

For immediate release

## Statement

(Hong Kong, 11 November 2012) In response to enquiries about new free TV licenses in Hong Kong, City Telecom (H.K.) Limited (“CTI”) made the following statement.

More new free TV programme service licenses will benefit the Hong Kong public, those working in the industry and the creative and broadcasting industry in general.

Chairman of CTI, Ricky Wong noted that, once the Chief Executive-in-Council has given the greenlight for more licenses, CTI would increase its tally of staff from the existing 700 to about 1,800 next year to cope with the needs for professionals in different areas to develop its TV business.

	2012	2013
Actors and Actresses	300	400
Creative & Production	400	500
Contractors	200	560
Multi-media Production	100	150
Administration & Support	50	100
Promotion and Marketing	20	50
<b>Total Staff</b>	<b>1070</b>	<b>1760</b>

After it has sold its telecommunication business, CTI has secured a solid amount of HK\$3 billion in cash to focus on its TV and multi-media operation.

In comparison to Hong Kong, most similar economic and social entities are served by more free TV stations.

	Number of Free TV Stations
Indonesia	11
Australia	9
Thailand	6

The Philippines	6
Taiwan	5
Turkey	5
Japan	5
New Zealand	4
South Korea	4
Ireland	3
The Netherlands	3
Hong Kong	2
Singapore	1

Mr. Wong said, “Hong Kong’s TV industry has been on the decline. Only new competition can offer more choices to the local audience. It will also bring about more room for creation and better remuneration for the practitioners in the industry.”

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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\$800 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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