

No. TWO of THREE ORIGINALS

Domestic Free Television Programme Service Licence

Broadcasting Ordinance (Cap.562)

Fantastic Television Limited

31 May 2016

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

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FIRST SCHEDULE

SECOND SCHEDULE - FORM OF PERFORMANCE BOND

In exercise of the powers conferred by sections 8(1) and 10(1) of the Broadcasting Ordinance (Cap.562) and all the powers enabling him in that behalf, the Chief Executive in Council hereby grants a domestic free television programme service licence (“Licence”) to Fantastic Television Limited (“Licensee”, which expression shall include its lawful successors and assigns), a company formed and registered under the Companies Ordinance (Cap.622), whose registered office is situated at 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong on the conditions under this Licence.

Interpretation

- 1.1 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 Broadcasting 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 Broadcasting Ordinance shall prevail over that in the Interpretation and General Clauses Ordinance.
- 1.2 The headings and index used in this Licence shall not in any way vary, limit or extend the interpretation of this Licence.
- 1.3 This Licence shall receive such fair, large and liberal construction and interpretation as will best ensure the attainment of its objects according to its true intent, meaning and spirit.
- 1.4 The Schedule(s) hereto, shall form part of this Licence.
- 1.5.1 Save where the contrary intention appears expressly or by necessary implication in this Licence, the following words and expressions mean:

“auditor”	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.
“Code of Practice”	a code of practice which bears the same meaning given in section 2(1) of the Broadcasting Ordinance.
“Commencement Date”	the date on which the period of validity of this Licence commences.
“day”	a period of 24 hours beginning at midnight.
“designated integrated channels”	integrated Chinese channel and integrated English channel.
“digital form”	an arrangement of signals transmitted by telecommunications and represented by digits or similar discrete form as may be authorised or approved by the Communications Authority.

“integrated Chinese channel”	integrated television programme service channel in the Cantonese dialect provided in accordance with Condition 17.4.1 of this Licence.
“integrated English channel”	integrated television programme service channel in the English language provided in accordance with Condition 17.4.1 of this Licence.
“Investment Plan”	an investment plan as approved by the Communications Authority regarding the Licensee’s commitment of capital expenditure and operating expenditure (including programming cost) to be spent on the Service for the period from 31 May 2016 to 30 May 2022, which is contained in a letter dated 12 February 2010 from the Licensee to the Communications Authority, and as may be subsequently updated, revised or modified pursuant to the directions or approvals of the Communications Authority from time to time.

“Licensee’s
Proposal”

all statements and representations (including statements of intention) made to the Communications Authority and the Government by or on behalf of the Licensee in its application for this Licence, including but not limited to its application dated 15 January 2010, the letters dated 8 March 2010, 3 May 2010, 28 July 2010, 19 November 2010, 17 January 2011, 1 March 2011, 27 May 2011, 22 November 2013, 27 January 2014, 10 March 2014, 24 March 2014, 7 May 2014, 2 July 2015, 22 July 2015, 19 August 2015, 11 March 2016, 1 April 2016, 6 April 2016, 7 April 2016, 11 April 2016, 14 April 2016, 19 May 2016 and 24 May 2016, emails dated 28 June 2011, 3 June 2014 and 7 October 2015, the Investment Plan and the updated application dated 6 January 2014.

“period of
validity”

31 May 2016 to 30 May 2028 (both dates inclusive), being the period specified by the Chief Executive in Council in a notice in the Gazette issued pursuant to section 4 of Schedule 4 to the Broadcasting Ordinance or such period as may be renewed or extended pursuant to section 11 of the Broadcasting Ordinance.

“Premises
Ready for
Service”

premises (to be specified by the Licensee and accepted by the Communications Authority) to which the Service is capable of being provided by the Licensee within 28 days after receipt of a request for the Licensee’s Service in writing from:

- (a) the Building Management Office, Incorporated Owners, or owner of the relevant building in which the specified premises are situated; and
- (b) the resident of the specified premises (where applicable),

in which an agreement is obtained from (a) and (b) (where applicable) above for access to the relevant building and the specified premises to carry out any work necessary for the provision or reception of the Service, and in which the equipment necessary for receiving the Service via delivery means designated by the Licensee is made available by (a) or (b).

“Premises
within Network
Reach”

premises (to be specified by the Licensee and accepted by the Communications Authority) in a building, an estate or a village with a main entrance in the external wall thereof not exceeding 10 metres, as measured in a straight line (or such other distance as approved by the Communications Authority), from the nearest part of the network concerned. In the event of there being more than one entrances in the external walls of a building, an estate or a village, and upon request from the Communications Authority, the Licensee shall irrevocably elect by notice in writing to the Communications Authority as to which entrance it will treat as the main entrance for the purpose of this definition.

“relevant Authority”

(a) the Communications Authority in connection with either a condition of this Licence in respect of which the Communications Authority is the regulator or similarly empowered under any law, Ordinance, determination, consent, notice, direction, authorisation or approval; or

(b) the Secretary for Commerce and Economic Development in connection with either a condition of this Licence in respect of which that Secretary is the regulator or similarly empowered under any law, Ordinance, determination, consent, notice, direction, authorisation or approval.

“Service”

the domestic free television programme service, whether transmitted in analogue form or digital form, which the Licensee is authorised and required to provide during the period of validity in accordance with this Licence and any law or Ordinance.

“week” a continuous period of 7 days beginning on a Monday.

1.5.2 The word “person” bears the same meaning as in section 3 of the Interpretation and General Clauses Ordinance and includes “Government”.

1.5.3 The expressions “telecommunications”, “telecommunications installation”, “telecommunications line” and “telecommunications service” bear the same meaning as in the Telecommunications Ordinance (Cap.106).

1.6 In this Licence, save where the contrary intention appears expressly or by necessary implication, words and expressions:

- (a) which import one gender include the two 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.

1.7 If at any time any condition of this Licence is or becomes illegal, invalid or unenforceable in any respect, the legality, validity or enforceability of the remaining conditions shall not in any way be affected or impaired.

1.8 In this Licence, a reference to an Ordinance, whether the word is used by itself or as part of any title to an Ordinance, shall mean the Ordinance for the time being in force as well as any modification or substitution thereof, in whole or in part, and all subsidiary legislation, regulations, directions, codes of practice and instruments made thereunder and for the time being in force.

1.9 In forming an opinion or making a determination, direction or decision under this Licence, the relevant Authority shall:

- (a) only do so on reasonable grounds and having regard to relevant considerations; and
- (b) provide reasons for it in writing.

Terms of Licence

2.1 (a) This Licence authorises and requires the Licensee to provide a Service in accordance with this Licence.

- (b) The Secretary for Commerce and Economic Development may by notice served on the Licensee require the Licensee to provide the Service in digital form in the entirety from a date as specified in the notice, the date being not less than 18 months of the date of the service of the notice.

2.2 Unless the Communications Authority otherwise approves or determines, the Licensee shall commence the provision of the Service in accordance with the time schedule specified in its Licensee's Proposal or within 12 months from the Commencement Date, whichever is earlier.

2.3

The Licensee shall, as soon as practicable and in any event not less than 30 days in advance, notify the Communications Authority in writing of the date on which the Licensee will commence the provision of:

- (a) the Service on the integrated Chinese channel as authorised and required in Condition 17.4.1(a);
- (b) the Service on the integrated English channel as authorised and required in Condition 17.4.1(b); and
- (c) the Service on any television programme service channel as authorised and approved by the Communications Authority under this Licence.

2.4

This Licence is granted subject to:

- (a) the provisions from time to time in force of the Broadcasting Ordinance, the Telecommunications Ordinance, the Communications Authority Ordinance (Cap.616), the Broadcasting (Miscellaneous Provisions) Ordinance (Cap.391) and, including without limitation, any other Ordinance, and any Ordinance enacted in place or substitution in whole or in part thereof and all subsidiary legislation, regulations, technical standards, directions and codes of practice made thereunder; and
- (b) the terms and conditions set out in this Licence, and as any of them may be amended from time to time.

**Commencement
Date and period
of validity of
Licence**

- 3.1 Subject to the terms and conditions of this Licence and any law or Ordinance, this Licence shall be valid for the period of validity.
- 3.2 Pursuant to section 4(2)(b) of Schedule 4 to the Broadcasting Ordinance, this Licence shall be subject to review by the Chief Executive in Council during the period from 31 May 2022 to the date of expiry of the period of validity.

**Power to
amend**

- 4.1 The Chief Executive in Council may, if he considers it is in the public interest to do so, vary this Licence in accordance with the Broadcasting Ordinance.
- 4.2 Without prejudice to the aforesaid, the Chief Executive in Council may vary this Licence with the prior consent in writing of the Licensee at any time and from time to time during the period of validity.

**Saving of rights
granted**

5. This Licence shall not in any way whatsoever abrogate or interfere with any rights, whether exclusive or otherwise, granted under any law or Ordinance to any person other than the Licensee.

Publication of Licence

- 6.1 Subject to Condition 6.3, the Licensee shall make available for inspection by members of the general public, free of charge, a certified true copy of this Licence at:
- (a) its registered office and principal place of business; and
 - (b) the principal office of the Office of the Communications Authority.
- 6.2 The Government or the Communications Authority may in its discretion make this Licence publicly available in any manner it thinks fit, in whole or in part.
- 6.3 For the purposes of Condition 6.1 and without prejudice to Condition 6.2, the Licensee's Proposal may be excluded in the Licensee's discretion.

Notification of place of business

7. The Licensee shall promptly notify the Communications Authority of any change in the address of its registered office or principal place of business, as the case may be.

Prohibition against transfer of Licence

8. This Licence or any interest in this Licence shall not in any way be transferred in whole or in part.

**Directions etc. by
the relevant Authority**

- 9.1 Where any determination, consent, notice, direction, authorisation or approval of or from the relevant Authority is required 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 relevant Authority, that determination, 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 9.2, given before the doing of the said matter or thing in question. If a digital signature is used, it shall be supported by a recognized certificate under the Electronic Transactions Ordinance (Cap.553). For the purpose of this Condition, “digital signature” and “recognized certificate” shall bear the same meaning as in the Electronic Transactions Ordinance.
- 9.2 The relevant Authority may generally or specifically in relation to a particular matter or thing referred to in Condition 9.1 by notice in writing to the Licensee waive the requirement for its or his, as the case may be, determination, 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 relevant Authority from withdrawing the waiver, with prospective effect, in whole or in part, or from requiring that the determination, consent, notice, direction, authorisation or approval, as the case may be, be required timeously in relation to other matters or things.

- 9.3 Without any limitation whatsoever on the rights and powers conferred by any law or Ordinance, where a relevant Authority gives any determination, consent, notice, direction, authorisation or approval to the Licensee, the same may be:
- (a) withdrawn, modified or replaced from time to time by the relevant Authority, in the same circumstances, and with the same effect, as if the withdrawal, modification or replacement were the giving of a determination, consent, notice, direction, authorisation or approval and the Licensee shall comply therewith;
 - (b) given once or from time to time; and
 - (c) made subject to such conditions as the relevant Authority may impose.
- 9.4 All references in this Licence to the doing of any matter or thing by a relevant Authority include any delegates thereof, or other agents, authorised in that regard by or under any law or Ordinance.
- 9.5 Unless otherwise provided by any law or Ordinance, any determination, consent, notice, direction, authorisation or approval moving from the relevant Authority to the Licensee shall be deemed validly served or given if:
- (a) it complies with the manner prescribed in section 40 of the Broadcasting Ordinance;
 - (b) it is dispatched by facsimile transmission to the designated number of the Licensee; or
 - (c) it is delivered by hand to the registered office or principal place of business of the Licensee.

**Licensee to
comply with
statements**

- 10.1 Subject to Condition 10.2, the Licensee shall comply at all material times with the Licensee's Proposal, including but not limited to statements and representations regarding the legal and beneficial interest in the voting control and shares in the Licensee. In the event that any part of the Licensee's Proposal is inconsistent with the conditions of this Licence, any law or Ordinance, the conditions of this Licence, the law and Ordinance shall prevail and the Licensee's Proposal shall be construed accordingly.
- 10.2 The Communications Authority may generally or specifically in relation to a particular statement or representation referred to in Condition 10.1 by notice to the Licensee waive the requirement for the Licensee to comply with the said statement or representation and the proviso referred to in Condition 9.2 shall apply thereto mutatis mutandis.
- 10.3 The Licensee represents and warrants that the Licensee has the right to make use of the information and technology described as available to it in the Licensee's Proposal.
- 10.4 Without prejudice to any statutory and other regulatory requirements regarding the legal and beneficial interest in the voting control and shares in the Licensee and without affecting the generality of Condition 10.1, the Licensee shall inform the Communications Authority about any change and series of changes:
- (a) involving 10% or more of the voting shares in the Licensee; and
 - (b) involving 1% or more of the voting shares in the Licensee of any person who holds 10% or more of the voting shares in the Licensee

within 14 days after:

- (i) the change or series of changes, as the case may be, takes place; or;
- (ii) the Licensee becomes aware of the change or series of changes,

whichever is earlier.

Waiver

11.1 Subject to any law or Ordinance and Condition 11.2, the Communications Authority may by notice to the Licensee waive the requirement for the Licensee to observe or perform any of the conditions of this Licence for such period as the Communications Authority sees fit if and so long as the Licensee satisfies the Communications Authority that the failure to observe or perform those conditions is caused by an unforeseen event which:

- (a) renders it impossible for the Licensee to observe or perform the conditions;
- (b) is not caused or contributed to by the Licensee, or any officer, employee or associate of the Licensee or any other person acting for or on behalf of the Licensee; and
- (c) in respect of which the Licensee has taken all actions as may be required, with due diligence and speed, to observe or perform the conditions of this Licence.

11.2 The Communications Authority may, if it considers that the event referred to in Condition 11.1 has ceased to render it impossible for the Licensee to observe or perform the conditions of this Licence, direct by notice that the waiver given under Condition 11.1 shall cease to have any effect from the date specified in the notice notwithstanding that the period specified in the notice given under Condition 11.1 has not expired, and the Licensee shall (and without prejudice to the Licensee's obligations under this Licence), as soon as practicable and with due diligence and speed, take all actions as may be required to observe or perform the conditions of this Licence.

**Liability of
Licensee for
contraventions**

12. The Licensee shall ensure that the officers, employees and associates of the Licensee, and any other person acting for or on behalf of the Licensee, shall not act or permit any contravention of:

- (a) any provision of the Broadcasting Ordinance, the Telecommunications Ordinance, the Communications Authority Ordinance or the Broadcasting (Miscellaneous Provisions) Ordinance;
- (b) any provision of any Code of Practice; or
- (c) any condition of this Licence,

and shall not be relieved from any liability notwithstanding that the contravention is due to the act or omission of the officers, employees or associates of the Licensee or any other person acting for or on behalf of the Licensee.

Indemnity

13. The Licensee shall indemnify and keep indemnified the Chief Executive, the Government, the Executive Council, the Communications Authority and the Secretary for Commerce and Economic Development against any and all losses, claims, charges, expenses, actions and demands whatsoever which he or it may incur or be subject to, as the case may be, as a result of or in relation to:
- (a) any breach or alleged breach of or failure or alleged failure to observe or perform any condition of this Licence by or on behalf of the Licensee; or
 - (b) any act or omission by or on behalf of the Licensee in the actual or purported operation or performance of the Service or the conditions of this Licence.

Licence fee

- 14.1 The Licensee shall pay to the Communications Authority every year during the period of validity such licence fee in advance as may be prescribed from time to time by regulation made under section 42 of the Broadcasting Ordinance and in accordance with section 13 of Schedule 4 to the Broadcasting Ordinance.
- 14.2 The Licensee shall pay such other fees and charges as may be prescribed from time to time by regulation made under section 42 of the Broadcasting Ordinance and in accordance with section 13 of Schedule 4 to the Broadcasting Ordinance.
- 14.3 In the event of a revocation, surrender or suspension of this Licence, no licence fees or other fees and charges paid or payable by the Licensee before the said revocation, surrender or suspension shall be repaid or cease to be payable, as the case may be.

Investment

- 15.1 Subject to Condition 15.2 and without affecting the generality of Condition 10.1, the Licensee shall implement the Investment Plan and comply at all material times with the statements (including statements of intention) and representations made by or on its behalf in or with reference to the Investment Plan. In the event that any part of the Investment Plan is inconsistent with the conditions of this Licence, any law or Ordinance, the conditions of this Licence, the law and Ordinance shall prevail and the Investment Plan shall be construed accordingly.
- 15.2 The Communications Authority may generally or specifically in relation to a particular statement or representation referred to in Condition 15.1 by notice to the Licensee waive the requirement for the Licensee to comply with the said statement or representation and the proviso referred to in Condition 9.2 shall apply thereto mutatis mutandis.
- 15.3 The Licensee shall submit for approval by the Communications Authority further information and updated Investment Plan, as may be directed by the Communications Authority from time to time, in relation to the provision of new television programme service channels.

- 15.4 Within 3 months from the last day of each accounting year of the Licensee, the Licensee shall submit to the Communications Authority a management report of the Licensee certifying the capital expenditure and operating expenditure (including programming cost) incurred by the Licensee in providing the Service for the preceding accounting year. The management report shall give a true and fair view of the capital expenditure and operating expenditure (including programming cost) so incurred by the Licensee, and shall be approved by the directors of the Licensee and signed on behalf of the board by the chairman of the meeting at which the management report was approved or by the secretary of the Licensee. The Licensee shall explain to the satisfaction of the Communications Authority if the actual annual expenditure deviates from the Investment Plan.
- 15.5 Unless the Communications Authority otherwise approves or determines, the minimum capital and programming expenditure to be incurred by the Licensee in providing the Service shall be as follows:
- (a) not less than HK\$168 million within 18 months from the Commencement Date;
 - (b) not less than HK\$336 million within 30 months from the Commencement Date; and
 - (c) not less than HK\$504 million within 42 months from the Commencement Date.
- 15.6 Without prejudice to any power that the Communications Authority may have, the Licensee shall, as soon as practicable within 2 months from the expiry of each of the periods specified in Conditions 15.5(a), 15.5(b) and 15.5(c), submit a certificate by an auditor certifying that the respective requirements set out in Condition 15.5 have been complied with.

Submission of reports

- 16.1 The Licensee shall submit reports to the Communications Authority on or before 31 March each year on the extent to which the programming commitments in the Licensee's Proposal have been complied with in the previous calendar year ending on 31 December.
- 16.2 The Communications Authority may in its discretion make the reports referred to in Condition 16.1 publicly available in any manner as it thinks fit, in whole or in part.

The provision of a domestic free television programme service

- 17.1 The Licensee shall:
- (a) entertain, inform and educate; and
 - (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.
- 17.2 (a) The Licensee shall at all material times provide the Service in such manner as to enable the Service to be received throughout Hong Kong to the satisfaction of the Communications Authority.

- (b) The Communications Authority may, by notice to the Licensee, exempt the Licensee from complying with Condition 17.2(a) in relation to any parts of Hong Kong specified in the notice and during any period specified in the notice, and the proviso referred to in Condition 9.2 shall apply thereto *mutatis mutandis*.

17.3 The Licensee shall at all material times provide all television programme service channels in accordance with the First Schedule to this Licence.

17.4.1 Unless the Communications Authority otherwise approves under Condition 17.4.2, the Licensee shall:

- (a) within 12 months from the Commencement Date and at all times thereafter, broadcast its Service on one 24-hour integrated Chinese channel each day; and
- (b) within 24 months from the Commencement Date and at all times thereafter, broadcast its Service on the designated integrated channels each day, comprising one 24-hour integrated Chinese channel and one 24-hour integrated English channel,

in accordance with this Licence.

17.4.2 Upon application in writing by the Licensee, the Communications Authority may approve arrangements different from those in Condition 17.4.1. Without the prior written approval of the Communications Authority obtained in accordance with this Condition 17.4.2, the Licensee shall not deviate from any of the arrangements set out in Condition 17.4.1.

17.5.1 Unless the Communications Authority otherwise approves or determines, the Licensee shall attain and maintain the following:

- (a) making its Service available for reception by not less than 1.75 million Premises within Network Reach and not less than 1.75 million Premises Ready for Service within 6 months from the Commencement Date; and
- (b) making its Service available for reception by not less than 2.15 million Premises within Network Reach and not less than 2.15 million Premises Ready for Service within 12 months from the Commencement Date.

17.5.2 The Licensee shall, within 45 days from the expiry of each of the periods specified in Conditions 17.5.1(a) and 17.5.1(b), or such other periods as may otherwise be approved or determined by the Communications Authority, submit to the Communications Authority a certificate by an auditor on the exact number and addresses of Premises within Network Reach and Premises Ready for Service attained and maintained by the Licensee as at the end of the relevant period.

17.5.3 The Licensee shall, within 45 days of each anniversary of the Commencement Date, submit to the Communications Authority a certificate by an auditor on the exact number and addresses of Premises within Network Reach and Premises Ready for Service attained and maintained by the Licensee as at each anniversary of the Commencement Date, unless the same has already been submitted for the relevant period as required under Condition 17.5.2.

- 17.5.4 The Licensee shall, on a half-yearly basis from the Commencement Date, publish the exact number and addresses of the Premises Ready for Service. The Licensee shall publish such information, free of charge, in any reasonable form and manner as the Communications Authority thinks fit.
- 17.6 The Licensee shall ensure that each television programme service channel shall have a television programme service channel identification which, in the opinion of the Communications Authority, is not confusingly similar to any existing channel identification of any television programme service licensed or deemed to be licensed under the Broadcasting Ordinance or of any sound broadcasting licensees licensed under the Telecommunications Ordinance.
- 17.7 The Licensee shall provide the Service to the public in a fair and non-discriminatory manner. The Licensee shall not unduly prefer or discriminate against any person in relation to the provision or reception of the Service, or the supply or use of any ancillary facilities or equipment necessary for the provision or reception of the Service.
- 17.8 The Licensee shall apply up-to-date technology to perfect the sounds and images that it broadcasts.

**Comments,
requests and
complaints**

- 18.1 The Licensee shall receive and consider any comment or complaint from or on behalf of any person who believes himself to have been treated unjustly or unfairly in any material on the Service, or who comments or complains about the whole or part, in substance or in form, of the content, production, service coverage, provision or reception of the Service, technical aspects, or time of viewing of the Service, including without limitation, the quality of the sounds and images that it provides, the service afforded to the complainant, or customer service. The Licensee shall also receive and consider any request from or on behalf of any person for the provision of signal connections for reception of the Service, or any fault report or complaint from or on behalf of any person in relation to such signal connections.
- 18.2 The Licensee shall implement a procedure for dealing with comments, requests and complaints from the public as may be required from time to time by the Communications Authority.
- 18.3 The Licensee shall keep a complete record, in a form and manner approved by the Communications Authority, of comments, requests and complaints received by it and submit the same to the Communications Authority on a regular basis and on demand. The record shall be retained by the Licensee for not less than 2 years.
- 18.4 The Licensee shall comply with directions as may be given by the Communications Authority to publish, in relation to the Service and within such period as may be specified by the Communications Authority in that direction, a summary of any comment, request or complaint referred to in Condition 18.1. The form and content of such summary shall be subject to approval by the Communications Authority.

18.5 The Licensee shall supply recordings of good quality of all material on the television programme service that it provided during such period, and in such form, as the Communications Authority may direct and require for examination.

**Television
programmes,
publicity
material and
announcements
in the public
interest**

19.1 The Licensee shall include in its Service such:

- (a) publicity material in order to promote knowledge and understanding of the activities and functions of the Communications Authority; and
- (b) television programmes and other material in the public interest including but not limited to weather programmes and weather forecasts provided by the Government,

as the Communications Authority may provide or direct and at such time, within such period, on such channel, within or outside such television programmes and in such language or dialect as the Communications Authority may direct.

19.2 The publicity material referred to in Condition 19.1(a) may be directed to be broadcast twice daily for a total of not more than one minute on each or any of the Licensee's television programme service channels 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 on each channel. This publicity material shall not be treated as counting towards the one minute total in Condition 19.3.

19.3 Notwithstanding Condition 19.1, the Licensee shall broadcast on each or any of the Licensee's television programme service channels such announcements as the Communications Authority shall require to be broadcast provided that such announcements shall not exceed one minute in total in any clock hour on each channel.

19.4 For the avoidance of doubt, the Licensee shall not, in the performance of its obligations under Condition 19, be:

- (a) responsible for the content of the material included in the Service; and
- (b) entitled to charge the Communications Authority or the Government.

**Intellectual
property rights**

20. The Licensee shall not do, or permit, any act or conduct in relation to the Service which is an infringement of any intellectual property right, including but not limited to any copyright.

**Books and
accounts to be
in English or
Chinese**

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

Licensee to formulate general guidelines for employees and agents

- 22.1 The Licensee shall formulate written guidelines for all its officers, employees and agents concerned with the content of the Service stating the Licensee's principles regarding its responsibilities to the public, with particular reference to its obligations under the Codes of Practice on programme and advertising standards.
- 22.2 The Licensee shall ensure that all its officers, employees and agents are aware, and shall refresh their memory at reasonably regular intervals, of the guidelines referred to in Condition 22.1 and the Codes of Practice.
- 22.3 For the avoidance of doubt, nothing in Condition 22 shall relieve the Licensee from any obligation or liability to comply with the Codes of Practice.

Discipline and training

23. The Licensee shall ensure good discipline and training among its staff, officers, consultants and contractors, including script-writers, as regards adherence to the Codes of Practice on programme, advertising and technical standards.

Codes of Practice

24. The Licensee shall monitor and ensure strict compliance with the Codes of Practice, and technical standards and directions issued by the Communications Authority.

**Interference
with other
services**

- 25.1 The Licensee shall not use or operate any apparatus or equipment or permit or cause the same to be used or operated in any manner which causes interference with any authorised broadcasting or telecommunications services or apparatus operating in or outside Hong Kong.
- 25.2 In case of any such interference, the Licensee shall comply with all instructions given to it by the Communications Authority in respect of the use and operation of the apparatus and equipment.

**Information to
be provided**

- 26.1 The Licensee shall provide the relevant Authority within the period specified such information as the relevant Authority may properly require.
- 26.2 Without prejudice to the power of the Communications Authority under Condition 26.1, the Licensee shall submit to the Communications Authority not later than 30 April in each year or upon request by the Communications Authority a certified true copy of the latest annual audited accounts of the Licensee prepared by an auditor. The audited accounts to be submitted for an accounting year shall include, without limitation, a reconciliation statement as at the end of the accounting year on the management report submitted by the Licensee under Condition 15.4 during the accounting year and other financial information contained in the audited accounts.

Provision of testing facilities and Service for regulatory purposes

- 27.1 Without prejudice to section 38 of the Broadcasting Ordinance, the Communications Authority may, for the purpose of exercising its functions under this Licence, require the Licensee to demonstrate to it that in establishing, providing or operating any means of telecommunications, telecommunications installation, telecommunications line or telecommunications service, if any, or any equipment, in relation to the Service, the Licensee is not in breach of any law, Ordinance, codes of practice, directions or conditions of this Licence.
- 27.2 For the purpose of Condition 27.1, the Licensee shall provide adequate testing instruments and operating staff.
- 27.3 The relevant Authority may give notice to the Licensee requesting the Licensee to provide within 21 days thereof the Service to the person making the request in order that that person may monitor and regulate the Service, and the Licensee shall comply with the request.
- 27.4 Where the Service is made available to the relevant Authority under Condition 27.3, no restriction on the lawful use or application that the relevant Authority may have in relation to the material provided on the Service shall be imposed on the relevant Authority or the Government.

**Standby
equipment and
spare parts**

28. The Licensee shall provide and maintain adequate standby equipment (including but not limited to spare parts) and staff to ensure that any interruption to the Service under this Licence is avoided or minimised, and that necessary repairs or replacements are made or provided promptly.

**Use of
frequency
channels in in-
building coaxial
cable
distribution
systems**

- 29.1 The Licensee shall seek approval from the Communications Authority for the allocation of frequency channels in any in-building coaxial cable distribution system (“IBCCDS”) and shall comply with technical standards and directions issued by the Communications Authority.
- 29.2 Unless otherwise directed or approved by the Communications Authority, the number of frequency channels that the Licensee may apply for use in any IBCCDS pursuant to Condition 29.1 shall not exceed 2. The number of frequency channels that the Licensee may use in any IBCCDS for the Service shall be subject to the approval of the Communications Authority required under Condition 29.1, the limit stipulated in this Condition 29.2, the availability of vacant channels in any IBCCDS, and the choice of the building residents concerned.

Transmission of Service

30. Save where the contrary intention appears expressly or by necessary implication in this Licence, including the requirement by the Secretary for Commerce and Economic Development to provide the Service in digital form in the entirety under Condition 2.1(b), the Licensee shall employ the means of transmission and the transmission arrangements for the Service as stated in the Licensee's Proposal. The Licensee shall apply to the Communications Authority for approval for any substantial change in the means of transmission or transmission arrangements.

Management of Licensee

31. The Licensee shall ensure that the management of the Licensee shall not be performed by persons other than the directors and principal officers of the Licensee and persons duly authorised by the Licensee.

Performance bond

- 32.1 Not later than 1 month from the Commencement Date, the Licensee shall submit to the Communications Authority a duly issued performance bond in favour of the Government in the sum of HK\$20 million (“Bonded Sum”) in the form and amount specified in a notice in writing of the Chief Executive in Council given pursuant to section 2(3) of the Broadcasting Ordinance, which form is reproduced in the Second Schedule to this Licence, to secure the compliance by the Licensee with certain conditions set out in this Licence and referred to as “Milestones” and “Deadlines for Compliance” in the Annex to the Second Schedule.
- 32.2 If after submission of the duly issued performance bond under Condition 32.1, the Licensee wishes to replace that performance bond with one issued by a different bank, the Licensee shall submit full written details of the proposed replacement bank and replacement performance bond to the Secretary for Commerce and Economic Development on behalf of the Government for approval not less than 14 days before the date the change becomes effective.

32.3

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

- (a) if the Licensee fails to provide or maintain a performance bond in accordance with any provisions in this Condition 32 or the performance bond, or fails to provide to the Communications Authority a certificate by an auditor in accordance with Condition 32.5, 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 refunded or cease to be payable, as the case may be;

- (b) all rights, powers and remedies of and claims by the Government under the performance bond lodged by the Licensee pursuant to this Condition 32, including any replacement thereof, shall be without prejudice to the other rights, powers and remedies of and claims by the Government and to the rights, powers and remedies of and claims by the Chief Executive in Council, the Chief Executive, the Communications Authority and, without limitation, any other person under any laws or Ordinance; and

- (c) any replacement performance bond referred to in Condition 32.2 shall be in the form of the performance bond appearing in the Second Schedule save for:
 - (i) the change in particulars of the replacement bank; and
 - (ii) the omission therefrom of any Milestones and Deadlines 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 the Government in respect of the said Milestones and Deadlines for Compliance.

32.4

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 the Government and liable for payment of the Bonded Sum and each of the Bonded Sums Payable.

32.5

Without prejudice to any power that the Communications Authority may have, the Licensee shall, within 2 months upon completion of each or all of (as the case may be) the Milestones, submit to the Communications Authority a certificate by an auditor to evidence and certify completion of each or all of (as the case may be) the Milestones by the relevant Deadline(s) for Compliance. Once the Communications Authority is satisfied that the Licensee has complied with its obligations in respect of any or all of (as the case may be) the Milestones and Deadline(s) for Compliance set out in the performance bond issued in favour of the Government, the Secretary for Commerce and Economic Development on behalf of the 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 or the replacement bank that has been approved by the Secretary for Commerce and Economic Development on behalf of the Government in accordance with Condition 32.2 (where applicable).

Other requirements

33.

For the avoidance of doubt, the Licensee shall apply for such other licences, permissions, approvals, agreements or grants as may be required under any law or Ordinance if any such licence, permission, approval, agreement or grant is or becomes necessary for or in connection with the provision of the Service.

Granted on 31 May 2016

Clerk to the Executive Council

COUNCIL CHAMBER

Accepted by :

Signature :

Capacity :

Date :

FIRST SCHEDULE

THIS SCHEDULE GOVERNS THE DESIGNATED INTEGRATED CHANNELS OF THE LICENSEE'S SERVICE. IT SHALL FORM AND BE READ AS AN INTEGRAL PART OF THIS LICENCE.

General Provisions

1. Save where the contrary intention appears expressly or by necessary implication in this Schedule, the programme types described in this Schedule shall bear the same meaning, if any, as in the Code of Practice on programme standards and any directions issued by the Communications Authority from time to time, and in the event of any conflict or inconsistency between their meanings, the meaning in the Code of Practice on programme standards shall prevail.

Language of Broadcast

- 2.1 The Licensee shall provide its Service on the designated integrated channels in accordance with Condition 17.4.1 of the Licence.
- 2.2 The Licensee may, with the prior approval in writing of the Communications Authority and subject to such conditions as may be imposed by it, provide the whole or any part of its Service on the designated integrated channels in any other language(s) or dialect(s).
- 2.3 The Licensee may, with the prior approval in writing of the Communications Authority and subject to such conditions as may be imposed by it, provide the whole or part of its Service on the designated integrated channels using one or more accompanying sound channels in one or more language(s) or dialect(s).

Subtitling

- 3.1 The Licensee shall provide subtitling for its Service, as may be directed in writing by the Communications Authority from time to time after consultation with the Licensee.
- 3.2 The Licensee may, with the prior approval in writing of the Communications Authority and subject to such conditions as may be imposed by it, deviate from the requirements in Condition 3.1 of this Schedule.

News Programmes

- 4.1 The Licensee shall provide on each of the designated integrated channels a minimum of two comprehensive news bulletins, each of not less than 15 minutes duration, each evening between the hours of 6:00 p.m. and 12:00 midnight.
- 4.2 Upon application in writing by the Licensee, the Communications Authority may approve alternative arrangements for broadcasting news bulletins referred to in Condition 4.1 of this Schedule.

Documentary Programmes

- 5.1 The Licensee shall provide a minimum of 60 minutes of documentary programmes each week on each of the designated integrated channels between the hours of 6:00 p.m. and 12:00 midnight, of which not less than 30 minutes on the integrated Chinese channel are to be wholly of Hong Kong origin.
- 5.2 For the purposes of this Schedule, “wholly of Hong Kong origin” means programmes:
- (a) produced
 - (i) in substance and in form in Hong Kong; or

(ii) by the Licensee, by any employee of the Licensee, by any company which is a subsidiary of the Licensee within the meaning of section 2(1) of the Broadcasting Ordinance (“Licensee’s Subsidiary”), or by any employee of the Licensee’s Subsidiary, or by any other independent production company engaged by the Licensee in or outside Hong Kong; and

(b) the Communications Authority is satisfied that it is produced primarily for the Hong Kong market.

5.3 For the purposes of Condition 5.1 of this Schedule, programmes other than travelogues and such other subjects as the Communications Authority may determine, may be “documentary” if they are factual and consist wholly or substantially of real events.

5.4 Upon application in writing by the Licensee, the Communications Authority may approve alternative arrangements for broadcasting documentary programmes referred to in Condition 5.1 of this Schedule.

Current Affairs Programmes

6.1 The Licensee shall provide a minimum of 60 minutes of current affairs programmes each week on each of the designated integrated channels between the hours of 6:00 p.m. and 12:00 midnight, of which not less than 30 minutes on each of the designated integrated channels are to be wholly of Hong Kong origin.

6.2 Upon application in writing by the Licensee, the Communications Authority may approve alternative arrangements for broadcasting current affairs programmes referred to in Condition 6.1 of this Schedule.

Children's Programmes

7.1 Subject to the requirements regarding family viewing hours stipulated in the Code of Practice on programme standards and to any directions issued by the Communications Authority, the Licensee shall provide:

- (a) two blocks of programmes intended and suitable for children of different age groups in Hong Kong up to and including the age of 15 years ("children's programmes") of a minimum period of:
 - (i) 30 minutes daily on each of the designated integrated channels between the hours of 4:00 p.m. and 7:00 p.m., of which not less than 30 minutes on the integrated Chinese channel are to be wholly of Hong Kong origin; and
 - (ii) 30 minutes daily on each of the designated integrated channels between the hours of 9:00 a.m. and 7:00 p.m.; and

(b) a minimum of 2 hours of children's programmes with educational values targeting teenagers each week on the integrated English channel between the hours of 5:00 p.m. and 7:00 p.m., which shall count towards the block of children's programmes referred to in Condition 7.1(a)(i) above. Notwithstanding any other provisions in this Licence, English subtitles shall be provided for programmes provided pursuant to this Condition within 6 months from the date of service launch of the integrated English channel and at all times thereafter.

7.2 Upon application in writing by the Licensee, the Communications Authority may by a direction waive or modify the requirements specified in Condition 7.1 of this Schedule in accordance with the terms of the direction.

7.3 Without prejudice to the requirements in Condition 12.2 of this Schedule, the Licensee shall repeat the provision of any or all of the children's programmes referred to in Condition 7.1(a) of this Schedule at such time as may be directed by the Communications Authority from time to time.

7.4 Apart from the repetitions referred to in Condition 7.3 of this Schedule, children's programmes shall not be repeated more frequently than as may be specified in the Code of Practice or directed by the Communications Authority from time to time.

7.5 The Licensee shall inform the Communications Authority in writing of the programme types and transmission schedules for children's programmes 1 week in advance of broadcasting. The Communications Authority may waive the requirement of notification.

Programmes for Young Persons

- 8.1 Subject to the requirements regarding family viewing hours stipulated in the Code of Practice on programme standards and to any directions issued by the Communications Authority, the Licensee shall provide a minimum of 30 minutes of programmes for young persons each week on the integrated Chinese channel between the hours of 8:00 a.m. and 12:00 midnight, which are intended and suitable for the education and proper development of young people in Hong Kong aged 16 years to 24 years (inclusive).
- 8.2 Upon application in writing by the Licensee, the Communications Authority may approve alternative arrangements for broadcasting programmes for young persons referred to in Condition 8.1 of this Schedule.

Programmes for Senior Citizens

- 9.1 Subject to the requirements regarding family viewing hours stipulated in the Code of Practice on programme standards and to any directions issued by the Communications Authority, the Licensee shall provide a minimum of 60 minutes of programmes for senior citizens each week on the integrated Chinese channel between the hours of 8:00 a.m. and 12:00 midnight, which are intended and suitable for the particular requirements of senior citizens in Hong Kong over the age of 60 years in relation (but not necessarily limited) to their well-being.
- 9.2 Upon application in writing by the Licensee, the Communications Authority may approve alternative arrangements for broadcasting programmes for senior citizens referred to in Condition 9.1 of this Schedule.

Arts and Culture Programmes

- 10.1 The Licensee shall provide a minimum of 60 minutes of arts and culture programmes each week on the integrated Chinese channel between the hours of 8:00 a.m. and 12:00 midnight, which are intended and suitable for promoting the development and appreciation of the literary, performing and visual arts or other topics or activities of cultural value, of which not less than 15 minutes are to be wholly of Hong Kong origin.
- 10.2 Upon application in writing by the Licensee, the Communications Authority may approve alternative arrangements for broadcasting arts and culture programmes referred to in Condition 10.1 of this Schedule.

Annual Reports

- 11.1 The Licensee shall submit reports to the Communications Authority on or before 31 March each year on the extent to which the programmes provided in the previous calendar year ending on 31 December pursuant to Conditions 7, 8, 9 and 10 of this Schedule have been able to achieve the respective objectives as set out in the aforesaid Conditions, provided that the Licensee shall not be required to submit any such reports for the year 2016.
- 11.2 The Communications Authority may in its discretion make the reports referred to in Condition 11.1 of this Schedule publicly available in any manner as it thinks fit, in whole or in part.

Obligations of Licensee

- 12.1 Unless otherwise expressly stated in this Licence or directed by the Communications Authority upon application in writing by the Licensee, the obligations and requirements imposed upon the Licensee to provide certain programmes at certain times and for certain periods pursuant to Conditions 4, 5, 6, 7, 8, 9 and 10 of this Schedule shall not be discharged or satisfied to the extent the programmes so provided comprise or include television programmes, publicity material or announcements produced, commissioned or supplied by the Government or the Communications Authority.
- 12.2 Unless otherwise directed by the Communications Authority upon application in writing by the Licensee, the obligations and requirements imposed upon the Licensee to provide certain programmes at certain times and for certain periods pursuant to Conditions 5, 6, 7, 8, 9 and 10 of this Schedule shall be fulfilled only by first-run programmes.
- 12.3 For the purposes of this Schedule, “first-run programme” means a programme that has not previously been broadcast or provided in substantially the same form and content on any of the television programme service channel(s) of the Service.

Programmes for Schools

- 13.1 Pursuant to section 19 of the Broadcasting Ordinance, the Licensee shall include in the Service such programmes for schools supplied by the Government as may be required by the Communications Authority.
- 13.2 The programmes required under Condition 13.1 of this Schedule:
- (a) shall not exceed 4 hours each day unless the Communications Authority otherwise requires by serving upon the Licensee a notice in writing of not less than 30 days; and
 - (b) may be provided as part of the Service on the integrated English channel unless the Communications Authority otherwise requires by serving upon the Licensee a notice in writing of not less than 30 days.

SECOND SCHEDULE

(Section 2(3) of the Broadcasting Ordinance and Condition 32 of the Licence)

FORM OF PERFORMANCE BOND

THIS SCHEDULE TOGETHER WITH ITS ANNEX SHALL FORM AND BE READ AS AN INTEGRAL PART OF THE LICENCE GRANTED TO THE LICENSEE TO PROVIDE A DOMESTIC FREE TELEVISION PROGRAMME SERVICE IN HONG KONG.

BY THIS BOND dated the [] day of [month] and [year] (“this Bond”)

We, Fantastic Television Limited, whose registered office is at [] (“Licensee”), and [], holder of a valid banking licence issued under the Banking Ordinance (Cap.155), whose [registered office] is at [] (“Surety”) are irrevocably and unconditionally bound to the Government of the Hong Kong Special Administrative Region (together with his successors and assigns, “Government”) up to the sum of HK\$20 million (“Bonded Sum”) subject to the terms and conditions of this Bond and in accordance with the Milestones set out in the Annex hereto (“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 Government 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. If, in respect of any Milestone set out in the Annex, the Licensee fails to achieve that Milestone by the Deadline for Compliance set out opposite to that Milestone in the Annex, the Surety shall upon demand made by the Government in writing and without proof or conditions satisfy and discharge the relevant amount of the Bonded Sum Payable set out opposite to that Milestone in the Annex provided that the aggregate liability of the Surety under this Bond in respect of that failure shall not exceed the Bonded Sum Payable set out opposite to the Milestone in the Annex.

3. The liability of the Surety under this Bond shall not be affected or 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 Communications 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;
 - (c) any forbearance or waiver of any right or remedy that the Government, the Chief Executive in Council, the Chief Executive, the Communications Authority or, without limitation, any other person, may have against the Licensee;
 - (d) any act or omission of the Licensee pursuant to any other arrangement with any of the persons referred to in clause 3(c) above or with the Surety; and
 - (e) subject to clause 4 below, the issue of any certificate of completion by the Secretary for Commerce and Economic Development in respect of any 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 Government; or
 - (b) issue of a certificate of completion by the Secretary for Commerce and Economic Development in respect of all of the Milestones set out in the Annex.
- 5.1 This Bond shall remain valid from the date of this Bond until the liability of the Surety under this Bond ceases pursuant to clause 4 above.
- 5.2 In the event that the Licensee wishes to replace this Bond with one issued by a different bank, and the Licensee fails to provide to the satisfaction of the Secretary for Commerce and Economic Development on behalf of the Government a replacement performance bond in the form appearing in the Second Schedule to the Licence by not later than 14 days prior to the proposed date on which the replacement bond becomes effective, the Government shall be entitled, without limitation to any rights it may have under the Licence or any law or Ordinance, to call this Bond up to a maximum amount of the Bonded Sums Payable in respect of the Milestones which have not been performed by submitting its claim in writing at the Surety's counters prior to the proposed date on which the replacement bond becomes effective, and the Surety shall forthwith pay the amount thereof to the Government.

- 5.3 For the avoidance of doubt, the Milestones and Deadlines for Compliance with the Milestones are treated as not having been performed, unless and until a certificate of completion has been issued by the Secretary for Commerce and Economic Development in respect of the respective Milestones and Deadlines for Compliance.
6. The Government shall be entitled to assign the benefit of this 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 Communications Authority within a reasonable period after any such assignment.
7. All documents arising out of or in connection with this Bond shall be served:
- (a) upon the Government at: Commerce and Economic Development Bureau, 22/F, West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong and marked for the attention of “Secretary for Commerce and Economic Development”
- (b) upon the Communications Authority at: 20th floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong and marked for the attention of “Assistant Director (Broadcasting)”
- (c) upon the Surety at:
8. The Government, the Communications 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 the Hong Kong Special Administrative Region. The Licensee and the Surety agree to submit to the non-exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region.

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

THE COMMON SEAL OF)
 [Name of the Surety] was hereunto)
 affixed in the presence of:)

 Witness

Signed, sealed and delivered)
by as attorney)
and agent for and on behalf)
of [Name of the Surety])
pursuant to a Power of Attorney)
dated given)
by [Name of the Surety])
under its Common Seal)

Authorised Signatory:

Signature No.:

THE COMMON SEAL OF)
[Name of the Licensee])
was hereunto affixed)
in the presence of:]

Witness

Signed, sealed and delivered)
by as attorney)
and agent for and on behalf)
of [Name of the Licensee])
pursuant to a Power of Attorney)
dated given)
by [Name of the Licensee])
under its Common Seal)

Authorised Signatory:

Signature No.:

Annex to the Second Schedule

<u>Milestones</u>	<u>Deadlines for Compliance</u>	<u>Bonded Sums Payable</u>
<u>Required roll-out of the Service (Condition 17.4.1 of the Licence)</u>		
1(a) The Licensee shall broadcast its Service on one 24-hour integrated Chinese channel each day.	Unless the Communications Authority otherwise approves or determines, within 12 months from the Commencement Date	HK\$3.34 million
1(b) The Licensee shall broadcast its Service on the designated integrated channels each day, comprising one 24-hour integrated Chinese channel and one 24-hour integrated English channel.	Unless the Communications Authority otherwise approves or determines, within 24 months from the Commencement Date	HK\$3.33 million
<u>Required Premises within Network Reach and Premises Ready for Service (Condition 17.5.1 of the Licence)</u>		
2(a) The Service shall be made available for reception by not less than 1.75 million Premises within Network Reach and not less than 1.75 million Premises Ready for Service.	Unless the Communications Authority otherwise approves or determines, within 6 months from the Commencement Date	HK\$3.34 million
2(b) The Service shall be made available for reception by not less than 2.15 million Premises within Network Reach and not less than 2.15 million Premises Ready for Service.	Unless the Communications Authority otherwise approves or determines, within 12 months from the Commencement Date	HK\$3.33 million
<u>Required capital and programming expenditure (Condition 15.5 of the Licence)</u>		
3(a) The Licensee shall incur not less than HK\$168 million as the capital and programming expenditure for providing the Service.	Unless the Communications Authority otherwise approves or determines, within 18 months from the Commencement Date	HK\$2.22 million

	<u>Milestones</u>	<u>Deadlines for Compliance</u>	<u>Bonded Sums Payable</u>
3(b)	The Licensee shall incur not less than HK\$336 million as the cumulative capital and programming expenditure for providing the Service.	Unless the Communications Authority otherwise approves or determines, within 30 months from the Commencement Date	HK\$2.22 million
3(c)	The Licensee shall incur not less than HK\$504 million as the cumulative capital and programming expenditure for providing the Service.	Unless the Communications Authority otherwise approves or determines, within 42 months from the Commencement Date	HK\$2.22 million

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