

For Immediate Release

HKTV Announced New Development Plans

(Hong Kong, 20 Dec 2013) Hong Kong Television Network Limited (“HKTV”) is pleased to announce new developments to its multimedia business today. After exploring different options, HKTV has decided to begin distributing its multimedia contents through the innovative Over-The-Top (“OTT”) and mobile television services, and expects to launch on or about 1 July 2014, continue to realize the dream to rejuvenate local creative and TV industries.

Under the new plan, HKTV aims to operate 3 to 5 channels, including an integrated Cantonese channel and a round-the-clock news channel. In light of these developments, HKTV will resume content production, and enter into the next phase of the construction of the new multimedia production and distribution centre in Tseung Kwan O Industrial Estate at New Territories. Subject to the progress of these business developments and business needs, HKTV plans to hire in phases the approximately 320 staff members who were made redundant as announced on 16 October 2013.

The OTT and the mobile television services will provide HKTV with new platforms for its content distribution business in Hong Kong. In view of the increasing popularity of smart phones, tablet computers and handheld devices capable of multiple functions in Hong Kong, HKTV believes that there will be a growing demand and business potential for the provision of OTT and mobile television services in Hong Kong. It also believes that the mass of Hong Kong viewers are receptive to new means of access to television content through the internet and mobile television services. HKTV endeavors to further develop its multimedia business encompassing content distribution channels and/or platforms in Hong Kong, cooperation and/or partnership in television programs production with the mainland and overseas producers and film and multimedia content productions.

OTT Services

The popularity of Internet-connected smart phones, tablet computers, handheld devices, computers and smart television sets as well as the increased number of broadband Internet subscribers in Hong Kong present an excellent opportunity for

content providers to deliver live television and video-on-demand services through the OTT platform.

HKTV's OTT services will enable viewers to view its channels via a number of Internet-connected devices, such as smart phones, tablet computers, personal computers and smart television sets. Viewers can choose to view the multimedia content either live or on a video-on-demand basis.

Mobile Television Services

HKTV acquired 100% of the equity interest in China Mobile Hong Kong Corporation Limited (CMHKCL), and the purchase price of HK\$142.2 million was paid at completion, funded by HKTV's internal resources. CMHKCL is a wholly-owned subsidiary of China Mobile Hong Kong Company Limited, is principally engaged in the provision of mobile television and related services and does not provide any mobile telephony service in Hong Kong. It currently holds the frequency at 678-686 MHz for the provision of broadcast-type mobile television services, Unified Class Licence valid until 30 August 2025 and access to infrastructure, facilities and equipment for the provision of broadcast-type mobile television services in Hong Kong. HKTV's mobile television services will enable viewers to view the channels live through mobile devices capable of receiving the transmission of the spectrum.

While Unified Class Licence is under the scope of telecom licences, HKTV will still strike for a Free TV Program Service Licence, which is a broadcast-type licence, upon completion of this transaction.

Chairman of HKTV, Ricky Wong said, "I attended a talk held by the School of Journalism and Communications of The Chinese University of Hong Kong on 17 October, which I had promised two months ago, after the Government's announcement on the rejection of HKTV's Free TV Program Service Licence application. The 3,000 attendants gave me supportive encouragement, that has changed my mind. At the same time, I would like to thank all the support toward me, HKTV and my colleagues, that empower us to chase after our dreams, and to engage in different endeavors."

"I still believe that Hong Kong is a free economy, and we embrace the rule of "survival of the fittest". Our team will continue to chase after our TV dreams under the new development, to contribute to the creative industry and Hong Kong's future." Wong concluded.

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More information of HKTV can be found at www.hktv.com.hk.

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