

Press Release

Broadcasting Authority grants Phoenix a non-domestic television programme service licence

The following is issued on behalf of the Broadcasting Authority:

The Broadcasting Authority (BA) today (May 16) granted a non-domestic television programme service licence to Phoenix Satellite Television Company Limited (Phoenix Satellite) for it to provide a satellite broadcasting service from Hong Kong pursuant to sections 8(2) and 10(2) of the Broadcasting Ordinance (Cap. 562).

The BA had earlier approved in principle to grant Phoenix Satellite the relevant licence. The licence could not commence until the Chief Executive-in-Council granted an approval for nine disqualified persons to exercise control of Asia Television Limited (ATV), by virtue of being controllers of Phoenix Satellite, or associates of Phoenix Satellite or its controllers.

The Chief Executive-in-Council today approved the nine disqualified persons to exercise control of ATV under the Broadcasting Ordinance.

The licence to Phoenix Satellite is valid for a period of 12 years from tomorrow (May 17) to May 16, 2018. With the granting of the licence to Phoenix, there will be 14 non-domestic television programme service licensees in Hong Kong.

Ends/Tuesday, May 16, 2006

Issued at HKT 19:30

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Press Release

Government approves disqualified persons to exercise control of ATV

The Chief Executive-in-Council today (May 16) approved nine disqualified persons (DPs) to exercise control of Asia Television Limited (ATV) under the Broadcasting Ordinance (Cap. 562) with effect from June 2, 2005, but rejected ATV's application for retrospective approval from July 7, 2000 to June 1, 2005.

The nine persons, including individuals and intermediary companies, have become DPs from various dates since May 12, 2000 by virtue of being controllers of Hong Kong Phoenix Weekly Magazine Limited, or associates of the company or its controllers. The company is a proprietor of "Phoenix Weekly" magazine produced in Hong Kong but primarily distributed in the Mainland.

The same nine persons are also controllers of Phoenix Satellite Television Company Limited, or associates of the company or its controllers. The company has applied for a non-domestic television programme service licence, and these nine persons will become DPs when the company becomes a holder of the licence under application. The Broadcasting Authority (BA) has already approved in principle to grant the licence to the company, but the licence will not commence operation until the Chief Executive-in-Council grants an approval for the nine DPs to exercise control of ATV.

ATV is the holder of a domestic free television programme service licence under the Broadcasting Ordinance. Under the Ordinance, a person shall not exercise control of a domestic free television programme service licensee if he is a DP, unless the Chief Executive-in-Council approves otherwise in the public interest. A DP includes another broadcasting licensee, an advertising agency and a proprietor of a newspaper printed or produced in Hong Kong, as well as their controllers and associates. The Chief Executive-in-Council will take account of, but not be limited to, the following four factors when considering the application:

- (a) the effect on competition in the relevant service market;
- (b) the extent to which viewers will be offered more diversified television programme choices;
- (c) the impact on the development of the broadcasting industry; and
- (d) the overall benefits to the economy.

The Government has assessed the application and considers that the approval would allow Phoenix Satellite, a well-established regional broadcaster, to join Hong Kong's family of TV licensees, thereby reinforcing Hong Kong's position as a regional broadcasting and media hub. The approval would also bring benefit to Hong Kong's economy through Phoenix Satellite's plan to expand its regional satellite TV business based in Hong Kong.

The Government has also assessed ATV's application for retrospective approval for the nine DPs to exercise control of ATV from July 7, 2000 to June 1, 2005. The Government considered that ATV's contravention for a prolonged period reflects the lack of due diligence of its management and no retrospective approval should be granted for the said period. The BA will consider an appropriate regulatory sanction under the Ordinance against ATV's contravention during this period.

For the period from May 12, 2000 to July 6, 2000 when the repealed Television Ordinance was in force, retrospective approval cannot be given now for the DPs to exercise control of ATV. The BA has already issued a warning to ATV against its contravention during this period.

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