

No. 1 of THREE ORIGINALS

Sound Broadcasting Licence

Telecommunications Ordinance (Chapter 106)

Wave Media Limited

**Department of Justice
The Hong Kong Special Administrative Region**

Final Draft

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CONDITION

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*Final Draft***1. Grant of licence**

In exercise of the powers conferred by sections 13C and 13D of the Telecommunications Ordinance (Cap. 106) and all the powers enabling him in that behalf, the Chief Executive in Council hereby grants a licence to establish and maintain a broadcasting service to Wave Media Limited (“the Licensee”), a company formed and registered in Hong Kong under the Companies Ordinance (Cap. 32), whose registered office is situated at Level 28, Three Pacific Place, 1 Queen’s Road East, Hong Kong, and as subsequently amended, on the following terms and conditions (“this Licence”).

2. Interpretation

2.1 Save where the contrary intention appears expressly or by necessary implication in this Licence, the following words and expressions shall have the meanings as follows:-

“associate”

bears the meaning given in Schedule 1 to the Broadcasting Ordinance (Cap. 562).

“auditor”

means a professional accountant registered and holding a practising certificate under the Professional Accountants Ordinance (Cap. 50) who is neither an employee of the Licensee or its associate nor a person who is required to devote the whole or substantially the whole of his practice to the affairs of the Licensee or its associate.

“clock-hour”

means a period of 60 minutes beginning on any hour.

“Code of Practice”

bears the meaning given in section 2 (in relation to sound broadcasting) of the Broadcasting Authority Ordinance (Cap. 391).

“day”

means a period of 24 hours beginning at 12:00 midnight.

“director”

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includes any person occupying in relation to a company the position of a director (by whatever name called) and any person in accordance with whose directions or instructions (not being advice given in an independent professional capacity) the directors of that company are accustomed to act.

“Grant Date”

means the date that the Chief Executive in Council approved the granting of this Licence to the Licensee.

“Licence Proposal”

all statements and representations made to the Broadcasting Authority and Government by or on behalf of the Licensee in its application for this Licence, including but not limited to its application letter dated 7 January 2008, and the letters dated 14, 16 and 29 May and 3, 6 and 12 June 2008.

“period of validity”

means a continuous period of 12 years commencing on the Grant Date.

“Service Commencement Date”

means the date that the Licensee commences the provision of a broadcasting service as authorised and required in accordance with this Licence and any law or Ordinance.

“subsidiary company”

bears the meaning given in section 2 of the Companies Ordinance.

“television programme service licensees”

means holders of any licences within the meaning given in section 2 of the Broadcasting Ordinance or any deemed licences within the meaning given in Schedule 8 of the Broadcasting Ordinance.

“Technical Specifications”

means any technical standard and requirement as may be directed or approved by the Chief Executive in Council or the Telecommunications Authority pursuant to this Licence or any law or Ordinance, including but not limited to any subsequent changes to be made to the details of the Transmission Plan specified in Schedule 2.

“week”

means a continuous period of 7 days beginning on a Monday.

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- 2.2 Save where the contrary intention appears expressly or by necessary implication in this Licence, words and expressions used in this Licence shall bear the same meaning, if any, as in the Telecommunications Ordinance and in the Interpretation and General Clauses Ordinance (Cap. 1) and in the event of any conflict or inconsistency between their meanings, the meaning in the Telecommunications Ordinance shall prevail over that in the Interpretation and General Clauses Ordinance.
- 2.3 The interpretation of this Licence shall not be varied, limited or extended by any indexes or headings annexed to or contained in this Licence.
- 2.4 All references herein to an Ordinance, subsidiary legislation, regulation, direction, Code of Practice or any provision thereof include those from time to time in force and those enacted or made (as the case may be) in place or substitution in whole or in part of any other Ordinance, subsidiary legislation, regulation, direction, Code of Practice or provision thereof.
- 2.5 Subject to any express terms or conditions herein, where this Licence requires any act, conduct, matter, issue or thing of the Licensee to be approved, the approval shall not be validly given unless given in writing under the hand of or on behalf of the person giving it.
- 2.6 This Licence shall include the Schedule hereto which shall form and be read as an integral part of this Licence.
- 2.7 In this Licence, save where the contrary intention appears expressly or by necessary implication, words and expressions:-
- (a) which import one gender include the other genders;
 - (b) which import the singular include the plural and vice versa; and
 - (c) extend to their grammatical variations and cognate expressions where those words and expressions are defined herein or by reference to any other definition.
- 2.8 If at any time any terms or conditions of this Licence are or become illegal, invalid or unenforceable in any respect, the legality, validity or enforceability of the remaining provisions shall not in any way be

affected or impaired.

3. Authorisation

This Licence authorises and requires the Licensee:-

- (a) to establish and maintain a broadcasting service in accordance with this Licence and any law and Ordinance from the Service Commencement Date and at all the times thereafter during the period of validity ; and
- (b) to establish and maintain such associated telecommunication apparatus and services incidental to the provision of a broadcasting service under this Licence as may be authorised or directed by the Telecommunications Authority.

4. Licence granted subject to

This Licence is granted subject to:-

- (a) the provisions from time to time in force of the Telecommunications Ordinance, the Broadcasting Authority Ordinance and any Ordinance enacted in place or substitution in whole or in part thereof and all subsidiary legislation, regulations, directions and Codes of Practice made thereunder; and
- (b) the terms and conditions set out in this Licence.

5. Indemnity

The Licensee shall indemnify the Government against any losses, claims, charges, expenses, actions or demands which it may incur or which may be made against it, as the case may be, as a result of or in relation to any breach or alleged breach of or failure or alleged failure to observe or perform the said terms and conditions subject to which this Licence is granted.

6. Period

6.1 Subject to the terms and conditions of this Licence and any law or Ordinance, this Licence shall be valid for the period of validity.

6.2 Pursuant to section 13D of the Telecommunications Ordinance, this Licence shall be subject to review by the Chief Executive in Council on such date or dates after [*exact date to be inserted, six years after the Grant Date] as the Chief Executive may determine by order.

6.3 For the purposes of or in connection with the review referred to in Condition 6.2, account may be taken of, but not limited to the following matters:

- (a) the Licensee's compliance with all relevant statutory requirements, licence conditions and Codes of Practice;
- (b) the prevailing broadcasting policy;
- (c) technological developments such as progress in the further development of digital, Internet and multimedia technologies; and
- (d) the public interest.

6.4 The Broadcasting Authority may conduct any public hearing as it thinks fit for the purposes of or in connection with any review referred to in Condition 6.2.

7. Notice of intent

The Licensee shall indicate in writing its interest (if any) in applying for a further licence to establish and maintain a broadcasting service not less than 24 months (or such shorter period as may be determined by the

Broadcasting Authority) before this Licence may otherwise expire.

8. Principles of broadcasting

- 8.1 The Licensee shall accept that the radio frequency spectrum assigned, or to be assigned from time to time, as the case may be, to the Licensee, is not the property of the Licensee but of the community and being a natural and limited asset the Licensee shall make proper use of it in the best interests of the whole community and the Licensee shall accept that regulation of that use of the radio frequency spectrum is the purpose of this Licence and is necessary and justified because radio programmes go freely into homes and may be readily understood by children and adults.
- 8.2 The Licensee shall:-
- (a) entertain, inform and educate;
 - (b) ensure that its programming is balanced in content and provides an adequate and comprehensive service which is responsive to the diverse needs and aspirations of the community;
 - (c) apply up-to-date technology to perfect the sounds that it broadcasts; and
 - (d) provide the broadcasting service to the general public free of charge.
- 8.3 The Licensee shall comply with all Technical Specifications to the satisfaction of the Telecommunications Authority during the period of validity.

9. Reservation

- 9.1 There is hereby reserved the power to impose during the period of validity of this Licence such further terms and conditions as the Chief Executive in Council may in the public interest specify from time to time and for that purpose the Chief Executive in Council may revoke, vary, limit or extend the terms and conditions of this Licence.
- 9.2 For the purposes of Condition 9.1, the Chief Executive in Council shall

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afford the Licensee a period of at least 14 days but not exceeding one month from the date of a notice in writing to the Licensee to the effect that the Chief Executive in Council is considering an amendment and the nature thereof in order to make representations in writing to the Chief Executive in Council as to why the proposed amendment should not be made or should be modified or qualified and the nature thereof.

- 9.3 In the period referred to in Condition 9.2 and thereafter, the Chief Executive in Council may consult with and receive written recommendations from such persons as he sees fit and the Licensee shall be afforded a period of at least 7 days but not exceeding 14 days to make representations in writing to the Chief Executive in Council on those recommendations.

10. The Broadcasting Authority

Subject to the express terms and provisions of the Telecommunications Ordinance, the Broadcasting Authority Ordinance and this Licence, the Broadcasting Authority shall in its absolute discretion determine, approve, disapprove, hold an opinion or decide any matter, issue or thing which it is requested, permitted or required to determine, approve, disapprove, hold an opinion regarding or decide under this Licence.

11. Licence fee

- 11.1 Subject to the right of the Chief Executive in Council to revise by notice in writing to the Licensee at any time the level of licence fee on the basis of recovery of the reasonable administrative costs of the Government in administering this Licence or otherwise, the Licensee shall pay to the Government a licence fee for the first year beginning with the Service Commencement Date or the second anniversary of the Grant Date, whichever is earlier and such date shall be referred to as the Due Date in this Condition, and for each subsequent year beginning on the anniversary of the Due Date specified as follows:-

- (a) First Year - X
- (b) Second Year - $X \times (1 + \text{GCED for the Second Year})$
- (c) Third Year - $X \times (1 + \text{GCED for the Second Year}) \times (1 +$

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GCED for the Third Year)

- (d) Fourth Year - $X \times (1 + \text{GCED for the Second Year}) \times (1 + \text{GCED for the Third Year}) \times (1 + \text{GCED for the Fourth Year})$
- (e) Fifth Year - $X \times (1 + \text{GCED for the Second Year}) \times (1 + \text{GCED for the Third Year}) \times (1 + \text{GCED for the Fourth Year}) \times (1 + \text{GCED for the Fifth Year})$
- (f) Sixth Year - $X \times (1 + \text{GCED for the Second Year}) \times (1 + \text{GCED for the Third Year}) \times (1 + \text{GCED for the Fourth Year}) \times (1 + \text{GCED for the Fifth Year}) \times (1 + \text{GCED for the Sixth Year})$

and so on for the subsequent years, where $X = \text{HK\$}2,129,774 \times (1 + \text{GCED for 2009})$ if the Due Date falls within 2009, or $\text{HK\$}2,129,774 \times (1 + \text{GCED for 2009}) \times (1 + \text{GCED for 2010})$ if the Due Date falls within 2010.

If on an anniversary of the Due Date, the remaining term of this Licence is less than a year, the licence fee payable in respect of that portion of the period of validity shall be payable on a pro rata basis.

11.2 For the purposes of Condition 11.1,

- (a) the first payment payable following the date on which a notice referred to in Condition 11.1 is issued shall be paid as payment for the First Year referred to therein, and payment for each subsequent year thereafter shall be made accordingly until another notice is issued pursuant to Condition 11.1. For the avoidance of doubt, this Condition shall apply to each notice issued pursuant to Condition 11.1;
- (b) GCED for any year means the forecast movement of the Government Consumption Expenditure Deflator for the year of publication of "Economic Prospects" published by the Government or of any similar Government publications containing the forecast movement of the Government Consumption Expenditure Deflator. For the avoidance of doubt, the formula for calculating GCED for any year of publication (Year N) is as follows:-

"GCED" for Year N =

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$$\frac{\text{Forecast Government Consumption Expenditure for Year N}}{(1+\text{Forecast Growth Rate of Government Consumption Expenditure in Real Terms for Year N})} \times \frac{\text{Preliminary Estimates for Year (N-1)}}{\text{Forecast Government Consumption Expenditure for Year (N-1)}}$$

11.3 The first payment of the licence fee shall be made within 14 days of the Due Date, and thereafter payments of the licence fee shall be made on an annual basis within 14 days of [*a demand in writing by the Government made on or after]the anniversary of the Due Date.

12. Non-assignment

12.1 The Licensee shall not, without the approval of the Chief Executive in Council, assign, share, franchise or permit another the use of, in whole or in part, the rights, powers and privileges granted hereunder or purport to do the same.

12.2 The Licensee shall not delegate any of its duties or responsibilities granted hereunder other than those commonly carried out by independent professional advisers or auditors.

13. Revocation

13.1 Where the Chief Executive in Council considers that there may be cause for revoking this Licence he may direct the Broadcasting Authority to conduct an inquiry and submit recommendations concerning the revocation of this Licence, and, after considering such recommendations and such other information, matter and advice as he may see fit, may revoke this Licence.

13.2 Revocation of this Licence under Condition 13.1 shall take effect subject to the notice required to be given under Condition 13.5.

13.3 Notwithstanding Conditions 13.1 and 13.2, the Chief Executive in Council may at any time revoke this Licence:-

- (a) for failure by the Licensee to pay, within one month after payment thereof has been demanded, any financial penalty imposed on him under the Broadcasting Authority Ordinance;
- (b) if having regard to such of the following as is or are appropriate in the particular case, namely, the number of times this Licence has

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been suspended, the number of financial penalties imposed on the Licensee under the Broadcasting Authority Ordinance since the grant of this Licence, the number of occasions on which, since such grant, the requirements of the Telecommunications Ordinance have, in relation to the Licensee, been contravened, any failure by the Licensee, whether by act or omission, to comply with a term or condition attached to this Licence, or any such failure to comply with any direction or order applicable to the Licensee and given or made by the Broadcasting Authority either under the Broadcasting Authority Ordinance or under a provision of a Code of Practice, he is satisfied that this Licence should be revoked;

(c) if the Licensee:-

- (i) goes into compulsory liquidation or into voluntary liquidation other than for the purpose of amalgamation or reconstruction; or
- (ii) makes any assignment to, or voluntary arrangement with, its creditors;

and such revocation shall take effect forthwith or on such day as the Chief Executive in Council specifies.

13.4 In determining whether to revoke this Licence, the Chief Executive in Council may have regard to the matters to which the Broadcasting Authority had regard under Condition 14.2.

13.5 Where it is decided to revoke this Licence pursuant to Condition 13.1, the Chief Executive in Council shall cause notice in writing of the decision to be given to the Licensee, and the decision shall come into effect on the day specified therein which shall be a day not earlier than the 60th day after the date of the notice.

13.6 Where it is necessary for the due compliance with this Condition the Chief Executive in Council may extend the term of this Licence.

14. Suspension of Licence

14.1 Subject to the provisions of this Condition 14, the Broadcasting

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Authority may suspend this Licence for such period, being a period not exceeding 30 days, as specified in the suspension.

- 14.2 This Licence shall only be suspended under this Condition 14 where, if having regard to such of the following as is or are appropriate in the particular case, namely, the number of financial penalties imposed on the Licensee under the Broadcasting Authority Ordinance since the grant of this Licence, the number of occasions on which, since such grant, the requirements of the Telecommunications Ordinance have, in relation to the Licensee, been contravened, any failure by the Licensee, whether by act or omission, to comply with a term or condition attached to this Licence, or any such failure to comply with any direction or order applicable to the Licensee and given or made by the Broadcasting Authority either under the Broadcasting Authority Ordinance or under a provision of a Code of Practice, the Broadcasting Authority is satisfied that this Licence should be suspended.
- 14.3 The Broadcasting Authority shall not suspend this Licence unless and until it has given to the Licensee notice in writing stating that that Authority has under consideration the suspension of this Licence and the grounds upon which and any other reason why such suspension is being considered and the Broadcasting Authority has considered any representation or objection made to it as regards the proposed suspension.
- 14.4 The notice referred to in Condition 14.3 shall, in addition to stating the matters required by that Condition, state that representations and objections as regards the proposed suspension may be made to the Broadcasting Authority (either orally or in writing or both) during such period (being a period of not less than 28 days beginning on the date of receipt by the Licensee of the notice) as shall be specified in the notice.
- 14.5 Where this Licence is suspended under this Condition 14, the suspension shall not come into force before:-
- (a) in case an appeal is not taken under section 26 of the Broadcasting Authority Ordinance, the expiration of the period during which such an appeal may be taken; or
 - (b) in case such an appeal is taken, the appeal is either withdrawn or determined.

15. Station identification

- 15.1 The Licensee shall, when broadcasting any programmes, including any test or experimental transmissions, transmit a station identification signal as frequently as practicable.
- 15.2 Without prejudice to Condition 15.1, the Licensee shall transmit its station identification signal at least once during each clock-hour of the transmission of its broadcast programmes, unless to do so would cause unreasonable interruption of its broadcast programmes.
- 15.3 The Licensee shall give the Broadcasting Authority not less than 14 days' notice in writing of any proposed change to its station identification signal and shall comply with any direction of that Authority in relation to the signal.
- 15.4 For the purposes of this Licence, "station identification signal" means any aural transmission exclusively for the purpose of identifying the broadcasting service as that of the Licensee and, without prejudice to the generality of the foregoing, not for the promotion of the Licensee's station or programme services.

16. Intellectual property rights

The Licensee shall not do any act or permit any act to be done which is an infringement of any intellectual property right or any other rights (including but not limited to moral rights) which may exist in any published programme or other printed or recorded matter or which is or may be protected under the provision of any enactment for the time being in force or under any other law enforceable in Hong Kong.

17. Language of books and accounts

All the books and accounts of the Licensee shall be written in the English or Chinese language.

18. Number of services, language and hours of service

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- 18.1 The Licensee shall broadcast a 24 hour service each day, using a specific range of transmission frequencies as determined or approved by the Telecommunications Authority from time to time.
- 18.2 In addition to broadcasting its service in Cantonese, the Licensee may under this Licence broadcast in any other languages or dialects provided that broadcast in any non-Cantonese languages and dialects may not exceed in the aggregate 4 hours and 48 minutes on any one day.
- 18.3 Upon application in writing by the Licensee, the Broadcasting Authority may approve arrangements alternative to those in Conditions 18.1 and 18.2.

19. Residential requirement of directors

- 19.1 The Chairman and the managing director (and any person occupying these positions by whatever name called) and the majority of the directors who take an active part in the control of the Licensee shall, unless otherwise approved by the Broadcasting Authority, each be ordinarily resident in Hong Kong and have been so ordinarily resident for one continuous period of at least seven years.
- 19.2 The control and management of the Licensee shall be bona fide exercised within Hong Kong.

20. Licensee to formulate general guidelines

The Licensee shall formulate written guidelines for all employees and agents concerned with the content of programmes and advertising stating the Licensee's principles regarding its responsibilities to the public, with particular reference to its obligations under the Codes of Practice relating to Programme and Advertising Standards and the Licensee shall make these employees and agents aware, and refresh their memory at regular intervals, of the guidelines and the Codes of Practice.

21. Discipline and training

The Licensee shall ensure good discipline and training among its staff as

regards adherence to the Codes of Practice relating to Programme, Advertising and Technical Standards.

22. Comments and complaints

- 22.1 The Licensee shall receive and consider any comment and complaint from or on behalf of any person who believes himself to have been treated unjustly or unfairly in any programme, material or item broadcast by the Licensee or who comments or complains in substance or in form with respect to the whole or part of the content, production, transmission coverage, technical requirements or time of broadcasting of such programme, material or item or of any matter relating thereto, or with respect to the management of the Licensee.
- 22.2 The Licensee shall implement a procedure for dealing with comments and complaints as required from time to time by the Broadcasting Authority.
- 22.3 The Licensee shall keep a complete, accurate and up-to-date record in writing of comments and complaints and submit it to the Broadcasting Authority on a regular basis and on demand. The record shall be retained by the Licensee for not less than 2 years.
- 22.4 The Licensee shall keep a written record of programmes broadcast showing the date and time of broadcasting and shall retain the written scripts (if any) and recordings of all broadcasts for such a period as specified by the Broadcasting Authority and shall submit them to the Broadcasting Authority for examination on demand.

23. News programmes and weather reports

- 23.1 Subject to such alternative arrangements as may be approved from time to time by the Broadcasting Authority, the Licensee shall broadcast in its service each day:
- (a) a minimum of two programmes consisting of comprehensive news bulletins of not less than 10 minutes each between the hours of 12:00 noon and 12:00 midnight; and

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- (b) half-hourly news and weather reports between the hours of 6:00 a.m. and 12:00 midnight and hourly news and weather reports for the remaining hours of broadcasting unless to do so would cause unreasonable interruption of its broadcast programmes.

23.2 In broadcasting any news programmes or reports, the Licensee shall ensure that international and local affairs are treated impartially and broadcast accurately.

24. Weather programmes

24.1 Subject to Condition 24.2, the Licensee may broadcast any weather programme or announcement produced from sources approved by the Broadcasting Authority.

24.2 The Licensee shall, if it is directed to do so by the Broadcasting Authority, broadcast any weather programme or announcement supplied to it by the Government in place of or in addition to any other such programme or announcement produced by the Licensee or any other person.

25. Current affairs programmes

25.1 The Licensee shall broadcast in its service a minimum of 30 minutes in total of current affairs programmes each week between the hours of 8:00 a.m. and 12:00 midnight.

25.2 Upon application in writing by the Licensee, the Broadcasting Authority may approve arrangements for broadcasting current affairs programmes alternative to those in Condition 25.1.

26. Programmes for young persons and senior citizens

26.1 Subject to any directions issued by the Broadcasting Authority:-

- (a) the Licensee shall broadcast in its service a minimum of 10 minutes of programme each week between the hours of 8:00 a.m. and 12:00 midnight which is intended and suitable for the education and proper development of young people in Hong

Kong aged 16 years to 24 years (inclusive) (“Young Persons”);
and

- (b) the Licensee shall broadcast in its service a minimum of 20 minutes of programmes each week between the hours of 8:00 a.m. and 12:00 midnight which is intended and suitable for the particular requirements, including but not limited to the health, financial position or recreation, of senior citizens in Hong Kong over the age of 60 years (“Senior Citizens”).

- 26.2 Upon application in writing by the Licensee, the Broadcasting Authority may approve arrangements for broadcasting programmes for Young Persons or Senior Citizens, or both, alternative to those in Condition 26.1.

27. Arts and culture programmes

- 27.1 Subject to any directions issued by the Broadcasting Authority, the Licensee shall broadcast between 8:00 a.m. and 12:00 midnight in its service a minimum of 20 minutes of programmes each week intended and suitable for promoting the development and appreciation of the literary, performing and visual arts and other topics or activities of cultural value.

- 27.2 Upon application in writing by the Licensee, the Broadcasting Authority may approve arrangements for broadcasting arts and culture programmes alternative to those in Condition 27.1.

28. Announcement in the public interest

The Licensee shall broadcast in its service for periods not exceeding in total one minute in each clock-hour such announcements in the public interest as the Broadcasting Authority may determine.

29. Publicity material of the Broadcasting Authority

- 29.1 The Licensee shall broadcast in its service such publicity material as the Broadcasting Authority may direct in order to promote knowledge and understanding of the activities and functions of that Authority and the

Broadcasting Authority Complaints Committee appointed under section 10 of the Broadcasting Authority Ordinance.

- 29.2 The publicity material referred to in Condition 29.1 may be directed to be broadcast twice daily for not more than one minute in its service between the hours of 6:00 p.m. and 11:00 p.m. subject to a maximum limit of 5 minutes in aggregate each week in its service.

30. Advertising

The Licensee shall monitor and ensure strict compliance with the Codes of Practice relating to Advertising Standards issued by the Broadcasting Authority.

31. Restriction on advertising

The Licensee shall not broadcast on any day advertising material which exceeds in total 12% of the time during which broadcasting takes place on that day.

32. Programme development and capital investment

- 32.1 Unless otherwise approved by the Broadcasting Authority, the Licensee shall implement the Licensee's Proposal.

- 32.2 Unless otherwise approved by the Broadcasting Authority, the Licensee shall comply at all times with the statements (including statements of intention) and representations made by or on its behalf in the Licensee's Proposal.

- 32.3 Unless otherwise approved by the Broadcasting Authority, the Licensee shall make such acquisitions and investments as are necessary in order to:-

- (a) perform all the Licensee's obligations under this Licence including without limitation Conditions 4 and 9; and
- (b) comply with the provisions from time to time in force of the Telecommunications Ordinance, the Broadcasting Authority

Ordinance and any Ordinance enacted in place or substitution in whole or in part thereof and all subsidiary legislation, regulations, directions and Codes of Practice made thereunder.

33. Notices or directions given to the Licensee

- 33.1 Where any consent, notice, direction, authorisation or approval of or from the Chief Executive in Council, the Broadcasting Authority or the Telecommunications Authority is required under this Licence for the doing of any matter or thing by or on behalf of the Licensee, or a notice or notification is required to be given by or on behalf of the Licensee to the Chief Executive in Council, the Broadcasting Authority or the Telecommunications Authority, that consent, notice, direction, authorisation, approval or notification is valid only if given in writing and signed by a person with authority to do so and, subject to Condition 33.2, given before the doing of the said matter or thing in question.
- 33.2 The Chief Executive in Council, the Broadcasting Authority and the Telecommunications Authority may generally or specifically in relation to a particular matter or thing referred to in Condition 33.1 by notice in writing to the Licensee waive the requirement for its or his (as the case may be) consent, notice, direction, authorisation or approval to be given before the doing of the matter or thing in question, provided that no such waiver shall estop the Broadcasting Authority or the Telecommunications Authority from withdrawing the waiver, with prospective effect, in whole or in part, or from requiring that the consent, notice, direction, authorisation or approval (as the case may be), be required timeously in relation to other matters or things.
- 33.3 Without any limitation whatsoever on the rights and powers conferred by Part VI (Powers) of the Interpretation and General Clauses Ordinance, where the Chief Executive in Council, the Broadcasting Authority or the Telecommunications Authority gives any consent, notice, direction, authorisation or approval under this Licence to the Licensee, the same may be:-
- (a) withdrawn, modified or replaced from time to time by the Chief Executive in Council, the Broadcasting Authority or the Telecommunications Authority, as the case may be, in the same circumstances, and with the same effect, as if the withdrawal, modification or replacement were the giving of a consent, notice,

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direction, approval or authorisation under this Licence and the Licensee shall comply therewith;

- (b) given once or from time to time; and
- (c) made subject to such conditions as the Chief Executive in Council, the Broadcasting Authority or the Telecommunications Authority, as the case may be, may impose.

33.4 All references in this Licence to the doing of any matter or thing by the Broadcasting Authority or the Telecommunications Authority include any delegate thereof, or other agents, authorised in that regard by or under any law or Ordinance.

33.5 Any communication in writing moving from the Chief Executive in Council, the Broadcasting Authority or the Telecommunications Authority to the Licensee under this Licence may be validly served or given either by delivering it to a responsible officer or employee of the Licensee at the registered office of the Licensee or its last known place of business in Hong Kong or by forwarding it by registered post to its registered office or last known place of business in Hong Kong.

34. Purchase of lands, buildings, etc.

34.1 Where:-

- (a) notice of non-renewal of this Licence is given under section 13E of the Telecommunications Ordinance; or
- (b) this Licence is or has been, or is to be, revoked or surrendered;

the Chief Executive in Council may direct The Financial Secretary Incorporated to acquire by purchase any lands (which for the purposes of this Condition 34 shall include any licence or option over land), installations, plant and equipment in or over which the Licensee has a right, title or interest and used by the Licensee for the purposes of this Licence.

34.2 Not less than 4 months and not more than 8 months after the giving of notice of non-renewal of this Licence under section 13E of the Telecommunications Ordinance or, where this Licence is or has been, or

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is to be, revoked or surrendered, at any time within 12 months after the giving of the direction under Condition 34.1, The Financial Secretary Incorporated may acquire by purchase such parts of the lands, installations, plant and equipment in which the Licensee has a right, title or interest and used by the Licensee for the purposes of this Licence as may be specified by The Financial Secretary Incorporated.

- 34.3 The consideration to be paid to the Licensee for the right, title or interest in or over the said land, installations, plant and equipment shall be a sum equal to the open market value thereof at the date of non-renewal, revocation or surrender (as the case may be) of this Licence as between a willing buyer and a willing seller but without regard to:-
- (a) loss of profit;
 - (b) goodwill;
 - (c) the right of pre-emption;
 - (d) the cost of raising capital; and
 - (e) all the property being placed on the market at one and the same time.
- 34.4 In the event of the price offered by The Financial Secretary Incorporated being refused, the price shall be determined by arbitration in accordance with the Arbitration Ordinance (Cap. 341) and for the purpose of giving effect to the foregoing, The Financial Secretary Incorporated and the Licensee shall be regarded as having concluded an arbitration agreement (within the meaning of that Ordinance) whose provisions shall be taken to include a provision that the aforesaid price shall, in the absence of agreement, be determined by a single arbitrator.
- 34.5 Where land or any interest in land is purchased under this Condition 34 on the direction of the Chief Executive in Council, The Financial Secretary Incorporated shall, within 1 month after the purchase, register in the Land Registry by memorial a declaration that it has been so purchased.
- 34.6 All property purchased under this Condition 34 on the direction of the Chief Executive in Council shall, as the case may be, vest in The

Financial Secretary Incorporated:-

- (a) upon the expiry of this Licence after notice of a decision not to renew;
- (b) where this Licence is revoked or surrendered, when the revocation or surrender (as the case may be) takes effect or when a price is offered by The Financial Secretary Incorporated, whichever is the later, and thereupon all rights in such property on the part of the Licensee shall cease and determine.

34.7 Nothing in this Condition 34 shall confer on the Licensee any right to require The Financial Secretary Incorporated to purchase any part of its lands, installations, plant or equipment.

34.8 The Licensee shall notify the Broadcasting Authority:-

- (a) of all land in respect of which the Licensee has right, title or interest (as the case may be) as at the Grant Date within 14 days thereafter and within 14 days after the date of each binding agreement entered into by or on behalf of the Licensee to acquire such right, title or interest;
- (b) of all land and interests in land which it uses for the purposes of this Licence within 14 days after the commencement of the use; and
- (c) of all land and interests in land which the Licensee has ceased to have right, title or interest (as the case may be) within 14 days after the date the Licensee ceased to have right, title or interest, or to use (as the case may be), or has ceased to use.

35. Licensee to submit audited accounts

35.1 The Licensee shall submit to the Broadcasting Authority, not later than 6 months after the end of its accounting year, audited accounts prepared in such manner and containing such details as may be approved and required by the Broadcasting Authority.

35.2 Where a company is a subsidiary company of the Licensee, the Licensee

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shall, not later than 6 months after the end of an accounting year of the company, submit, or cause to be submitted, to the Broadcasting Authority a copy of the company's audited accounts for that year.

36. Licensee to submit returns

- 36.1 The Licensee shall submit to the Broadcasting Authority not later than the end of the month of April each year a return in a form specified by it showing the name of each director, whether each is ordinarily resident in Hong Kong and has been so ordinarily resident for a continuous period of at least seven years and such details and evidence in support thereof as the Broadcasting Authority may reasonably require.
- 36.2 Without prejudice to Condition 36.1, the Licensee shall submit to the Broadcasting Authority in a form specified by it a return showing:-
- (a) particulars of every change of or addition to the persons who are directors;
 - (b) whether following the said change or addition, each of the directors is ordinarily resident in Hong Kong and has been so for a continuous period of at least seven years; and
 - (c) such details and evidence in support of the foregoing as the Broadcasting Authority may reasonably require.
- 36.3 Unless otherwise approved by the Broadcasting Authority, the return referred to in Condition 36.2 shall be submitted to the Broadcasting Authority not later than 14 days after the said change or addition.
- 36.4 The Licensee shall submit to the Broadcasting Authority on demand such other information as it may consider that it reasonably requires for the purposes of exercising its functions under the Broadcasting Authority Ordinance.

37. Non-compliance due to acts of God

- 37.1 Subject to Condition 37.2, the Licensee shall be exonerated from observing or performing the terms and conditions of this Licence if and so long as the failure to observe or perform those terms and conditions

shall be directly attributable to any act of God, any riot, civil commotion or disturbance, the restraint of any ruler, any strike, combination of workmen or lockout, any fire, explosion, typhoon, storm, flooding, landslide, subsidence of ground or other catastrophe, any war, blockade or embargo, any breakdown of plant, machinery or equipment not due to the negligence or want of reasonable maintenance on the part of the Licensee, its servants or agents, any commandeering or requisitioning of the Licensee's installations, equipment or facilities or any other interference or circumstance wholly beyond the control of the Licensee.

- 37.2 The Licensee shall, with all due diligence and speed, repair, rebuild, restore, reinstate and take all such actions as may be required to repair, rebuild, restore and reinstate in all respects the broadcasting service in accordance with the terms and conditions of this Licence and resume observing and performing those terms and conditions.

38. Liability of Licensee for contraventions

The Licensee shall be liable for the contravention of:-

- (a) any applicable provision of the Telecommunications Ordinance, the Broadcasting Authority Ordinance, any other relevant Ordinance, subsidiary legislation, regulation, direction, Code of Practice or any provision thereof; and
- (b) subject to Condition 37, any term or condition of this Licence,

where the contravention is due to the act or omission of the directors, officers, employees or agents of the Licensee acting for or on behalf of the Licensee.

39. Saving of rights granted

- 39.1 Notwithstanding anything contained in this Licence, the Licensee shall not in any way whatsoever abrogate or interfere with any of the telecommunications services or off-air broadcasts authorised under the Telecommunications Ordinance or Broadcasting Ordinance.
- 39.2 Nothing in this Licence shall prejudice or affect the right of the Government to establish, extend, maintain or work any

telecommunications, broadcasting or communications services or systems or to receive or distribute broadcast matter or to enter into agreements or grant licences for the establishment, extension, maintenance or working of any such services or systems.

40. Statements made on application binding on the Licensee

Subject to the waiver in writing of the Broadcasting Authority, the Licensee shall comply at all times with the statements and representations made by or on its behalf in the application for the grant of licence submitted by it except in so far as such statements and representations are no longer applicable due to amendment of the laws of Hong Kong relating to the establishment and operation of broadcasting services.

41. Free competition

- 41.1 The Licensee shall not, whether pursuant to an option or right conferred before or after the Grant Date, or otherwise, enter into any agreement or arrangement, or offer any inducement (whether financial or otherwise) to any person, or enforce by way of legal proceedings, arbitration, forfeiture of liquidated damages, adjustment or rebate or charges or otherwise any term or condition, or solicit or permit another to do so, or take or receive the benefit of any such term or condition, which will, or is calculated to, restrict, impede or restrain competition by any person other than the Licensee in relation to the establishment, provision or operation of any service or network for telecommunications in Hong Kong, or broadcasting in Hong Kong in relation to a television programme service licensee or sound broadcasting licensee.
- 41.2 The Licensee shall not contravene Condition 41.1 if it satisfies the Broadcasting Authority that any aforesaid restriction, impediment or restraint is one that is and remains fair and reasonable in reference to the interests of the public in Hong Kong including without limitation the preservation of the freedom from restriction, impediment or restraint of competition protected by that Condition and having regard to the interests of licensees referred to therein and of the Licensee.
- 41.3 Subject to the proviso, Condition 41.1 shall not apply in respect of any aforesaid restriction, impediment or restraint upon:-

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- (a) broadcasting any programme material acquired or produced by or for the Licensee and broadcast by it under this Licence;
- (b) any person from:-
 - (i) disclosing or using any proprietary right vested in the Licensee or other person (including without limitation the disclosure of any information in respect of which there is such a proprietary right);
 - (ii) using or exploiting his artistic talent or ability;
- (c) any employee or former employee of the Licensee who has or had access to information in which the Licensee has a proprietary right from engaging in any business, or being employed by any person, in competition with the Licensee during the period of his employment and for a reasonable period not exceeding 6 months from the date of termination of his employment,

provided that the said restriction, impediment or restraint is not void or unenforceable under any law or Ordinance or would not be void or unenforceable if the proper law governing the restriction, impediment or restraint were that of Hong Kong.

41.4 For the purposes of this Condition 41, without prejudice to the other rights, power and duties of the Broadcasting Authority, that Authority may consult with and seek the views of any person.

42. Publication of Licence

42.1 The Licensee shall make available for inspection by members of the public, free of charge, a true copy of this Licence (other than the Licensee's letter to the Broadcasting Authority referred to in Condition 32.1) at:-

- (a) its registered office or principal place of business; and
- (b) the head office of the Television and Entertainment Licensing Authority.

42.2 The Government may at its own discretion make the terms and conditions of this Licence (other than any commercial confidential information expressly designated as such) publicly available in any manner it thinks fit.

43. Performance bond

43.1 Not later than one month from the Grant Date, the Licensee shall submit to the Broadcasting Authority a duly issued performance bond in favour of Government in the sum of HK\$2 million (“the Bonded Sum”) in the form specified in Schedule 1, to secure the compliance by the Licensee with the condition that the Licensee shall establish and maintain a broadcasting service as authorised and required in this Licence within 24 months from the Grant Date.

43.2 If the Licensee shall wish to change to a different bank for the purpose of the performance bond under this Licence, the Licensee shall give notice with full written details of the proposed replacement bank and replacement performance bond to the Secretary for Commerce and Economic Development on behalf of Government not less than 14 days before the date the change becomes effective.

43.3 Notwithstanding any other conditions of this Licence (including but not limited to the terms and conditions of the performance bond):

- (a) upon failure by the Licensee to provide or maintain a performance bond in accordance with the foregoing provisions of this Condition, , this Licence may be revoked notwithstanding that the Licensee may have embarked on its preparation and performance; and no licence fees or other fees and charges paid or payable by the Licensee before cessation in accordance with this Condition shall be repaid, or cease to be payable, as the case may be;

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- (b) all rights, powers and remedies of and claims by Government under the performance bond lodged by the Licensee pursuant to this Condition, including any replacement thereof, shall be without prejudice to the other rights, powers and remedies of and claims by Government and to the rights, powers and remedies of and claims by the Chief Executive in Council, the Chief Executive, the Broadcasting Authority, the Telecommunications Authority and, without limitation, any other person under any laws or Ordinance; and
 - (c) any replacement performance bond referred to in Condition 43.2 shall be in the form of the performance bond appearing in Schedule 1 save for:
 - (i) the change in particulars of the replacement bank; and
 - (ii) the omission therefrom of any Milestone and Deadline for Compliance in respect of which liability has ceased by reason of either the payment in full of all calls on the performance bond prior to the date the said change of bank becomes effective or the issue of any certificate of completion by Government in respect of the said Milestone and Deadline for Compliance.
- 43.4 The Licensee shall ensure that the Surety referred to in the performance bond, including any replacement performance bond, shall be and remain irrevocably and unconditionally bound to Government and liable for payment of the Bonded Sum a Payable.

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43.5 Once the Broadcasting Authority is satisfied that the Licensee has complied with its obligations in respect of the Milestone and Deadline for Compliance, the Secretary for Commerce and Economic Development on behalf of Government shall, as soon as practicable thereafter but no more than 30 days and in response to a request in writing to that effect from the Licensee, issue in respect thereof a certificate of completion to the Licensee and to the Surety referred to in the performance bond under this Licence or replacement bank referred to in Condition 43.2.

44. Commencement of service

44.1 Unless the Broadcasting Authority otherwise approves or determines, the Licensee shall within 24 months of the Grant Date establish and maintain a broadcasting service as authorized and required in this Licence.

44.2 The Licensee shall notify the Broadcasting Authority of the Service Commencement Date as soon as practicable and in any event not fewer than 30 days in advance of such date.

SCHEDULE 1**FORM OF PERFORMANCE BOND**

BY THIS BOND dated the [] day of [month] and [year]
We [Wave Media Limited] whose registered office is at [Level 28, Three Pacific Place, 1 Queen's Road East] ("the Licensee") and [] whose registered office is at [] ("the Surety") are irrevocably and unconditionally bound to the Broadcasting Authority (together with his successors and assigns) up to the sum of HKD2,000,000.00 (Hong Kong Dollars Two Million Only) subject to the terms and conditions of this Bond and with the Milestone set out in the Annex hereto ("the Annex") for payment of which sum the Licensee and the Surety bind themselves their successors and assigns jointly and severally in accordance with the provisions of this Bond.

WHEREAS

Pursuant to the terms of the Licence, the Licensee agreed to obtain a surety to be bound unto the Broadcasting Authority for the due performance of the Licence by the Licensee.

NOW THE TERMS AND CONDITIONS of this Bond are:

1. Where applicable, words and expressions used in this Bond shall have the meaning assigned to them in the Licence.
2. In the event of default by the Licensee in respect of the Deadline for Compliance with the Milestone set out in the Annex the Surety shall upon demand made by the Broadcasting Authority in writing and without proof or conditions satisfy and discharge the relevant amount of bonded sum (as set out in the Annex) ("the Bonded Sum") provided that the aggregate liability of the Surety under this Bond in respect of any Milestone shall not exceed the Bonded Sum setting opposite to that Milestone as set out in the Annex.
3. The liability of the Surety under this Bond shall not be affected or

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discharged in any way by (and the Surety hereby waives any requirement to give notice in respect of):

- (a) any suspension of the Licence, variation to or amendment of the Licence (including but without limitation to extensions of time for performance) or any concession or waiver by the Broadcasting Authority in respect of the Licensee's obligations under the Licence. Without prejudice to the foregoing and purely on a 'for information basis', the Surety will be notified of any such suspension, variation, amendment, concession or waiver;
 - (b) the cancellation or revocation of the Licence as a result of default by the Licensee under the Licence;
 - (c) any forbearance or waiver of any right or remedy the Broadcasting Authority, the Government of the Hong Kong Special Administrative Region, the Chief Executive in Council or the Chief Executive may have against the Licensee;
 - (d) any act or omission of the Licensee pursuant to any other arrangement with the Broadcasting Authority or with the Surety;
 - (e) subject to clause 4 below, the issue of any certificate of completion by the Secretary for Commerce and Economic Development in respect of the Milestone set out in the Annex.
4. The liability of the Surety under this Bond shall cease on whichever of the following events first occurs:
- (a) payment by the Surety of the Bonded Sum in full to the Broadcasting Authority; or
 - (b) issue of a certificate of completion by the Secretary for Commerce and Economic Development in respect of the Milestone set out in the Annex.
5. The Broadcasting Authority shall be entitled to assign the benefit of this

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Bond at any time without the consent of the Surety or the Licensee being required. Without prejudice to the foregoing and purely on a 'for information basis', the Surety will be notified by the Broadcasting Authority within a reasonable period after any such assignment.

6. This Bond shall expire on the date falling 120 days from the date on which the Milestone is being fulfilled and by such date, any claim hereunder must be received by the Surety in writing.
7. All documents arising out of or in connection with this Bond shall be served:
 - (a) upon the Government, at [2/F Murray Building, Garden Road, Hong Kong] marked for the attention Assistant Secretary for Commerce and Economic Development (Communications and Technology) A1;
 - (b) upon the Broadcasting Authority, at [39/F, Revenue Tower, Gloucester Road, Wanchai, Hong Kong] marked for the attention Assistant Commissioner for Television and Entertainment Licensing (Broadcasting);
 - (c) upon the Surety, at [] Hong Kong. (Note 1) for the attention – [] Department.
8. The Broadcasting Authority and the Surety may change their respective nominated addresses for service of documents to another address in Hong Kong but only by 7 days' prior written notice to each other. All demands and notices must be in writing.
9. This Bond shall be governed by and construed according to the laws for the time being in force in Hong Kong. The Licensee and the Surety agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS whereof this Bond has been executed as a deed on the date first above written.

THE COMMON SEAL of

[]

was affixed hereto in
the presence of :-

Director

Director/Secretary

OR

SIGN, SEALED AND)
DELIVERED (Note 2) for)
and on behalf of and as)
lawful attorney of)
[] under power of)
attorney dated [])
by [])
in the presence of:-)

[Name]

[Occupation]

Notes: (for preparation of but not inclusion in the engrossment of this performance bond)

1. The address for service shall be in Hong Kong.
2. For use where the Licensee or the Surety, whether a firm or limited company,

executes through an attorney.

3. The Licensee must execute the bond as well as the Surety.

Annex to Schedule 1

<i>Milestone</i>	<i>Deadline for Compliance</i>	<i>Bonded Sum Payable</i>
Establishing and maintaining a broadcasting service as authorised and required in this Licence	Unless the Broadcasting Authority otherwise approves or determines, 24 months from the Grant Date	HK\$ 2.0 Million

This Annex shall be read in conjunction with the terms and conditions of the Licence.

SCHEDULE 2**Transmission Plan and technical requirements**

<u>CONDITION</u>	<u>HEADING</u>
1	Broadcasting coverage requirement
2	Transmission plan
3	Radio signals
4	Combined transmitting equipment
5	Interference with other services
6	Compliance with international conventions
7	Common facilities
8	Station power supplies
9	Standard equipment
10	Sufficient spare parts
11	Test equipment

1. Broadcasting coverage requirement

- 1.1 The Licensee shall broadcast to those parts of Hong Kong as specified by the Broadcasting Authority and construct such additional relay stations within such period of time as directed from time to time by the Broadcasting Authority.
- 1.2 For the purpose of Condition 1.1 of this Schedule, “broadcast” means broadcasting in such a manner as to enable the Licensee’s transmissions to be received to the satisfaction of the Broadcasting Authority.
- 1.3 The field strength produced by the transmission of each service operated by the Licensee shall be such that equal facility for the reception of the service operated by any licensees (including the Licensee) in a given area is available to any audience using a suitable receiver and aerial. All transmitters and relay stations operated by the Licensee shall be required to maintain minimum field strengths specified by the Telecommunications Authority within the areas to be served.

2. Transmission plan

- 2.1 Unless otherwise directed or approved by the Broadcasting Authority or the Telecommunications Authority, the Licensee shall be required to transmit its programmes in accordance with the Transmission Plan specified in the Annex to this Schedule.
- 2.2 Without prejudice to any powers, rights, duties or remedies that the Broadcasting Authority or the Telecommunications Authority may have pursuant to this Licence or otherwise, the Transmission Plan referred to in Condition 2.1 of this Schedule may be amended in whole or in part from time to time by the Telecommunications Authority.
- 2.3 The Licensee shall not activate any additional transmitter or associated equipment established after the Service Commencement Date without the approval of the Telecommunications Authority and shall observe such conditions as may be imposed by the Telecommunications Authority regarding the testing and operation of the said equipment.

3. Radio signals

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The transmission system operated by the Licensee shall transmit radio signals in accordance with the characteristics specified in the appropriate Codes of Practice issued by the Broadcasting Authority.

4. Combined transmitting equipment

- 4.1 If required by the Telecommunications Authority, the Licensee shall use, in co-operation with any other licensee or person (including Radio Television Hong Kong and its successor) combined transmitting antenna systems for all transmitter and relay stations from the Service Commencement Date or at a later date specified by the Telecommunications Authority and thereafter shall continue the use without interruption throughout the period of validity of this Licence.
- 4.2 Each of the combined transmitting antenna systems referred to in Condition 4.1 of this Schedule shall comply with Technical Specifications provided by the Telecommunications Authority.
- 4.3 All costs involved in providing any combined transmitting antenna system shall be shared on an equitable and reasonable basis between the Licensee and any other licensee or person (including Radio Television Hong Kong and its successor), as may be determined or approved by the Telecommunications Authority.

5. Interference with other services

- 5.1 The Licensee shall use all of its apparatus and equipment in such a manner as not to cause interference with any authorised or permitted telecommunications, broadcasting or communications services or apparatus operating in or outside Hong Kong.
- 5.2 In order to avoid or remedy any such interference, the Licensee shall comply with all instructions given to it by the Telecommunications Authority in respect of the operation and use of its apparatus and equipment. Pending the implementation by the Licensee of any action or conduct to avoid or remedy any such interference required by and satisfactory to the Telecommunications Authority, the Telecommunications Authority may, if he reasonably considers that such interference is likely to cause injury (including death), loss or damage, order the cessation of the Licensee's transmissions for such a

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period as may be necessary.

- 5.3 Without prejudice to the generality of Conditions 5.1 and 5.2, the Licensee shall coordinate with all existing sound broadcasting service operators including but not limited to the Government and Radio Television Hong Kong, Hong Kong Commercial Broadcasting Company Limited, Metro Broadcast Corporation Limited, and their successors and assigns, for any provision, installation and maintenance of additional facilities at any AM transmitting stations to avoid interference to any existing sound broadcasting service to the satisfaction of the Telecommunications Authority.
- 5.4 The Licensee shall be held responsible for the cost for provision, installation and maintenance of the additional facilities in Condition 5.3.
- 5.5 The Licensee shall liaise in good faith with all the existing sound broadcasting service operators for timely implementation of all engineering work and to avoid any service interruption to the existing AM broadcast. The Licensee shall not commence and implement any engineering work unless it has satisfied the Broadcasting Authority that such work shall not cause any service interruption to the existing AM broadcast.

6. Compliance with international conventions

The Licensee shall to the extent required by the Telecommunications Authority perform and observe the requirements of any international telecommunications convention or agreement dealing with broadcasting or telecommunications which may from time to time be acceded to by or applied to Hong Kong.

7. Common facilities

- 7.1 The Licensee shall allow any other licensee or person (including Radio Television Hong Kong and its successor) to use jointly the common facilities at a particular transmitter or relay station as directed by the Telecommunications Authority.
- 7.2 The facilities referred to in Condition 7.1 of this Schedule shall include

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the transmitting antenna system, tower, building, standby generator and other site amenities as specified by the Telecommunications Authority.

7.3 The Telecommunications Authority may appoint the Licensee, or another licensee or person to maintain the common facilities and the person appointed shall ensure that no licensee (including the Licensee) or person shall have any operational advantages over any other licensee or person.

7.4 All costs involved in the provision and maintenance of the common facilities shall be shared on an equitable and reasonable basis between the Licensee and any other licensee or person, as may be determined or approved by the Telecommunications Authority.

8. Station power supplies

8.1 The Licensee shall provide a standby power supply at all transmitter and relay stations operated by the Licensee for use in the event of disconnection from the public electricity supply systems.

8.2 The standby power supply referred to in Condition 8.1 of this Schedule shall be able to restart the transmission within one minute after disconnection of the public electricity supply and shall be able to maintain normal transmission for at least 48 hours thereafter.

9. Standby equipment

The Licensee shall provide and maintain standby transmitters with automatic changeover devices at all transmitter and relay stations.

10. Sufficient spare parts

The Licensee shall maintain sufficient spare parts in Hong Kong to ensure that any interruption of transmission due to equipment fault shall be avoided or minimised as far as reasonably possible.

11. Test equipment

The Licensee shall maintain and provide such test equipment and operating staff as may be required by the Telecommunications Authority for the purpose of determining compliance with the terms and conditions of this Licence.

12. Digitisation of transmission system

- 12.1 In the event that the Licensee proposes to migrate its transmission system to digital transmission system or to digitalise its service, the Licensee shall submit to the Broadcasting Authority for consideration and recommendation to the Chief Executive in Council a detailed technical proposal of its digitization plan, including but without limitation to a business plan, implementation plan, investment plan, financial information and any other related information which the Broadcasting Authority may require.
- 12.2 The Chief Executive in Council may approve the proposal and impose terms and conditions in his approval which may include without limitation the representation or information made by the Licensee in its submitted proposal, including its amendments, the investment plan and implementation plan.

Annex to Technical Schedule

Transmission Plan:

Location of transmitting station: Peng Chau

Transmission frequency: 810 kHz

Class of emission: A3E

Bandwidth: 20 kHz

Carrier power: 10 kW

Maximum radiation effective monopole radiated power
(EMRP): 10.4 dB (1 kW EMRP)

Granted on [*date]

Clerk to the Executive Council
COUNCIL CHAMBER

Accepted by:.....

Signature:.....

Capacity:.....

Date:.....