

For immediate release



City Telecom Celebrates 20th Anniversary Together We Create TV Miracles

(Hong Kong, 12 September 2012) To celebrate 20th Anniversary, City Telecom (H.K.) Limited ("City Telecom") today held a poolside party at 76/F of W Hotel. Chairman Mr. Ricky Wong, Vice Chairman Mr. Paul Cheung, Chief Executive Officer Ms. To Wai Bing, together with our creative and production Talents as well as over 140 artistes had all stayed together for an enjoyable evening. Most importantly, Legislative Councillor Mr. Paul Tse, JP, members-designate of the Legislative Council Mr. Sin Chung Kai, SBS, JP and Mr. Charles Mok have also joined the celebration.

Mr. Ricky Wong kicked off the party with the following sharing :

"There are not so many decades in a life". City Telecom was established in 1992. In our first decade, we introduced call-back IDD service into Hong Kong, thus leading in competition into the market. From there, IDD tariffs for calling US and Canada slashed from HK\$12.3/minute to a few dollars, as low as a few cents. Shortly, City Telecom has become the second largest IDD service provider in Hong Kong.

In the second decade, Hong Kong Broadband Network Limited ("HKBN") was established. We laid our optic fibre network all over Hong Kong, offering high speed broadband at affordable price levels. I believe most of you have heard of the 100M and 1000M broadband as offered by HKBN. Shortly, HKBN has become the second largest residential broadband service provider.

Stepping into our third decade, we are marching towards our new battlefield : Free TV & Multimedia business. Over the past year, we have satisfactory progress, including :

1. The construction of 500,000 sq. ft. TV & Multimedia Production Centre at Tseung Kwan O Industrial Estate. Currently, we have completed the foundation, awaiting for the Government's inspection. Once approved, we will soon start the phase 2 contraction. The Centre is expected to be in full gear in the first half of 2014 as planned.

2. Drama production under satisfactory progress. We have now completed the shooting of 3 dramas, with 4 others shooting work undergoing. Moreover, another 1 will start shooting next month.
3. Our Variety and Infotainment team has commenced operation as well. New programs including "Challenge", sending celebrities to places all over the world to accept mission impossibles, such as chasing after hurricanes; while another new program to have celebrities to join the preparation and cooking of local cuisines, to unleash the secrets behind deliciousness.

We expect to produce 260 hours' drama and 104 hours' variety and infotainment programs in this year; and extending to 650 hours' drama and 520 hours' variety and infotainment programs in 2013.

At City Telecom, "Team Spirit" is at utmost importance. We believe only we work with collective wisdom and concerted efforts, we will survive in this battle. I wish that all of us can stay together to create a new world for the TV industry, to echo our slogan "Together We Create TV Miracles".

Finally, perhaps many of you are curious about the status of our application for a Free TV license.

City Telecom submitted an application on New Year's Eve 2009. It will have been 1000 days in 14 days.

What can one do in 1000 days?

Christopher Columbus discovered the Americas in 70 days.

NASA managed to send a rover from Earth to Mars in 207 days.

The construction of Empire State Building in New York took 410 days.

And... it took only 763 days to build Eiffel Tower.

Most of you may note that I am not very patient, but now that I have sold all my telecom business, I can, and definitely will, wait as long as it will take.

But I am positive that it won't take long for us to get the license. Just consider how the new Chief Executive has dealt with the issues of pregnant Mainlanders, "Hong Kong Property for Hong Kong Residents", the relaxation of Mainland visitor visas, and particularly, the Moral & National Education controversy. As mentioned in my column "The Telephone Booth of CY Leung", some decisions cannot be delayed. The governing style of the new Government is very different from the previous one. Once this administration has made up its mind, it can act very swiftly and firmly.

I believe that Mr. CY Leung himself would like to approve the applications sooner, so that he will have one less thorny item on his plate.

Indeed, as early as 6 January 2010, i.e. a few days after our submission, the former Secretary for Commerce and Economic Development, Mrs. Rita Lau, told the Legislative Council, that the Government's broadcasting policy was to encourage investment, competition and introducing innovative technology. Therefore, the Government, she said, welcomed interested parties to apply for local Free TV service licenses.

From public legal documents, we understand that the Broadcasting Authority had considered all the relevant factors, and recommended the Chief Executive-in-Council to issue 3 new licenses, including one for City Telecom. In the first half of 2012, the Government also cleared the legal challenge initiated by ATV. I haven't seen any changes in the position of the Office of the Communications Authority.

I can assure you that, City Telecom has fulfilled all the application requirements. I am, therefore, confident that the Government will act in accordance with established policies procedures, recommendations and the public will, to grant City Telecom a license.

Right now it is vital for us to focus on producing high-quality programs, so that we can beat our competitors on the starting line once we have secured the licence..

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About City Telecom

City Telecom (H.K.) Ltd. is a Hong Kong and the U.S. listed company (HKEX : 1137; NASDAQ : CTEL). Established in 1992, the Group possesses extensive and successful experience in telecom market liberalization, popularizing advanced technology & applications.

The Group strives to expand its foothold to the TV industry. Since 2011, Hong Kong Media Production Company Limited has been aggressive in forming the dream team of artistes, production and creative Talents, as well as artistes.

The Group will invest over HK\$600 million in the next three years to build a 500,000 sq. ft. TV & Multimedia Production Centre, including the largest studio in Asia with an area of 18,000 square ft. and post-production suite equips with 3D and Super High-definition production facilities. The production centre is expected to go into full operation in early 2014.

At commencement, City Telecom's TV business will broadcast 12 channels, and will increase to 20 in 3 years. City Telecom targets to produce drama totaling 260 hours in 2012 and 650 hours in 2013. 104 hours of variety and infotainment programs will also be produced in 2012 and 520 hours in 2013.

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Appendix: Photos



Mr. Ricky Wong, Chairman of City Telecom (11 from the left), Mr. Paul Cheung, Vice-chairman of City Telecom (7 from the right), Ms. To Wai Bing, CEO of City Telecom (6 from the right), Mr. Charles Mok, members-designate of the Legislative Council (9 from the right), Mr. Sin Chung Kai, SBS, JP, members-designate of the Legislative Council (8 from the right), and Legislative Councillor Mr. Paul Tse, JP kicked-off the party with City Telecom's creative and production Talents.



City Telecom's Management and artistes in the party.