



For Immediate Release

HKTV's Mobile TV Service Launch Obstructed by Regulatory Barriers

(Hong Kong, 11 March 2014) Hong Kong Television Network Limited ("HKTV") targeted to launch its mobile TV service in July this year. Facing numerous regulatory barriers recently, it has decided today to suspend all the production of new programs, until the Government sets out a clear legal and technical direction.

After more than 3 years' preparation and waiting, HKTV's application for Domestic Free Television Program Service Licence was rejected on 15 October 2013. Thereafter, HKTV has been in search of various solutions to realize its dream to provide high quality entertainment programs to the Hong Kong public. Until 20 December 2013, HKTV completed the deal to acquire mobile TV spectrum and the corresponding Unified Class Licence, soon to resume program production and rehire talents who were redundant in October 2013, aiming to launch the new mobile TV service on 1 July 2014.

Later on 6 January 2014, HKTV was notified that the rental of hilltop radio stations will be ceased with effective from 6 July 2014. In this regard, HKTV continues to negotiate with TVB on the leasing arrangements as well as preparing to build radio equipment on building rooftops, to achieve comprehensive coverage of mobile TV services.

HKTV submitted the first application for rooftop radio equipment on 10 February 2014, which is yet to be approved. Today, we received a legal letter representing OFCA, informing that if HKTV cannot ensure that its service is not available for reception by 5,000 households, we must take steps to obtain a Free TV and/or pay TV licence. Otherwise, HKTV must not commence operations. We wish to know that as a licensee of mobile TV spectrum and Unified Class Licence, how can we exercise the rights entitled by the licence legitimately to deliver and broadcast programs? What technology can be deployed?

We demand answers from the Government :

1. OFCA mentioned that the deployment of DTMB may result in the violation of Broadcasting Ordinance. 4 years ago HKTV (formerly known as City Telecom) submitted its DTMB technical proposal to OFCA, which was approved and was

accepted as a qualified bidder. Now, it deems to be illegal for DTMB deployment. When did the Government change the policy?

2. What technology can be deployed by a mobile TV licensee? What is the legal ground on this? Does “Technology-neutral policy” prevail?
3. OFCA points out that if mobile TV services have to be regulated by Broadcasting Ordinance if our TV signal be available for reception by more than 5,000 specific premises. However, OFCA assisted China Mobile to build rooftop radio equipment and to lease hilltop radio stations in achieving 90% population coverage, but China Mobile was not asked to apply for a Free TV licence. Why?
4. How can a mobile TV licensee provides service coverage to more than 50% households but limit signal reception to fewer than 5,000 households?
5. In 2010, a number of government documents clearly stated that, Broadcasting Ordinance does not regulate mobile TV service. Why did these problems pop up after HKTV acquired the licence?

Looking back into the relevant information released few years ago, including “Framework for Development of Broadcast-type Mobile TV Services in Hong Kong” issued by Communications and Technology Branch of Commerce and Economic Development Bureau in February 2010, Information Memorandum of Auction of Radio Spectrum in the UHF Band for the Provision of Broadcast-type Mobile Television Services, as well as the Q&A information released by OFTA on 10 March 2010, have all clearly reiterated the technology-neutral policy. Furthermore, Information Memorandum of Auction of Radio Spectrum in the UHF Band for the Provision of Broadcast-type Mobile Television Services has emphasized that the Broadcasting Ordinance does not regulate Mobile TV services.

HKTV is extremely discontent towards the repeatedly and contradictory barriers imposed by the Government. It has decided to suspend all new program production after the completion of producing the existing 3 dramas and 1 variety program, until the Government sets out a clear legal and technical direction. HKTV will also consider to take legal actions and seek Court’s judgment against this.

Ricky Wong Wai-kay, Chairman of HKTV said, “Given the uncertainties ahead, HKTV has no choice but to suspend the production of new programs. Despite this, we are still confident towards Over-The-Top Internet contents, and will actively explore this business opportunity.”

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Please visit www.hktv.com.hk for more information about HKTV.

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