

立法會
Legislative Council

LC Paper No. CB(4)1002/12-13
(These minutes have been seen
by the Administration)

Ref : CB4/PL/ITB/1

Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 11 March 2013, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon WONG Yuk-man (Chairman)
Hon James TO Kun-sun
Hon WONG Ting-kwong, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon Steven HO Chun-yin
Hon YIU Si-wing
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon SIN Chung-kai, SBS, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members attending : Hon Alan LEONG Kah-kit, SC
Hon Gary FAN Kwok-wai
Dr Hon KWOK Ka-ki
Hon IP Kin-yuen

Members absent : Dr Hon Elizabeth QUAT, JP (Deputy Chairman)
Hon Emily LAU Wai-hing, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan
Hon MA Fung-kwok, SBS, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP

Public officers attending : Agenda item IV

Miss Susie HO, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Joe WONG, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Aaron LIU
Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Technology)A

Agenda Item V

Miss Susie HO, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Joe WONG, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Ivanhoe CHANG
Principal Assistant Secretary for Commerce &
Economic Development (Communications &
Technology)B

Mr Jerry LIU
Head of Create Hong Kong

Agenda Item VI

Miss Susie HO, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Joe WONG, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Aaron LIU
Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Technology)A

Mr Vincent LIU, JP
Deputy Director-General (Broadcasting)
Office of the Communications Authority

Miss Katy FONG
Assistant Director (Broadcasting)
Office of the Communications Authority

**Attendance by
invitation**

: Agenda item IV

Radio Television Hong Kong

Mr Roy TANG, JP
Director of Broadcasting

Miss Leonia TAI, JP
Deputy Director of Broadcasting (Developments)

Mr TAI Keen-man
Deputy Director of Broadcasting (Programmes)

Agenda Item VI

Digital Broadcasting Corporation Hong Kong
Limited

Mr MAK Yun-sau
President

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (4)3

Staff in attendance : Ms Anki NG
Council Secretary (4)3

Ms Linda MA
Legislative Assistant (4)2

I. Confirmation of minutes of meeting

(LC Paper No. CB(4)442/12-13 -- Minutes of special meeting held on 24 November 2012)

The minutes of the special meeting held on 24 November 2012 was confirmed.

II. Information paper issued since the last meeting

2. Members noted that no paper had been issued since the last meeting held on 4 February 2013.

III. Date of next meeting and items for discussion

(LC Paper No. CB(4)458/12-13(01) -- List of outstanding items for discussion

LC Paper No. CB(4)458/12-13(02) -- List of follow-up actions

LC Paper No. CB(4)458/12-13(03) -- Letter from Hon Claudia MO Man-ching on 18 February 2013
(*Chinese version only*)

LC Paper No. CB(4)458/12-13(04) -- Letter from Hon Claudia MO Man-ching on 27 February 2013
(*Chinese version only*)

Visit to Cyberport

3. The Chairman reminded members that the Panel would conduct a visit to Cyberport on Tuesday, 19 March 2013. He invited members who were interested in the visit to confirm their attendance with the Secretariat as soon as possible.

Letters from Hon Claudia MO

4. Regarding the letters dated 18 and 27 February 2013 from Ms Claudia MO (issued vide LC Papers Nos. CB(4)458/12-13(03) and (04)) to the Panel on issues regarding the television programme "港府傳真" and repeated contraventions by Asia Television Limited in respect of its programmes broadcast on its channels, members agreed that the Secretariat should forward her letters to the Communications Authority for its written response.

(Post-meeting note: The Communications Authority's written responses were issued to members vide LC Papers Nos. CB(4)529/12-13(01) and CB(4)530/12-13(01) on 28 March 2013.)

Letters from Hon SIN Chung-kai and Hon Charles Peter MOK

5. Regarding the letters dated 8 March 2013 from Mr SIN Chung-kai and Mr Charles Peter MOK respectively (tabled at the meeting and issued vide LC Papers Nos. CB(4)479/12-13(02) and (03) on 12 March 2013) to the Panel on issues relating to arrangements for the frequency spectrum in the 1.9–2.2 GHz Band upon expiry of the existing frequency assignments for 3G mobile services, members agreed that the Panel should receive public views on the issue at the next regular Panel meeting.

(Post-meeting note: With the concurrence of the Panel Chairman, the meeting was scheduled to be held on 27 March 2013 at 8:30 am.)

Letter from Hon Charles Peter MOK

6. Regarding the letter from Mr Charles Peter MOK dated 8 March 2013 about the Administration's monitoring of eInclusion's management of funds under the Internet Learning Support Programme ("ILSP"), the Panel agreed that the matter should be discussed under the item "Progress report on digital inclusion" scheduled in the June 2013 meeting.

(Post-meeting note: With the concurrence of the Panel Chairman, a letter was sent to the Administration for an update on eInclusion's management of ILSP funds. The Administration's written response was issued to members vide LC Paper No. CB(4)632/12-13(01) on 8 May 2013.)

Regular Meeting on 5 April 2013

7. Members noted that the next regular Panel meeting would be held on Monday, 5 April 2013, at 8:30 am to discuss the following items:

- (a) Arrangements for the frequency spectrum in the 1.9–2.2 GHz Band upon expiry of the existing frequency assignments for 3G mobile services; and
- (b) Annual report on Cyberport.

(Post-meeting note: To avoid clash with Members' duty visit to the Republic of Korea from 1 to 5 April 2013 and with the concurrence of the Panel Chairman, the next regular meeting was re-scheduled to 27 March 2013 at 8:30 am.)

IV. Radio Television Hong Kong's Community Involvement Broadcasting Service and the role and future of Radio Television Hong Kong

(LC Paper No. CB(4)458/12-13(05) -- Administration's paper on Radio Television Hong Kong's Community Involvement Broadcasting Service and the role and future of Radio Television Hong Kong

LC Paper No. CB(4)458/12-13(06) -- Paper on the role and future of Radio Television Hong Kong and issues relating to Community Involvement in Broadcasting prepared by the Legislative Council Secretariat (background brief)

Presentation by the Administration

8. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") briefed members on the progress of the roll out of the Community Involvement Broadcasting Service ("CIBS") and the role and future of Radio Television Hong Kong ("RTHK"). Details of the briefing were set out in the Administration's paper (LC Paper No. CB(4)458/12-13(05)).

Discussion

Digital Audio Broadcasting and Community Involvement Broadcasting Services

9. Mr WONG Ting-kwong expressed concern about the low take-up rate of RTHK's five Digital Audio Broadcasting ("DAB") channels, which were formally launched on 17 September 2012. He also enquired about the measures taken by the Administration to enhance public interest in purchasing digital radios for DAB services. In response, the Director of Broadcasting ("D of B") said that the RTHK, together with other DAB operators, would add more fill-in stations to improve the transmission of DAB signals, and enhance its publicity effort and promotion strategies to tie in with the progress of the network rollout and take-up rate of the DAB services. RTHK had also enriched the programme contents of the DAB channels by producing new types of programmes, including the audio-books programme which could bring the joy of reading to the listeners and a new programme introducing the natural environment of Hong Kong, featuring the sounds occurring in the natural environment such as birds chirping and twittering.

10. Mr Paul TSE expressed concern about the poor publicity and lack of diversity in RTHK's DAB programmes as well as the limited funding support to applicants participating in CIBS, which were capped at a ceiling of \$7,500 per half-hour programme and \$15,000 per one-hour programme, when compared to the production costs of RTHK programmes. In reply, D of B advised that the ceiling of \$15,000 for one-hour programme under CIBS exceeded by a large measure that for the RTHK programmes which were normally budgeted at \$3,000 to \$5,000 for one-hour programme.

11. Noting that the selection of CIBS programmes would take into account public voting, Mr YIU Si-wing enquired about the measures taken by RTHK to maintain the integrity of the process of selection of these programmes. In response, D of B said that the CIBS Selection Committee

had been established with seven non-official members appointed by D of B. These members comprised three scholars in communications or broadcasting, three experts from different fields drawn from the RTHK Programme Advisory Panel (depending on the designated programme themes for each round of application) and a member familiar with ethnic minority issues. In order to maintain the integrity of the selection process, public voting through the Internet would only account for 25% of the scores in the CIB programme selection.

12. In response to Mr YIU's concern about the possible political inclination towards certain programme themes in the selection process, D of B advised that this could be resolved through diversification of programme themes. RTHK would adopt 11 programme themes for CIBS and each quarter would have three themes, one of which would be dedicated to ethnic minorities. Each CIBS programme would have 13 episodes in one quarter.

Copyright issues

13. Mr Charles Peter MOK raised concern about the copyright issue involved in "Kaleidoscope of Ideas 8" ("8 花齊放") under the RTHK's programme commissioning scheme. Noting that RTHK was the copyright owner of the programme under the scheme, he urged RTHK to review the copyright issue in a flexible manner so as to allow the participants to reuse their creative ideas contributed to these programmes for other purposes. This would also help groom local animation talents and support Hong Kong's creative industry. Deputy Director of Broadcasting (Programmes) responded that RTHK owned the copyright of the programmes under the scheme as these programmes were subsidized by public fund. The Administration would consider reviewing the copyright issues involved and implementing flexible contract terms with the participants in future.

Editorial independence of RTHK

14. Dr KWOK Ka-ki expressed concern about the alleged interference with the editorial independence of RTHK by D of B. He noted from media reports that there was disagreement between D of B and the producers of "City Forum" over the decision of putting empty chairs on the panel to represent absent senior Government officials, and the dispute between D of B and the Acting Assistant Director of Broadcasting (Television and Corporate Businesses), Mr SZE Wing-yuen, over the editorial issues of RTHK programmes, resulting in his not getting promoted. Dr KWOK asked whether these allegations were factually correct.

15. In response, D of B said that the RTHK Charter ("the Charter") promulgated in August 2010 had already enshrined the editorial independence of RTHK and set out the public purposes and mission of RTHK. According to the Charter, D of B was the Editor-in-chief and accountable for editorial decisions taken by RTHK. The allegations of his intervention in editorial matters as reported in the media were totally unfounded. Regarding the issue of putting two empty chairs on a City Forum panel representing the absence of the two guests in an episode about the curriculum of National Education subject, D of B said that the management was not at all concerned whether the decision of RTHK production team might embarrass the guests as the guests should be responsible for their own decision to turn down the RTHK's request for appearance. The management was, on the other hand, more concerned about the three different and contradicting explanations offered by the production team in explaining the absence of the guests, and the subsequent decision to put up empty chairs, which could undermine the credibility and public confidence in RTHK.

16. Mr SIN Chung-kai enquired whether there had been differences in views between D of B and the Programme Meeting on programming issues, and on the criteria adopted in making the decisions on these issues. D of B responded that the Programme Meeting of RTHK, which consisted of directorate-level officers, executive producers and members of production teams, was responsible for making decisions on the programming of RTHK. The meetings were held every Thursday and were conducted in an open and transparent manner. All decisions of the Programme Meeting must be guided by the four editorial principles (i.e. "(a) be accurate and authoritative in the information that it disseminates, (b) be impartial in the views it reflects, and even-handed with all those who seek to express their views via the public service broadcasting platform, (c) be immune from commercial, political and/or other influences and (d) uphold the highest professional standards of journalism") as stated in the Charter and the professional standards as set out in RTHK Producers' Guidelines.

17. Ms Claudia MO queried the reasons for the alleged cancellation of the programme "LegCo Review" and the change of content of the programme "Headliner". She pointed out that D of B's request for the production team to explain how the idea of using Nazi characters in the television show "Headliner" came about, including a chronology of how the idea was initiated and processed, had created "white terror" among RTHK staff.

18. In reply, D of B said that the decision to change the content of the programme "Headliner" by replacing the Nazi characters with characters from the classical Chinese novel "Journey to the West" was made by the

production team. D of B stressed that he was politically neutral as part of the Civil Service team, and the allegation that RTHK staff were forced to undertake political missions was groundless.

19. Mr Albert CHAN opined that D of B should maintain the political and editorial independence of RTHK while making improvements for and bringing changes to RTHK. Sharing a similar view, Mr LEUNG Kwok-hung considered it inappropriate for Mr Roy TANG to serve as D of B as there were conflicts in his dual roles as Editor-in-chief and as a Government official who was required to carry out political missions for the Administration. In reply, D of B said that if a civil servant was under the impression that he was being asked to carry out political missions, the person should lodge a complaint with his supervisor or the Civil Service Bureau in accordance with the Civil Service Code.

20. The Chairman drew members' attention to a letter from Mr James TO dated 11 March 2013 on issues relating to RTHK (tabled at the meeting and subsequently issued to members vide LC Paper No. CB(4)479/12-13(01) on 12 March 2013). Upon the Chairman's request, D of B undertook to provide a written response to Mr TO's letter as well as other comments made by Members at the meeting.

(Post-meeting note: The written response provided by D of B was issued to members vide LC Paper No. CB(4)524/12-13(01) on 26 March 2013.)

Motion moved by Ms Claudia MO

21. Ms Claudia MO proposed the following motion which was seconded by Mr Charles Peter MOK:

"本事務委員會促請政府當局履行承諾，保障香港電台編輯自主權，及不會作出任何形式的政治干預。"

(Translation)

"That this Panel urges the Administration to honour its promise by safeguarding Radio Television Hong Kong's right to editorial independence and abstaining from political interference in any form."

22. The Chairman considered that the proposed motion was directly related to the agenda item under discussion and members agreed that the motion should be dealt with at the meeting. The Chairman put the motion to vote. At the request of Ms Claudia MO, the Chairman ordered a division.

The Chairman announced that of the 11 members who were present and voted, seven members (namely, Mr Paul TSE, Mr LEUNG Kwok-hung, Mr Albert CHAN, Ms Claudia MO, Mr Charles Peter MOK, Mr CHAN Chi-chuen and Mr SIN Chung-kai) voted for the motion, no member voted against the motion and four members (namely, Mr WONG Ting-kwong, Mr Steven HO, Mr YIU Si-wing and Mr Christopher CHUNG) abstained from voting. The Chairman declared that the motion was passed.

(Post-meeting note: The wording of the motion was circulated to members vide LC Paper No. CB(4)480/12-13 on 13 March 2013.)

V. Proposal to inject additional funding into the CreateSmart Initiative

(LC Paper No. CB(4)458/12-13(07) -- Administration's paper on proposal to increase the commitment of the CreateSmart Initiative

LC Paper No. CB(4)458/12-13(08) -- Background brief on the establishment of the CreateSmart Initiative in supporting the development of creative industries)

Presentation by the Administration

23. At the invitation of the Chairman, the Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") briefed members on the proposal to inject an additional \$300 million into the CreateSmart Initiative ("CSI") and to expand the ambit of the CSI to cover the Design-Business Collaboration Scheme ("DBCS"). Details of the briefing were set out in the Administration's paper (LC Paper No. CB(4)458/12-13(07)).

Discussion

Performance and effectiveness of the CreateSmart Initiative

24. Mr Charles Peter MOK declared that that he was a member of the CSI Vetting Committee and expressed support for the Administration's proposal. He expressed disappointment that Create Hong Kong ("CreateHK") had only provided some statistics without giving any qualitative analysis on the effectiveness of the CSI. He enquired about the measures taken to promote

the CSI funding scheme to small and medium sized enterprises ("SMEs"). In response, Head of CreateHK advised that on the qualitative front, CSI's funding support had helped creative industries attain over 38 awards in the past 4.5 years, and the number of SMEs receiving CSI funding support had been on steady increase from 27 in 2009-2010 to over 112 in the first three quarters in 2012-2013. The Administration would continue to promote CSI funding support to SMEs.

25. Referring to Annex 1 to the Administration's paper (LC Paper No. CB(4)458/12-13(07)), Mr CHAN Chi-chuen noted that only 121 out of 269 project applications were approved under the CSI funding scheme. He enquired about the reasons for not approving the remaining projects and the criteria adopted by the Administration for determining the effectiveness of the CSI. In response, Head of CreateHK explained that the reasons for rejecting the unsuccessful projects were mainly due to the inability of the applicants to fulfill the eligibility requirements. These included projects which were not "non-profit making" by nature or involved disproportionate use of committed funds for administrative expenses.

26. Head of CreateHK added that in line with the seven strategic directions formulated in consultation with the Legislative Council and the trades to drive the development of creative industries, the CSI fund projects were approved based on three objectives, namely, nurturing creative talents and start-ups, exploring local and outside markets, and promoting Hong Kong as Asia's creative capital, fostering a creative atmosphere and developing creative clusters. The statistics provided in Annex 1 to the Administration's paper (LC Paper No. CB(4)458/12-13(07)), in particular those relating to nurturing creative talents, were useful references for assessing the effectiveness of CSI.

27. Mrs Regina IP expressed support for the Administration's proposal. On promoting the development of creative industries, Mrs IP enquired about the measures taken to nurture talents and start-ups, in particular on the provision of overseas design training programmes to the young generation. She also opined that the Administration should step up effort in helping the young generation to build their brands with international renown in areas such as fashion design. In reply, Head of CreateHK advised that in 2012, CSI had provided funding support of HK\$500,000 each to two design practitioners to receive a one-year overseas internship training programme under the Hong Kong Young Design Talents Awards. To support training needs, the Awards had been extended to include two additional post-graduate design students for 2012-2013 for a one-year overseas work attachment programme with subsidies of HK\$250,000 each. On international exposure, CSI had been funding 12 fashion designers from eight start-up fashion

companies to participate in the two-week "Paris Fashion Show" in late February 2013 by setting up "pop-up stores" to promote their designs in overseas countries.

28. Mr WONG Ting-kwong expressed support for the Administration's proposal. Referring to Annex 4 to the Administration's paper (LC Paper No. CB(4)458/12-13(07)), Mr WONG noted that CreateHK and other government departments were eligible to apply for funding under CSI, and mainly "non-profit making" and "ultimately self-financing" projects would be granted with CSI funding. He enquired about the rationale for setting those criteria, and whether CreateHK or any government department had been successfully granted with CSI funding since the launch of the scheme.

29. In response, Head of CreateHK advised that the CSI funding scheme was introduced in 2009 for supporting non-profit making programmes that benefitted the whole creative sector. The applicant should normally be a locally registered institution/organization which should not make profit through the CSI funding. CreateHK and other government departments were included as eligible applicants with a view to promoting the development of creative industries. During the past few years, only three or four applications submitted by the Television Division of Radio Television Hong Kong had been successfully approved with funding support to promote the production of documentaries and animation short films. In order to avoid potential role conflict, CreateHK had not made any application for CSI funding since the launch of the scheme.

30. Mr Albert CHAN enquired whether CreateHK could provide information on the number or the names of successful applicants with factories operating in Hong Kong in the past few years. In response, Head of CreateHK advised that applicants were not required to provide the requested information when submitting applications. In this connection, Mr CHAN suggested that applicants be required to provide such information in their applications in future and that priority be given to this category of applicants. As such, he requested the Administration to address this issue in its paper to be submitted to the Finance Committee. The Administration took note of Mr CHAN's suggestions and would revert to the Panel on whether relevant information on successful applicants with factories operating in Hong Kong was available.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)675/12-13(01) on 21 May 2013.)

Design-Business Collaboration Scheme

31. In response to Mrs Regina IP's enquiry about the small amount of fund committed to each applicant under the DBCS, Head of CreateHK advised that the policy objective of DBCS was to promote the interest and investment of SMEs, in particular new start-ups, in relation to utilizing design and transforming design activity into tradable deliverables. The Administration considered it appropriate to set the aggregate funding cap of HK\$100,000 for each applicant for design and branding purposes (excluding prototype making).

32. In response to Mr Paul TSE's enquiry on proportioning the funds between the programmes when DBCS was placed under CSI, Head of CreateHK advised that the Administration proposed to inject HK\$10 million into the DBCS in the coming two years. The funding was provided to each applicant by way of a grant to a maximum of 50% of the total approved project cost or HK\$100,000, whichever was the lower, and the applicant was required to contribute at least 50% of the approved project cost in cash as a matching fund. The applicants' feedback and the operating experience of the DBCS in the past few years indicated that the amount of their design projects were in the range of HK\$30,000 to HK\$50,000.

33. Mr TSE further enquired about the possibility of sharing the profits between the applicants and the Administration to enable the return of funds to further support new applicants under DBCS. In reply, PSCED(CT) advised that as the funding size committed to each applicant under DBCS was small, it would not be appropriate for the Administration to consider sharing the profits with the applicants in view of the administration costs involved. Head of CreateHK added that if necessary, applicants might apply for funding for further support under the Organization Support Programme of the Dedicated Fund for Branding, Upgrading and Domestic Sales administered by the Trade and Industry Department.

34. Mr Albert CHAN urged the Administration to render support to local manufacturing industries and to accord priority to project applicants with factories operating in Hong Kong. Head of CreateHK advised that under the DBCS, the Administration had encouraged SMEs in Hong Kong to manufacture Hong Kong design products, instead of mainly accepting manufacturing orders from overseas. The Administration would continue to encourage and support local SMEs and designers in the development of creative industries.

Other issues

35. To fulfill the Government's policy objective of supporting the development of creative industries, Mr SIN Chung-kai urged the Administration to expedite the issue of additional domestic free television ("TV") programme service licences to the applicants as the new licensees would bring in creative ideas into the TV programmes they produced. In response, PSCED(CT) advised that the Chief Executive in Council was processing the applications for domestic free TV programme service licences. The Administration would continue to promote and support the development of creative industries.

Summing up

36. The Chairman concluded that the Panel supported in principle the Administration's proposal to inject an additional HK\$300 million into the CSI and to expand the ambit of the CSI to cover the DBCS.

VI. Issues relating to the shareholding changes of Digital Broadcasting Corporation Hong Kong Limited

(LC Paper No. CB(4)458/12-13(09) -- Administration's paper on issues relating to the shareholding changes of Digital Broadcasting Corporation Hong Kong Limited

LC Paper No. CB(4)458/12-13(10) -- Background brief on issues relating to the shareholding changes of Digital Broadcasting Corporation Hong Kong Limited)

Presentation by the Administration

37. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") briefed members on issues relating to Digital Broadcasting Corporation Hong Kong Limited ("DBC"). Deputy Director-General (Broadcasting) ("DDG(B)") supplemented on the latest developments relating to the shareholding changes of DBC. Details of the briefings were set out in the Administration's paper (LC Paper No. CB(4)458/12-13(09)).

Discussion

38. Mr Albert CHAN expressed dissatisfaction about the non-attendance of the meeting by Mr Albert CHENG, Founder, former President and Editor-in-chief of DBC and Mr Morris HO, former Chief Executive Officer of DBC. With the benefit of hindsight, he considered that the DBC issue was a business dispute among its shareholders. He criticized Mr Albert CHENG for making false allegations that the decision of some major shareholders not making further investments into DBC was a result of political interference from the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region. It appeared that Mr Albert CHENG had misled the Panel and the public in providing support and assistance to DBC. He also expressed concern about the use of the funds collected by DBC from the public for sponsoring the legal costs for DBC in this dispute, and the likelihood for DBC to be changed to a pro-China broadcaster. In response, Mr MAK Yun-sau, President of DBC ("President/DBC") advised that DBC would maintain its integrity and independence and would invite guests from all walks of life to speak on the programmes.

39. Noting that 40% of the DBC shares owned by Mr Albert CHENG, Mr Morris HO and Mr Ronald ARCULLI had been transferred to Mr WONG Cho-bau, Mr Christopher CHUNG enquired about the current percentage of shareholdings of Mr WONG. DDG(B) advised that DBC currently had five shareholders and Mr WONG was the majority shareholder with 60% of shareholdings of DBC. Mr CHUNG also enquired whether President/DBC was under any political pressure in setting the editorial stance of DBC. President/DBC replied that his duty was to improve the quality of DBC programmes, in particular the political commentaries programmes. He would maintain the independence of DBC and include public views on different issues in these programmes.

(To allow sufficient time for discussion, the Chairman directed the meeting be extended for 15 minutes.)

40. Mr CHAN Chi-chuen expressed disappointment about the non-attendance of the meeting by Mr Albert CHENG and Mr Morris HO. He enquired whether any follow up actions had been taken by the Communications Authority ("CA") seeking an explanation from Mr Albert CHENG on his allegations that there had been political interference into the broadcasting service of DBC. DDG(B) replied that the CA would only take actions against the licensee, not individual shareholders. Noting that 40% of

the shareholdings of DBC had been transferred to Mr WONG Cho-bau, Mr CHAN Chi-chuen enquired whether Mr WONG had fulfilled the statutory requirement of being a "fit and proper person" under the Telecommunications Ordinance (Cap. 106). DDG(B) advised that in deciding whether a person was a "fit and proper person", the matters that the CA would consider included the business record of the person, the record of the person in situations requiring trust and candour, and the criminal record of the person in and outside Hong Kong in respect of offences involving bribery, false accounting, corruption or dishonesty. In approving the application, the CA was satisfied that following the changes in its shareholding structure, DBC would be able to comply with the applicable regulatory requirements.

41. Mr Paul TSE enquired about the criteria for approving the share transfers of DBC by the CA and whether any actions would be taken by the CA given that DBC had apparently failed to resume a full-fledged broadcasting service of seven channels until 28 January 2013. In response, DDG(B) advised that the criteria for approving share transfers of DBC included whether the share transfers would fulfill the applicable statutory requirements on the licensee and the transferee(s), and whether the licensee would continue to provide a broadcasting service in accordance with its licence requirements after the share transfers. DBC was required under its licence to provide seven 24-hour programme channels, including a "Talk-Radio" Channel, an Ethnic Minorities Channel, two Music Channels and three other channels which could be a News and Market Update Channel, Leisure Life Channel, Community Channel or Music Channel. DBC had complied with this requirement since 28 January 2013.

42. Mr LEUNG Kwok-hung enquired about the future of the broadcasting service of DBC. President/DBC advised that DBC had resumed programme service on its channels, one of which was an ethnic minorities channel, and would continue to broadcast programmes of various natures on other channels, in particular commentaries.

43. Mr YIU Si-wing expressed concern about the disruption and cessation of service of DBC in late 2012 and early 2013. He enquired whether the CA would review the current penalties, including financial penalties and suspension of licence under the Broadcasting (Miscellaneous Provisions) Ordinance (Cap. 391). DDG(B) responded that having considered DBC's representations on the latest breaches, the CA took the view that a decision to suspend DBC's licence under the circumstances would cause interruption to DBC's resumed service and would not be in the interest of the listening public. In view of the severity, nature and duration of the latest breaches by DBC, the CA had decided to impose on DBC a financial penalty of \$200,000, which was the maximum amount of financial penalty that might be imposed on the

second occasion a penalty was so imposed on a sound broadcasting licensee. In response to Mr YIU's enquiry about how DBC could ensure that it would continue to provide a stable and continuous sound broadcasting service, President/DBC advised that the shareholders would expect to continue to invest for a couple of years in order to maintain the broadcasting service of DBC, given the latest financial position of DBC.

VII. Any other business

44. There being no other business, the meeting ended at 4:42 pm.

Council Business Division 4
Legislative Council Secretariat
2 October 2013