telephone licence and parking licences, collectively, "2016 Shaw Agreements (A)") with Shaw Movie for the lease of certain properties at Shaw Moviecity, a property located at 201 Wan Po Road, Tseung Kwan O, Kowloon, Hong Kong ("Shaw Moviecity"), which is wholly-owned by Shaw Movie, and for various facilities services, on such terms and conditions as stipulated in the 2016 Shaw Agreements (A). Shaw Movie was an associate of the late Mona Fong, a Non-executive Director of the Company at the date of entering into the 2016 Shaw Agreements (A). Therefore, the entering into the 2016 Shaw Agreements (A) constituted continuing connected transactions

for the Company which are subject to the annual review, and reporting and announcement requirements under the Listing Rules. Details of the 2016 Shaw Agreements (A) are as follows:

- (a) On 24 February 2016, the Company and Shaw Movie entered into a tenancy agreement, pursuant to which the Company agreed to hire an office at Shaw Moviecity, with a total gross floor area of approximately 14,150 square feet for a three year fixed term commencing from 1 February 2016 to 31 January 2019. The rent and related expenses incurred by the Company during 2018 were HK\$3,873,000.
- (b) On 24 February 2016, TVB.COM and Shaw Movie entered into a tenancy agreement, pursuant to which TVB.COM agreed to hire an office at Shaw Moviecity, with a total gross floor area of approximately 18,000 square feet for a three year fixed term commencing from 1 February 2016 to 31 January 2019. The rent and related expenses incurred by TVB.COM during 2018 were HK\$4,682,000.
- (c) On 24 February 2016, TVB.COM and Shaw Movie entered into an another tenancy agreement, pursuant to which TVB.COM agreed to hire an office at Shaw Moviecity, with a total gross floor area of approximately 10,200 square feet for a three year fixed term commencing from 1 February 2016 to 31 January 2019. The rent and related expenses incurred by TVB.COM during 2018 were HK\$2,653,000.
- (d) On 24 February 2016, TVB.COM and Shaw Movie entered into a colocation services agreement, pursuant to which TVB.COM agreed to engage colocation services from Shaw Movie for storage of server equipment at Shaw Moviecity for a three year fixed term commencing from 1 February 2016 to 31 January 2019. The service fee incurred by TVB.COM during 2018 was HK\$5,040,000.

(e) On 24 February 2016, TVB.COM and Shaw Movie entered into an internet protocol telephone licence, pursuant to which TVB.COM agreed to obtain the licences for an internet protocol telephony communication system services installed by Shaw Movie at the offices at Shaw Moviecity which are occupied by TVB.COM as abovementioned. The licence fee incurred by TVB.COM during 2018 was HK\$495,000.

(f) On 24 February 2016, the Company and Shaw Movie entered into a parking licence, pursuant to which the Company agreed to obtain licence for designated car parking spaces at Shaw Moviecity for a three year fixed term commencing from 1 February 2016 to 31 January 2019. The licence fee incurred by the Company during 2018 was HK\$94,000.

(g) On 24 February 2016, TVB.COM and Shaw Movie entered into a parking licence, pursuant to which TVB.COM agreed to obtain licence for several designated car parking spaces at Shaw Moviecity for a three year fixed term commencing from 1 February 2016 to 31 January 2019. The licence fee incurred by TVB.COM during 2018 was HK\$188,000.

(h) In addition, the Company and TVB.COM reimbursed to Shaw Movie for remitting payments to the Government arising from the 2016 Shaw Agreements (A) amounting to HK\$204,000 and HK\$406,000 respectively during 2018.

2. Continuing connected transactions with Shaw Movie, announced on 20 July 2016

As announced on 20 July 2016, TVB.COM and TVB Publications Limited ("TVB Publications"), an indirect non wholly-owned subsidiary of the Company (became an indirect wholly-owned subsidiary of the Company on 22 May 2017), entered into several agreements on 20 July 2016 (including the licence agreement, the tenancy agreement and the parking licence, collectively, "2016 Shaw Agreements (B)") with Shaw Movie for the lease of certain properties at Shaw Moviecity, which is wholly-owned by Shaw Movie, on such terms and conditions as stipulated in the

2016 Shaw Agreements (B). Shaw Movie was an associate of the late Mona Fong, a Non-executive Director of the Company at the date of entering into the 2016 Shaw Agreements (B). Therefore, the entering into the 2016 Shaw Agreements (B) constituted continuing connected transactions for the Company which are subject to the annual review, and reporting and announcement requirements under the Listing Rules. Details of the 2016 Shaw Agreements (B) are as follows:

(a) On 20 July 2016, TVB.COM and Shaw Movie entered into a licence agreement, pursuant to which TVB.COM agreed to hire a warehouse at Shaw Moviecity, with a total gross floor area of approximately 8,000 square feet. The licence has an initial term of one year commencing from 1 May 2016 to 30 April 2017 (with an option to renew for two more years up to 30 April 2019 at the sole discretion of Shaw Movie). In 2017, the parties renewed the agreement for one year from 1 May 2017 to 30 April 2018. In 2018, the parties renewed the agreement for one year from 1 May 2018 to 30 April 2019. The rent and related expenses incurred by TVB.COM during 2018 were HK\$1,915,000.

(b) On 20 July 2016, TVB Publications and Shaw Movie entered into a tenancy agreement, pursuant to which TVB Publications agreed to hire an office at Shaw Moviecity, with a total gross floor area of approximately 16,060 square feet for a three year fixed term commencing from 16 May 2016 to 15 May 2019. The rent and related expenses incurred by TVB Publications during 2018 were HK\$4,168,000.

(c) On 20 July 2016, TVB Publications and Shaw Movie entered into a parking licence, pursuant to which TVB Publications agreed to obtain licence for several designated car parking spaces at Shaw Moviecity for a three year fixed term commencing from 16 May 2016 to 15 May 2019. The licence fee incurred by TVB Publications during 2018 was HK\$186,000.

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3. Continuing connected transactions with Shaw Movie, announced on 17 October 2017

As announced on 17 October 2017, the Company entered into a licence agreement on 17 October 2017 (“2017 Shaw Agreement”) with Shaw Movie for the lease of a property at Shaw Moviecity, which is wholly-owned by Shaw Movie, on such terms and conditions as stipulated in the 2017 Shaw Agreement. Shaw Movie was an associate of the late Mona Fong, a Non-executive Director of the Company at the date of entering into the 2017 Shaw Agreement. Therefore, the entering into the 2017 Shaw Agreement constituted continuing connected transactions for the Company which are subject to the annual review, and reporting and announcement requirements under the Listing Rules. Details of the 2017 Shaw Agreement are as follows:

- (a) On 17 October 2017, the Company and Shaw Movie entered into a licence agreement, pursuant to which the Company agreed to hire a premises at Shaw Moviecity, with a total gross floor area of approximately 5,800 square feet. The licence has an initial term of one year commencing from 1 October 2017 to 30 September 2018 and with an option to renew for a further year up to 30 September 2019, and a further option to renew for a further second year up to 30 September 2020, at the sole discretion of Shaw Movie. In 2018, the parties renewed the agreement for one year from 1 October 2018 to 30 September 2019. The rent and related expenses incurred by the Company during 2018 were HK\$1,389,000.

Since Ms. Fong, a non-executive Director of the Company, passed away and ceased to be a Director of the Company on 22 November 2017, her associate, Shaw Movie, ceased to be a connected person of the Company on 23 November 2018 (one year after the event ceasing to be a connected person). Accordingly, the 2016 Shaw Agreements (A), the 2016 Shaw Agreements (B) and the 2017 Shaw Agreement as abovementioned, have ceased to be continuing connected transactions for the Company from 23 November 2018 (one year after the event ceasing to be a connected person). For completeness’ sake, the transaction amount disclosed under each of these agreements in this

section is related to the full financial year ended 31 December 2018. The annual review by the Independent Non-executive Directors and the auditors of the Company pursuant to Rules 14A.55 and 14A.56 of the Listing Rules was also made in respect of the transactions contemplated under these agreements during the financial year ended 31 December 2018.

4. Continuing connected transactions with 上海翡翠東方傳播有限公司 (“TVBC”), announced on 21 March 2018

As announced on 21 March 2018, (i) TVBI Company Limited (“TVBI”), a direct wholly-owned subsidiary of the Company, entered into a licence agreement (“2018 Licensing Agreement”) with TVBC in relation to the supply of the licensed programmes in the PRC, and (ii) TVBO Facilities Limited (“TVBO”), an indirect wholly-owned subsidiary of the Company, entered into a supply agreement (“2018 Supply Agreement”) with TVBC in relation to the supply of the TV broadcasting and marketing materials in the PRC. As at the date of entering of the 2018 Licensing Agreement and the 2018 Supply Agreement, TVBC was owned as to 55% by the Company and hence a non wholly-owned subsidiary of the Company. Mr. Li Ruigang, the Vice Chairman and a Non-executive Director of the Company, could control more than 10% of the voting shares in TVBC. Accordingly, TVBC is a connected subsidiary of the Company and the entering into of the 2018 Licensing Agreement and the 2018 Supply Agreement constituted continuing connected transactions for the Company which are subject to the annual review, and reporting and announcement requirements under the Listing Rules. Details of the 2018 Licensing Agreement and the 2018 Supply Agreement are as follows:

- (a) On 21 March 2018, TVBI and TVBC entered into the 2018 Licensing Agreement, pursuant to which TVBI agreed to supply during the period from 1 April 2018 to 31 March 2020 TVBC with the licensed programmes as selected by TVBC and grant an exclusive licence to TVBC, among other things, to broadcast and exhibit those selected licensed programmes on wireless TV, cable TV and satellite TV as well as all new media platforms, and (ii) to produce, distribute

and sell the sound and video recordings of the licensed programmes (such as VCDs, DVDs and other storage media), within the People's Republic of China ("PRC"). The fee received by TVBI from 1 April 2018 to 31 December 2018 was HK\$138,123,000.

- (b) On 21 March 2018, TVBO and TVBC entered into the 2018 Supply Agreement, pursuant to which TVBO agreed to supply during the period from 1 April 2018 to 31 March 2020 TVBC with the TV broadcasting and marketing materials relating to the licensed programmes as selected by TVBC under the Licensing Agreement. The fee received by TVBO from 1 April 2018 to 31 December 2018 was HK\$13,287,000.

5. Continuing connected transactions with TVB Overseas (Holdings) Limited ("TVB (Overseas)", announced on 21 March 2018 ("TVB (Overseas) Transactions")

As announced in the Company's announcement on 21 March 2018, TVBI and TVBO have had similar arrangements with TVB (Overseas), a direct wholly-owned subsidiary of TVBC to supply the licensed programmes and the related TV broadcasting and marketing materials in the PRC to TVB (Overseas) since October 2012.

Pursuant to the announcement dated 21 March 2018, (i) TVBI has entered into a licensing agreement ("2015 Licensing Agreement") with TVB (Overseas) on 25 November 2015 (as supplemented on 31 December 2015) in relation to the supply of the licensed programmes in the PRC, and (ii) TVBO had entered into a supply agreement ("2015 Supply Agreement") with TVB (Overseas) in relation to the supply of the TV broadcasting and marketing materials in the PRC. TVB (Overseas) has become a connected subsidiary of the Company since Mr. Li Ruigang was appointed as a Director of the Company on 17 October 2016. Since then, the 2015 Licensing Agreement and the 2015 Supply Agreement have technically become continuing connected transactions for the Company under the Listing Rules. The 2015 Licensing Agreement and the 2015 Supply Agreement have not been varied since 17 October 2016. Details of the 2015 Licensing Agreement and the 2015 Supply Agreement are as follows:

- (a) Pursuant to the 2015 Licensing Agreement, TVBI agreed to supply during the period from 1 January 2016 to 31 March 2018 TVB (Overseas) with the licensed programmes as selected by TVB (Overseas) and grant an exclusive licence to TVB (Overseas), among other things, (i) to broadcast and exhibit those selected licensed programmes on wireless TV, cable TV and satellite TV as well as all new media platforms, and (ii) to produce, distribute and sell the sound and video recordings of the licensed programmes (such as VCDs, DVDs and other storage media), within the PRC. The fee received by TVBI from 1 January 2018 to 31 March 2018 was HK\$46,041,000.

- (b) Pursuant to the 2015 Supply Agreement, TVBO agreed to supply during the period from 1 January 2016 to 31 March 2018 TVB (Overseas) with the TV broadcasting and marketing materials relating to the licensed programmes as selected by TVB (Overseas). The fee received by TVBO from 1 January 2018 to 31 March 2018 was HK\$4,429,000.

6. Continuing connected transactions with TVBC, announced on 28 December 2018

On 28 December 2018, TVBO entered into an additional Supply Agreement ("Additional 2018 Supply Agreement") with TVBC in relation to supply from 1 April 2018 to 31 December 2018 certain broadcasting and marketing materials. As at the date of entering of the Additional 2018 Supply Agreement, TVBC was owned as to 70% by the Company and hence a non wholly-owned subsidiary of the Company. Mr. Li Ruigang, the Vice Chairman and a Non-executive Director of the Company, could control more than 10% of the voting shares in TVBC. Accordingly, TVBC is a connected subsidiary of the Company and the entering into of the Additional 2018 Supply Agreement constituted continuing connected transaction for the Company which are subject to the annual review, and reporting and announcement requirements under the Listing Rules. Details of the Additional 2018 Supply Agreement are as follows:

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- (a) On 28 December 2018, TVBO and TVBC entered into the Additional 2018 Supply Agreement, pursuant to which TVBO agreed to supply during the period from 1 April 2018 to 31 December 2018 TVBC certain broadcasting and marketing materials relating to TVB dramas, including behind-the-scenes, stage photos, posters and trailers, to be used in the PRC for marketing purpose. The fee received by TVBO from 1 April 2018 to 31 December 2018 was HK\$6,150,000.

All of the Independent Non-executive Directors of the Company having reviewed and confirmed the transactions described in paragraphs 1 to 6 above were:

- (i) in the ordinary and usual course of business of the Company and its subsidiaries;
- (ii) either on normal commercial terms or on terms no less favourable to the Company and its subsidiaries than terms available to or from independent third parties; and
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 86 to 90 of this Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange. The auditor has included an emphasis of matter paragraph (without modification) in its letter which states that: "We draw attention that the Company issued an announcement dated 21 March 2018 in respect of the continuing connected transactions between its

subsidiaries and TVB (Overseas) for the period from 17 October 2016 to 21 March 2018 as set out in the TVB (Overseas) Transactions in paragraph 5 above. There was no annual cap for the TVB (Overseas) Transactions prior to 31 March 2018, and accordingly we do not provide a conclusion on whether the TVB (Overseas) Transactions have exceeded an annual cap. Our conclusion is not modified in respect of this matter".

Save as the information disclosed above, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director or a substantial shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the year-end or at any time during the year.

PERMITTED INDEMNITY

Subject to the applicable laws, the Directors of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, liabilities, losses, damages and expenses which they or any of them shall or may incur or sustain in the execution of their duties or in relation thereto pursuant to the Articles. Such provisions were in force during the financial year ended 31 December 2018 and remained in force as of the date of this report. The Company has also arranged directors' liability insurance, to insure against any losses and liabilities incurred by Directors of the Company in their capacity as such.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are provided under Note 39 to the consolidated financial statements. None constitutes a discloseable connected transaction as defined under the Listing Rules.

DIRECTORS' EMOLUMENTS

Details of the remuneration of Directors for the year are set out in Note 25 to the consolidated financial statements.

DISCLOSURES PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

As at 31 December 2018, the Group had provided the following financial assistance to SMI Holdings Group Limited ("SMI"), a company listed on the Stock Exchange (stock code: 00198) and an independent third party of the Group, which in aggregate exceeded 8% under the assets ratio (as defined under Chapter 14 of the Listing Rules) and hence constituted an advance to an entity under Rule 13.13 of the Listing Rules:

- US\$23,000,000 9.5% unsecured redeemable fixed coupon bonds issued by SMI ("Bonds")

In April 2018, the Company subscribed for the Bonds which are unsecured and bears an interest rate of 9.5% per annum payable semi-annually. The Bonds will mature in 2020 (extendable to 2021 by mutual agreement).

Unless early redeemed with the consent of the Company, the Bonds will be redeemed on the maturity date at the aggregate amount of (i) the principal amount of the outstanding Bonds and (ii) all accrued and unpaid interest on or prior to the maturity date.

- US\$83,000,000 7.5% secured redeemable convertible bonds issued by SMI ("Convertible Bonds")

In May 2018, the Company subscribed for the Convertible Bonds which are secured by a share charge in respect of the entire share capital of SMI International Cinemas Limited, a wholly-owned subsidiary of SMI, and bear an interest rate of 7.5% per annum payable semi-annually. The Convertible Bonds will mature in 2020 (extendable to 2021 by mutual agreement).

Unless otherwise redeemed, converted or cancelled, the Convertible Bonds will be redeemed on the maturity date at the aggregate amount of (i) the principal amount of the outstanding Convertible Bonds and (ii) the remainder of (a) an amount equal to an annual return of 11% per annum (calculated on the principal amount of the outstanding Convertible Bonds for the period from and including the issue date up to but excluding the maturity date) minus (b) all interest paid on or prior to the maturity date.

Without prejudice to the foregoing, SMI may at any time after expiry of 6 months from the issue date but not less than 14 business days prior to the maturity date, by giving not less than 10 days' or more than 30 days' notice to the bondholder(s), redeem all or part of the Convertible Bonds, at the redemption price in the aggregate amount of (i) the principal amount of the outstanding Convertible Bonds and (ii) the remainder of (a) an amount equal to an annual return of 11% per annum (calculated on the principal amount of the outstanding Convertible Bonds for the period from and including the issue date up to but excluding the redemption date) minus (b) all interest paid on or prior to the redemption date.

For details of the above advances to SMI, please refer to the Company's announcement dated 2 May 2018. As at 31 December 2018, the outstanding principal of the above advances remained as US\$106,000,000.

As at 31 December 2018, the Group had provided other financial assistance to certain affiliated companies (as defined under the Listing Rules), which in aggregate exceeded 8% under the assets ratio. The financial assistance provided to ITT (a 50% owned joint venture of the Group) also constituted an advance to an entity under Rule 13.13 of the Listing Rules.

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In July 2017, the Group subscribed for the promissory note issued by ITT in the aggregate principal amount of US\$66,666,667 ("Promissory Note"). The Promissory Note is unsecured and bears an interest rate of 12% per annum payable annually and will mature in July 2032. ITT may repay the outstanding principal under the Promissory Note in whole or in part from time to

time, provided that any repayment during the period of four years from 26 July 2017 shall be subject to the prior approval of the board of directors of ITT. For details of the Promissory Note, please refer to the Company's announcement dated 26 July 2017. As at 31 December 2018, the outstanding principal of the Promissory Note remained as US\$66,666,667.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of the Company's affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 December 2018 are presented as follows:

	Combined statement of financial position HK\$'000	The Group's attributable interest HK\$'000
Non-current assets	5	3
Current assets	740,034	734,371
Current liabilities	(96,306)	(63,527)
Net current assets	643,728	670,844
Total assets less current liabilities	643,733	670,847
Non-current liabilities	(584,752)	(584,752)
Net assets	58,981	86,095

BOARD COMMITTEES

The responsibilities of the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Committee and the Investment Committee of the Board and their work done during the year are set out in the Corporate Governance Report on pages 102 to 110.

CORPORATE GOVERNANCE

The Corporate Governance Report for the year are set out on pages 94 to 115 of this Annual Report.

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

During 2018, the Company purchased US\$103,710,000 nominal amount of TVB Notes issued by TVB Finance Limited through open market. As at 31 December 2018, US\$500,000,000 nominal amount of TVB Notes remained outstanding. Details of TVB Notes and the purchase are set out in Note 21 to the consolidated financial statements.

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

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors as at the date of this report, at least 25% of the Company's total issued share capital is held by the public at all times. At 20 March 2019, there were 376 shareholders on the Company's register of members.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the percentages of the Group's purchases and sales attributable to its five largest suppliers and five largest customers were both less than 30%.

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer itself for re-appointment at the 2019 AGM.

On behalf of the Board

Charles Chan Kwok Keung
Chairman

Hong Kong, 20 March 2019